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Schuyler Center
for Analysis and Advocacy

Testimony before the Joint Fiscal Committees
on the SFY 2017-18 Executive Budget
Human Services Budget Hearing
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Submitted by
Dede Hill, Director of Policy
Schuyler Center for Analysis and Advocacy

The Schuyler Center would like to thank the chairs and members of the respective committees for the opportunity to submit testimony on the 2017-18 New York State Executive Budget. The Schuyler Center is a 145-year-old statewide, nonprofit organization dedicated to providing policy analysis and advocacy in support of public systems that focus on people in need. The Schuyler Center often works in areas that fall between multiple systems including health, welfare, human services, and early care and learning.

Schuyler Center leads and participates in several coalitions focused on children and families and we convene a statewide workgroup on maternal, infant, and early childhood home visiting, which brings together State agencies, providers and advocates to strengthen coordination between and access to important dual-generation interventions. For more about Schuyler Center and our work, please visit our website www.scaany.org.

Thank you for this opportunity to provide testimony.

OVERVIEW

Recent years have brought significant erosion in State support for children and families who are in or at-risk for entering the child welfare system. Meanwhile, poverty is taking its toll on our state's children and families. Nearly one-quarter of New York families live in poverty, and hundreds of thousands more live in near-poverty. While New York's economy is experiencing steady growth, its child poverty rate remains stubbornly high, with nearly 22% of New York children living below the federal poverty line (FPL) and 43% living below 200% of the FPL.[1] New York children of color experience poverty at even greater rates, with 32% of African American children and 34% of Latino children living below the FPL, and 58% of African America children and 61% of Latino children living at 200% of FPL.[2]

The Governor's budget mainly flat-funds or cuts programs that support and strengthen these families. The budget includes some important programs to aid middle class families whose incomes have not kept pace with rising child care, college, and health care costs, including a landmark proposal to make SUNY and CUNY tuition-free for middle class students, and a small tax credit increase for middle class families with children and other dependents in care.

Yet, the Governor's budget proposes no new funds for child care subsidies for low-income families, leaving 83% of those families on their own to cover child care costs, which can exceed $10,000 per child per year. Nor does the proposed tax credit enhancement cover them. The budget also contains significant cuts to child welfare services both directly, and by shifting costs to counties without providing counties with new funds. This is of significant concern in light of a recent federal report finding that New York ranks behind most other states on important child welfare outcomes.

This underinvestment in low-income families is particularly worrisome given that the President and Congress have pledged to make significant changes to critical federal health and human services programs that serve low-income families and children, which will leave low-income New Yorkers worse off financially, and more reliant than ever on the State for social services supports. And, many of New York's low-income families are immigrants and people of color—among the groups that feel most under attack by the new administration, and to whom the Governor has pledged New York to be a safe haven.

We urge the Governor and Legislature to fulfill their promise to protect and support all New Yorkers, and work together to arrive at a final budget that contains substantial new investments in programs proven to strengthen families; improve child developmental, health, and educational outcomes; keep children safe; and enhance family economic security. However, these funds cannot and should not be pulled from the limited and insufficient pool of funds allocated to human services—which would result in the defunding of one set of critical social services programs to fund other critical services. With so many forces trying to divide us, it is essential that New York State shore up its state social services programs for all, not play one against the other.

This extraordinary political moment has left tens of thousands of New Yorkers living in real fear of persecution for their religious beliefs; of being torn from their families by deportation; and of having the health, economic and social supports upon which they rely suddenly kicked out from under them. It calls for creative policymaking and bold leadership. With the Governor's important proposal to extend the Millionaires' tax, there is simply no reason to starve these critical services. It is time to raise or eliminate the self-imposed 2% spending cap to allow New York to make overdue human infrastructure investments while it is trying to make up for under-investment in many areas of physical infrastructure. This will allow the Governor and Legislature to arrive at a final Budget that makes new, significant investments to programs that support and protect New York's low-income and other disenfranchised families and children.

EARLY CARE AND LEARNING

It is widely recognized that the earliest years of a child's life are extremely important for health, development and learning that can last a lifetime. A strong early start is a major predictor of future success and is particularly important to mitigate disparities in health, education and other long-term outcomes.[3]

SUBSTANTIALLY INCREASE INVESTMENT IN CHILD CARE SUBSIDIES TO REACH MORE FAMILIES

It is not hyperbole to say that the State is experiencing a child care crisis. Currently, the State provides subsidies for child care to only 17% of New York families with income 200% or less of the federal poverty level ($38,180 for a family of three). Child care in New York State is now the most expensive in the nation, costing as much as $14,000 per child per year, and the costs of securing quality care continue to rise. For low-income working families, the cost and shortage of subsidies essentially nullifies the promise of greater economic security that last year's historic minimum wage hike promised. Currently, a family of three headed by two minimum wage earners outside of NYC earns just $40,352. While this family is technically eligible for a subsidy, shortages would prevent them from receiving a subsidy in most, if not all counties. It is hard to fathom how this family could manage even a $10,000 a year child care bill.

The Governor's proposal does nothing to address this crisis. It proposes to flat-fund subsidies at $806 million, and proposes a modest enhancement to the child and dependent tax credit that will give middle class families an average additional credit of $187 a year and NO additional credit to families making less than $50,000. This means that, at a minimum, 83% of low-income families will continue to receive no subsidies or other new child care assistances and, with rising costs, the number of eligible families being denied subsidies would likely increase.

Of further concern, the Executive Budget would require counties to draw $27 million for subsidy dollars from federal Title XX funds, which counties currently use at their discretion to fund certain county social services, including senior and child welfare services. This would force counties to defund social services critical to the well-being of children, families, seniors and other vulnerable populations, to maintain level funding for child care subsidies, another essential support for children and families.

And, the Executive Budget contains no additional funding to cover new federal requirements enacted under the federal Child Care and Development Block Grant (CCDBG) Act of 2014. The estimated cost to implement the first phase of requirements, which include important safeguards like criminal background checks and health and safety training, is $56 million. Should the State be required to implement some of the new CCDBG rules, the percentage of eligible families receiving subsidies will dip even further.

Finally, the Executive Budget includes only $5 million in new funds for Pre-K. Underinvestment in Pre-K has a ripple effect on child care because more than half of Pre-K services are offered in community-based settings. This strategy is effective in that it leverages existing resources, and better serves the State's working families who often need extended hours and year-round care. Many also serve infants and toddlers, creating the capacity to build a system of stable, continuous care and learning that experts say can most benefit young children. However, an under-investment in Pre-K can mean the closure of community child care providers, resulting in fewer child care providers. So, too, underinvestment in child care subsidies can have the same effect on Pre-K, making it harder for districts to find suitable settings for Pre-K programs. We urge robust investment in both child care and Pre-K to provide a continuum of quality care and learning for New York's children and families.

Schuyler Center urges the Legislature to support an additional investment of $100 million in child care subsidy funding in the 2017-18 State Budget to restore subsidies lost due to escalating costs and increase the number of children served. We also urge the Legislature to restore the State's $27 million of general fund support for child care, leaving counties to continue to use their Title XX discretionary funds to support other vital social services programs.

EXPAND AND STRENGTHEN EVIDENCE-BASED MATERNAL, INFANT AND EARLY CHILDHOOD HOME VISITING

Maternal, infant and early childhood home visiting is recognized in New York and across the nation as a uniquely effective approach to family strengthening, with myriad benefits to children and families' health, well-being and economic security. Home visiting has been proven to improve birth outcomes of mothers in home visiting programs;[4] increase high school graduation rates for children who received home visiting services while young;[5] increase workforce participation and lower rates of welfare dependency of parents participating in home visiting;[6] and reduce instances of child maltreatment in participating families.[7, 8] And, home visiting has been proven to be a cost-effective intervention that not only requires little in immediate expenditures, but also yields tremendous savings over the lifetime of children in the form of lower health care costs and improved earnings as adults.[9]

Yet, New York State has for years failed to make a substantial investment in these programs. As a result, less than five percent of New York children ages 0 to 5 living in poverty live in communities with access to any home visiting programs. Unfortunately, this year's Executive Budget proposes to continue to underinvest in these proven programs.

Funding for the Healthy Families NY (HFNY) program has been held at $23.3 million for the past nine years and the Executive Budget continues that funding level for another year. Continued flat funding is resulting in an erosion of services and staff reductions at home visiting programs that have either not been able to keep up with cost increases or have suffered because of funding instability. An additional appropriation of $4.5 million will stabilize and increase capacity at existing sites and provide needed workforce development and service enhancement (mental health, fatherhood initiatives and community coordination). It will also allow for some additional expansion to unserved areas.

The Executive Budget continues the $3 million in funding for the Nurse-Family Partnership (NFP) program that was included in last year's budget proposal. NFP serves 11 counties across the state, including parts of New York City. It is a program that gets results: stronger, healthier moms; healthier kids; and long-term savings to localities and the State in health, social service and even criminal justice costs. Flat funding makes it harder for programs to continue offering existing services and precludes expanding services to reach even more families.

Because each program approaches home visitation with a specific focus and specific enrollment criteria, no one program can individually meet all the needs present in a community. Instead, the programs work together to ensure that all families who need services have access to the program or programs that are most appropriate for each family. Investing in home visiting programs can strengthen New York's families and save the State in health, education and social services spending down the road.

In addition to HFNY and NFP, there are other successful home visiting models that support and strengthen families. The Executive Budget does not include funding for other evidence-based home visiting programs, such as Parents as Teachers or for promising practice programs such as the Parent-Child Home Program. Both of these programs operate in New York but need State funding to expand existing services and eliminate waiting lists.

The Schuyler Center coordinates the statewide Home Visiting Workgroup, composed of child welfare, health and education advocates, and home visiting programs. This year the evidence-based home visiting models came together to develop a joint request for funding that would enable additional investments in proven home visiting programs.

Schuyler Center urges the Legislature to increase State investment in home visiting to $36.3 million to maintain existing programs and expand services to more families.

Specifically, to support home visiting programs and infrastructure, we request the following investments:

- *Healthy Families New York (HFNY):*
  - ***Maintain $23.3 million in funding.***
  - ***Add $4.5 million in new funding** to restore the program to 2008 funding levels ($3.5 million), expand services to unserved areas ($700,000) and support a currently un-funded site ($300,000).*
- *Nurse-Family Partnership (NFP):*
  - ***Maintain $3 million in funding.***
  - ***Add $3 million** to preserve current program sites ($500,000) as well as to support growth in new communities and/or expand existing teams ($2.5 million), such as 75 family slots in the greater NYC area and 375 family slots in upstate counties.*
- *Parents as Teachers (PAT):*
  - ***Add $491,000** to expand services to families in Broome, Chautauqua, and Westchester Counties, supporting services for an additional 120 families and initiating a local, quasi-experimental outcomes study. The total commitment for this project over three years is $1.4 million.*
- *Parent-Child Home Program, Inc.:*
  - ***Add $2 million** in new funding to expand capacity to 300 additional families across the state.*

CHILD WELFARE

The child welfare system serves some of the State's most vulnerable children and their families. The system includes the Statewide Central Register (SCR), child protective services, foster care, adoption and post-adoption. The responsibilities placed upon the child welfare system are enormous and profound, and adequate resources are required if the system is to fulfill them.

The Governor's proposed budget would make significant cuts to the child welfare services that will negatively impact protective, preventive and foster care services provided by child welfare agencies, potentially leaving children at risk of injury or death, or deprived of the services they need to thrive. These proposed cuts seem particularly unwise given recent tragic fatalities of children under State care, the State's call for a monitor to be appointed to oversee New York City's child welfare system, and last week's release of a federal report (the Child and Family Services Review) finding New York to rank near the bottom nationally on a number of child welfare safety and permanency measures.

REAUTHORIZE CHILD WELFARE FINANCING SO THAT THE FOSTER CARE BLOCK GRANT REMAINS WHOLE, PREVENTIVE FUNDING REMAINS OPEN-ENDED AND INVESTMENTS ARE MADE IN PRIMARY PREVENTION

The best way to help families is to prevent child abuse and neglect by strengthening and supporting families so that children can remain safely in their homes. For those children who must come into foster care, we must have a system that provides high-quality services to children and parents and is able to promote permanency expeditiously. As the mechanisms that fund the

State's child welfare systems must be reauthorized this year, it is essential that funding remain intact so that counties have the capability to continue serving children and families.

- **Maintain Funding for the Foster Care Block Grant.**
  The Executive Budget proposes to cut the Foster Care Block Grant by $62 million, with $23 million targeted solely at New York City, eliminating State reimbursement for tuition costs for children in residential facilities, and the remaining $39 million in statewide cuts, as a reduction in the State's share of funding for foster care. Counties' child welfare systems already operate on tight budgets, leaving them to carry out one of the most sensitive and important government functions—investigating cases of child abuse and assuming custody for those children unsafe in their parents' care. The proposed State cuts to foster care, a mandated service, will negatively impact child welfare agencies as they seek to keep children safe despite a significant reduction in resources. Agencies will be forced to make impossible choices regarding which critical service, such as prevention, will be cut—potentially leaving children deprived of the services they need to thrive.

  Schuyler Center urges the Legislature to fully fund the Foster Care Block Grant, without the cuts proposed in the Governor's budget, so that counties can continue to meet the needs of all families who become involved in their child welfare systems.

- **Restore the State share for essential child welfare services from 62% in the Executive Budget to 65%, as is written in statute, using the 3% restoration for primary prevention.**
  The Executive Budget maintains funding for preventive, protective, adoption, independent living and after-care services at 62% State share, as did the enacted 2016-17 Budget, instead of restoring it to 65%, as is written in statute. There is no philosophical reason behind this; it is simply a cut. Localities use these funds to provide essential services to families and their children who become involved with the child welfare system with the aim of keeping children safe, preventing foster care placements, and preventing re-reporting and re-entry. This funding is critical for the State in terms of reducing expenditures associated with Medicaid, unemployment, homelessness, and public benefits.

  At present, State reimbursement for preventive services, pursuant to Social Service Law Section 153-k, requires a child welfare case to be opened in order for a family to receive services. The requirements to open a case and document risk of foster care entry mean that there are very few opportunities for upstream efforts—primary prevention or community-based family strengthening services. As a result, local social services districts' ability to effectively intervene when preventive resources can be most effective—before maltreatment occurs—is severely compromised. Further, many families are hesitant to voluntarily participate in these preventive services due to the stigma of an open case and the associated fear of having their children removed. By failing to invest in true primary prevention and family support, we miss the opportunity to strengthen families in a community setting before children are maltreated. Investing in primary prevention and family strengthening services that are proven to prevent maltreatment before it occurs by reducing factors that put children at risk and increasing the factors that protect from risk is better for children, families, communities and taxpayers.[10]

  Schuyler Center urges the Legislature to re-assume the 65% State share, as provided in statute, and to reserve that increased funding for community-based primary prevention services that reach families before there is a risk of removal to foster care. It is critical that this funding remain open-ended.

STRENGTHEN THE HOUSING SUBSIDY FOR FOSTER FAMILIES AND YOUTH

Each year approximately 1,300 New York youth age out of foster care.[11] As many as one-third of youth who age out of foster care experience homelessness, and many more experience unstable housing arrangements. Currently, youth and families involved in the child welfare system may receive a housing subsidy of up to $300 per month to help stabilize their housing. This amount has not changed since 1988. However, the cost of housing is substantially higher: the average cost of a one bedroom apartment in New York City is $3,100 per month,[12] and New York State's median monthly gross residential rent is $1,117 per household.[13]

Not only is the current subsidy allowance inadequate to ensure youth and families can afford housing, particularly given skyrocketing housing costs, other limitations prevent youth from using the housing subsidy. At present, the subsidy is only available to youth until they reach age 21. However, because New York extends foster care until age 21, this means that youth aging out of the system are unable to avail themselves of the benefit to assist them in their transition to independent living. Furthermore, restrictions make it difficult for youth to receive the subsidy while living with a roommate. For many young people, living with roommates is both a practical financial decision, as well as a means of finding important social supports.

The State should raise the monthly subsidy allowance to $600 per month, increase the upper age limit eligibility from 21 to 24 so that youth who age out of foster care at 21 can avail themselves of the subsidy program for up to 3 years; and allow flexibility so that youth may have roommates. We urge the Legislature to support AB259/SB1291 (Hevesi/Avella) which addresses all of the points.

FULLY FUND THE FOSTER YOUTH COLLEGE SUCCESS INITIATIVE TO SUPPORT YOUTH IN FOSTER CARE IN PURSUING HIGHER EDUCATION

Only two to seven percent of foster youth complete a two- or four-year degree. However, the best way to ensure that a youth will secure and retain good-paying employment in adulthood is a college education.[14] Last year, the Legislature added funding to the budget for the Foster Youth College Success Initiative, leading to $3 million in funding to support youth in foster care who enroll in college. However, more funding is needed to meet the needs of numerous youth who are—or were—in the foster care system to pursue higher education.

The State must fulfill its responsibility to the youth entrusted to its care and ensure they are prepared to lead independent and fulfilling lives by adding $3 million to the Executive's proposed $1.5 million ($4.5 million total) to support youth pursuing higher education who either are or have been in foster care.

STRENGTHEN KINSHIP GUARDIANSHIP ASSISTANCE (KINGAP) AND FUND IT AS A PERMANENCY OPTION OUTSIDE OF THE FOSTER CARE BLOCK GRANT

A relative is a preferred caregiver for children who are removed from their birth parents because such placements help to maintain connections to family and culture. The State should provide robust funding for programs that support families willing to step in and care for young relatives when the parents cannot.

The Executive Budget continues to fund the Kinship Guardianship Assistance Program (KinGAP) through the Foster Care Block Grant (FCBG), thereby diverting scarce funds from critical programs that aid foster youth, to fund a program that is not foster care, but a permanency option. In 2011, New York implemented KinGAP using funds from the FCBG, with the intent to use the FCBG for a period of just one year, but KinGAP continues to be funded through the block grant. Although the number of children in foster care has declined, the health and service needs of the children who are in care are significant and costly. The FCBG funds must be preserved to meet their needs.

Relatives in approved or certified foster care settings can apply for KinGAP when both adoption and family reunification are ruled out. Many of these families need financial assistance to continue caring for a foster child in their home. With this option, kin families can exit the foster care system and continue to receive financial support while still caring for the relative child.

However, some restrictions on the program make it difficult for some families to participate. While New York has extended foster care until age 21, KinGAP payments currently only continue past age 18 if the guardianship arrangement is completed after age 16. This creates a disincentive for families to assume KinGAP guardianship earlier. Furthermore, KinGAP uses a different definition of kin than kinship foster care, so that "fictive kin" (such as godparents) who can be kinship foster parents, are ineligible for KinGAP.

Schuyler Center urges the Legislature to fund the Kinship Guardianship Assistance Program as an uncapped permanency option <u>outside</u> of the Foster Care Block Grant, and to make changes to the statute so that: payments continue until age 21 regardless of age of finalization; and the definition of kin is aligned with kinship foster care, so that "fictive kin," such as godparents, are eligible.

RESTORE FUNDING FOR KINSHIP CAREGIVER SERVICES AND INCREASE FUNDING FOR THE KINSHIP NAVIGATOR PROGRAM TO $410,000

Hundreds of thousands of children in New York are in informal kinship arrangements,[15] and the number of children entering into direct custody arrangements with kin has been steadily increasing over the last five years.[16] Kinship Caregiver programs offer important supports and services to kin, a majority of whom are grandparents, who care for their relatives' children in their household outside of the formal foster care program, and often with extremely limited resources. Relative caretaker programs provide information about family members' rights, support to meet children's education and health care needs, and assistance with obtaining health and social service benefits. For as little as $510 per child per year, these programs are far less costly than foster care placement.

Two issues facing New York and the nation make investment in these supports of critical importance this year: the rise in parental opioid use, and the new federal administration's pledge to dramatically increase deportations. Parental opioid abuse has led to a substantial increase in the number of children entering foster care, and being cared for by kin across the nation.[17, 18] While the data in New York is incomplete, we have heard from some counties that they are experiencing an increase in child welfare involvement due to parental opioid use.

Furthermore, the new federal administration has pledged to dramatically increase deportations. This means that all of the children in the more than 200,000 New York families in which one or both parents is unauthorized are at risk of separation from their parents due to immigration detention or deportation.[19] Many children separated from parents due to parental detention or deportation will end up in the care of relatives or close family friends. And those who do not are likely to end up in foster care. In 2011, an estimated 5,000 children nationwide were placed in foster care because one or both of their parents had been deported.[20]

Providing kin caregivers information and supports might enable more of these children to remain safely with kin, and speed up reunification with parents, when that is possible and appropriate. Many of the children separated from parents due to immigration detention or deportation will be taken in by kin, who will, in turn, need kinship supports. These programs require secure, stable, and sufficient funding to support kin caregivers.

Schuyler Center requests that the Legislature restore funding for Kinship Caregiver programs to $2.3 million and increase funding for the Kinship Navigator Program to $410,000 to ensure that the Navigator is able to expand its reach and prepare for increased need for its services.

FUND POST-PERMANENCY SERVICES

The Executive Budget includes a $7 million investment, funding that comes from adoption assistance savings, for post-permanency (including adoption and guardianship) services. We applaud the Governor for this investment. The State's responsibility to children in foster care and families should not end if a child is adopted. Many children in foster care have significant emotional, mental and behavioral health issues due to childhood trauma, and therefore require additional services and supports. Adoptive parents who are unable to find the appropriate supports their child and family needs may be forced to dissolve their family and place their child in foster care, which hurts families and is more costly to the State.

Schuyler Center urges the Legislature to maintain $7 million for post-adoption services.

JUVENILE JUSTICE

RAISE THE JURISDICTIONAL AGE FOR JUVENILE JUSTICE TO AGE 18 AND RAISE THE LOWER AGE TO 12 FOR ALL CHILDREN

Passing Raise the Age legislation in this budget is critical for the youth, families and communities throughout New York State. We understand that there are no costs to the localities in the upcoming fiscal year because of the phase-in of the legislation. We urge the Governor and the Legislature to adopt a budget that includes raise the age legislation and ensures that both the State and the localities will have the resources necessary to effectively raise the age of criminal responsibility.

New York State must pass comprehensive legislation this year to raise the age for juvenile jurisdiction. Comprehensive legislation should address the following points:

- Raise the overall age of juvenile jurisdiction to 18, which is consistent with other states.
- Ensure no youth who is 16 or 17 years-old is placed in an adult jail or prison.
- Amend the law to ensure parental notification upon the arrest of a 16- or 17-year-old and ensure 16- and 17-year-olds are interviewed using practices employed for youth, including parental involvement prior to waiving Miranda rights.
- Better address the collateral consequences of court involvement and help youth become successful adults by sealing records and expanding youthful offender status to age 21 and to additional non-violent crimes.
- Increase investments in the front-end diversion services that keep youth in their communities rather than incarceration. These alternatives to detention, placement and incarceration services are less expensive and more effective at reducing recidivism.

- Originate as many cases of 16- and 17-year-olds in family court as possible; create Youth Parts in adult court for remaining cases; and apply the Family Court Act to as many as possible, regardless of which courthouse in which the case is heard.
- Raise the lower age of juvenile delinquency from age 7 to age 12 (except for homicide offenses, which should be raised to 10).

Schuyler Center urges the Legislature to pass comprehensive legislation to raise the age of juvenile jurisdiction.

FAMILY ECONOMIC SECURITY

We mention three initiatives related to family economic security in our Human Services testimony because families that earn a living wage and receive tax relief that provides additional resources to invest in their children will rely less on State-funded human services.

ENHANCED CHILD AND DEPENDENT CARE TAX CREDIT

The **Executive Budget** proposes amendments to New York State's child and dependent care tax credit that would increase the tax credit received by families with children in child care who are earning between $50,000 and $150,000. Qualifying families would receive on average between $150 and $375 in additional benefits each year.

The New York State Child and Dependent Care Tax Credit is a fully refundable tax credit that is calculated as a percentage of the federal child and dependent care credit. Currently, eligible filers can receive between 20% and 110% of the federal credit, depending on their income, with families earning between $50,000 and $150,000 receiving an average annual credit of $235. With the enhancements, families in this earnings bracket will receive an average increase of $187 per year. The maximum a family with one child can receive per year (even with the Governor's proposed enhancement) is $1,155, and with two or more children, $2,310. The proposal does not increase the credit for the hundreds of thousands of low-income families who are eligible for child care subsidies but do not receive them due to inadequate State funding.

Schuyler Center, along with our partners at Winning Beginning New York, takes the position that while credits can be part of a comprehensive solution to help working parents access quality child care, they are NOT and CANNOT be a substitute for a robust State funding plan that must include adequate subsidies for low-income working parents who want to provide their children with quality early care and education.

CHILD TAX CREDIT

The Empire State Child Credit provides eligible taxpayers a refundable credit equal to 33% of the federal child tax credit or $100 per qualifying child, whichever is greater. While New York is a leader in the nation in offering a refundable child tax credit, the State credit contains a significant flaw: it excludes children under age four from eligibility—the very group that is most severely impacted by poverty, and would most benefit from receiving a credit. We recommend that the State fill in this gap in the law so that low- and moderate-income families with very young children would be eligible to receive this credit, which could yield substantial benefits for thousands of the State's youngest residents, particularly those living in or near poverty.

The Governor's budget does not include an increase in or expansion of the Empire State Child Credit.

Schuyler Center urges the Legislature to expand the Empire State Child Credit so that it includes children under the age of four.

INCREASE THE EARNED INCOME TAX CREDIT (EITC)

The Governor's Executive Budget does not include an increased Earned Income Tax Credit (EITC). The EITC, for working taxpayers earning up to the $53,267 maximum, is one of the best ways to "make work pay" for low-income families. EITC also positively impacts children: research shows that the children of EITC recipients do better in school and are healthier.

Schuyler Center urges the Legislature to increase the State's EITC to 40% of the federal benefit to help support working families.

INVEST IN NEW YORK'S HUMAN SERVICES WORKFORCE

With the phase-in of the New York's historic minimum wage hike, non-profits delivering critical social services on government contracts cannot cover costs and maintain the same level of service. Without additional investments, these providers may be forces to cut services, or even close their doors. This would cause real harm to the tens of thousands of New Yorkers who rely on these services.

To ensure that non-profits on State contracts can continue to provide critical supports to vulnerable New Yorkers, this level of support must include:

- **State agency appropriations for worker level funding, and**
- **Cost-of-living increases for not-for-profit agencies to allow for the funding of salary and fringe benefits increases.**

Schuyler Center urges the Legislature to provide workforce increases for the not-for-profit sector. Failure to provide the revenue to pay for the increased wages will result in program closures, reduced client services, and job layoffs.

NEW YORK AN OPPORTUNITY STATE

We urge the Legislature to place a special focus on programs designed to aid families in achieving economic security, providing children a strong early start, and reducing inequality and deprivation, by supporting the recommendations in this testimony as steps toward realizing opportunity for New York's vulnerable residents. Adequately funding these programs is good for New York's children and families and will also yield significant cost savings down the road.

Thank you. We appreciate the opportunity to submit testimony and look forward to continuing to work with you to build a strong New York.

Dede Hill
Director of Policy
Schuyler Center for Analysis and Advocacy
518-463-1896 / dhill@scaany.org
www.scaany.org

[1] *Kids Count Data Center*. (2015). Children Below 200 Percent Poverty. http://datacenter.kidscount.org/data/tables/47-children-below-200-percent-poverty?loc=34&loct=2#detailed/2/34/false/869,36,868,867,133/any/329,330

[2] *Kids Count Data Center*. (2015). Children Below 200 Percent Poverty By Race. http://datacenter.kidscount.org/data/tables/6726-children-below-200-percent-poverty-by-race?loc=34&loct=2#detailed/2/34/false/869,36,868,867,133/10,11,9,12,1,13,185/13819,13820

[3] Helen F. Ladd, "Education and poverty: Confronting the Evidence," *Journal of Policy Analysis and Management*, Vol. 31, No. 2, 1-25 (2012).

[4] Percentage refers to Healthy Families NY. See: Lee et al. (2009). Reducing low birth weight through home visitation: a randomized controlled trial; *American Journal of Preventive Medicine*.

[5] Multiple programs impact child development and school readiness, see: *Home Visiting Evidence of Effectiveness: Child Development and School Readiness.* http://homvee.acf.hhs.gov/Outcome/2/Child-Development-and-School-Readiness/3/1

[6] Refers to multiple programs. See: Administration for Children & Families. *Home Visiting Evidence of Effectiveness.* http://homvee.acf.hhs.gov/Outcome/2/Family-Economic-Self-Sufficiency/7/1

[7] Reanalysis of Kitzman et al; *Journal of the American Medical Association*.

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