

Testimony submitted to the Joint Fiscal Committees on the SFY 2025-26 Executive Budget Human Services Budget Hearing February 12, 2025

Thank you for the opportunity to present testimony on the 2025-26 New York State Executive Budget. The Schuyler Center for Analysis and Advocacy (SCAA) is a 152-year-old statewide, nonprofit organization dedicated to policy analysis and advocacy in support of public systems that meet the needs of disenfranchised populations and people living in poverty.

Top Budget Recommendations

Child care

- Provide \$1.2 billion for sustained and reliable compensation and benefits to all members of the child care workforce.
 - Create a permanent state fund to increase child care worker compensation;
 - Include budget language creating a "Statewide permanent child care workforce pay equity fund." This language is contained in <u>S.3415-A</u> (Brisport), Sections 21 and 22; and
 - Develop a plan for subsequent years to establish a minimum pay scale and career ladder based on agreed upon criteria.
- Provide at least \$400 million to ensure ALL New Yorkers can access child care, starting with guaranteeing child care assistance (CCAP) to eligible low-income New Yorkers.
 - Make child care a state-funded entitlement for eligible families making less than 250% of the federal poverty threshold and increase state funding for CCAP to account for growth in the program.
 - End New York's rule that denies CCAP to families if parent(s)/caregiver(s) earn less, on average, than minimum wage (S.1994 (Ramos)/A.2218 (Clark)).
 - End New York's rule tying CCAP to parent(s)/caregivers' exact hours of work (S.2001 (Brisport)/A.3174 (Hevesi)).
- Provide \$5 million to help eliminate barriers to accessing child care for children with developmental delays and disabilities.
 - Increase the enhanced rates for children with developmental delays and/or disabilities to 130% of the market rate (up from 115%) and take steps to make it easier for child care programs to receive the enhanced rate.
- Provide \$10 million to preserve and expand the newly implemented Facilitated Enrollment Scholarship Programs which provide assistance to families not eligible for New York State Child Care Assistance (CCAP).

Afterschool

- Allocate an additional \$180 million to enhance and expand the Learning and Enrichment Afterschool Program Supports (LEAPS) grant.
- Dedicate \$5 million towards school-age child care and afterschool quality support through the NYS Network for Youth Success, the statewide afterschool network.

Home visiting

- Support the \$26 million and the supplemental \$11 million included in the Executive Budget for Healthy Families New York.
- Support the \$3 million included in the Executive Budget for Nurse-Family Partnership and add an additional \$1.5 million.
- Restore \$200,000 for ParentChild+ and add an additional \$300,000 to support further expansion of their programs and access and professional development opportunities.

Child welfare services

- Establish a Child and Family Wellbeing Fund at \$30 million to better support communities historically impacted by involvement in the child welfare system and high child poverty.
- Increase compensation for New York's human services workforce with a cost-of-living-adjustment (COLA) of at least 7.8%.
- Restore funding for the Kinship Navigator to \$320,500, and for local kinship support programs to \$1.9 million.
- Expand investment in the Foster Youth College Success Initiative to \$10 million.

Child poverty reduction and affordability for families

- Strengthen and build upon the Executive Budget proposal to expand the state's child tax credit by increasing the credit amount to \$1,500 per child per year, indexing the amount to inflation, including all eligible children 0-18, and ensuring that the lowest income New Yorkers are eligible for the full credit amount. The State's refundable tax credits, the Empire State Child Credit and the Earned Income Tax Credit, are designed to support low- and middle-income families—more robust investment would make them more inclusive, more meaningful in amount, and restructuring them would direct the largest credits to the families that need them most. This can be done by passing the Working Families Tax Credit (S.2082 (Gounardes)/A.3474 (Hevesi)).
- Guarantee a \$100 SNAP minimum benefit for all participating New Yorkers (A.1318 / S.665).
- Establish the Baby Bucks allowance (S.2132 (Ramos)/A.1597 (Clark)) to provide financial support to low-income families with infants during that critical early childhood period.
- Support a permanent, statewide Healthy School Meals for All program that provides school breakfast and lunch at no cost to all students in schools participating in the National School Lunch Program.
- Establish a state food benefit to ensure that all families who need it are able to access nutrition support, including households with children who are ineligible for SNAP based on citizenship status.
- Increase the Public Assistance grant and shelter allowance.

Child care

For more information on this topic, please read our brief: <u>Bolstering Availability of High-Quality Child Care By Paying the Workforce a Thriving Wage</u>. Attached to the testimony.

Educators and support staff are the heart and soul of child care—and the number one cost of operating a child care program. Yet, most are paid poverty wages. Child care in New York (and the nation) is a public-private market. Programs are financed primarily by tuition paid by parents, along with public subsidies paid on behalf of some lower-income families. Neither private tuition nor the rates paid by the state's subsidy program (CCAP) are sufficient to pay the child care workforce a thriving wage. As a result, child care educators earn an average of \$38,000 annually, less than 96% of occupations in New York State. These low wages have made it challenging for programs to recruit and retain staff, which in turn has resulted in many programs operating at less than full licensed capacity, deepening the state's existing capacity shortfall.

The Executive Budget allocates no funds for the child care workforce. If no funding is added before the budget is finalized, this will be the first time since the pandemic that the state has provided no funds for the child care workforce, amounting to a cut to workforce pay. In 2023, one-time retention bonuses were awarded to child care educators: \$3,000 full time; \$2,300 afterschool. In 2024, bonuses of \$2,250 for full time educators; \$1,725 for afterschool. Child care programs reported these bonuses helped, but the amount, and the one-time nature of the bonuses meant they did little to solve providers' persistent recruitment and retention challenges.

The Schuyler Center joins the Empire State Campaign for Child Care in urging the Legislature to:

- Provide \$1.2 billion for sustained and reliable compensation and benefits to all members of the child care workforce.
- Include budget language creating a "Statewide permanent child care workforce pay equity fund." This language is contained in <u>S.3415-A</u> (Brisport), Sections 21 and 22.
- Develop a plan for subsequent years to establish a minimum pay scale and career ladder based upon agreed upon criteria. This pay scale will inform compensation supplement levels after the base pay scale for all has been increased.

Help Ensure ALL New Yorkers can Access Child Care

For more information on this topic, please read our brief: <u>Lowering Barriers to Assistance</u> <u>for a More Equitable Child Care System</u>. Attached to the testimony.

While New York's expansions to child care assistance in the last two years have been historic, there are still many New York families who face unscalable barriers to accessing child care assistance, among them, families where parents or caretakers work unpredictable or fluctuating work hours. New York currently allows parents child care assistance only for the exact hours they work or attend school or training. This practice effectively makes child care assistance unavailable to the many New York parents who work jobs with inconsistent or rotating schedules, offer only part-time hours, or are part of the growing gig economy.

Last session, the Legislature passed two bills to end these two exceptionally harmful, inequitable rules – one barring parents from eligibility for CCAP for earning too little, and another limiting the hours of care CCAP will cover to the exact hours parents work. Governor Hochul vetoed both bills in December, stating they would be more appropriately addressed in the Budget. The Executive Budget does not propose funding or legislative language to end New York's rules excluding very low-income working parents and many who work fluctuating hours from Child Care Assistance.

Also of concern: as more families become eligible for child care assistance, funds are running low. New data suggests that in some communities, including New York City, without additional state investment in the CCAP system, counties will be forced to refuse to recertify returning families, or turn away new, eligible families.

In New York and around the country, families with children with developmental delays and disabilities face additional barriers finding child care programs able to meet their children's needs. Under the CCAP program, the enhanced full-time rate for a child with developmental delays and disabilities at a child care center ranges from a \$3,900 enhancement per year for an infant in care in New York City to \$2,005 per year for a school-age child in Niagara County. Often, what children with special needs require is more one-on-one attention, but the enhancement at best would cover just a few hours per week of additional staff time. While not enough, increasing the enhanced rate would be a helpful step.

Finally, another barrier to child care assistance: immigration status bars some otherwise eligible children from CCAP. The need to end this exclusion has become more urgent with more than 190,000 asylum seekers newly arriving in New York this past year. Data indicate that in FY 2024, about 23,000 of the new arrivals are children under age 12. While New York leaders have been working hard to pave the way for asylum-seekers to be able to work, those who have children cannot work without child care. Two years ago, New York for the first time funded a small pilot program to help the families of children who are currently excluded due to their immigration status to access child care. The number of families needing assistance continues to grow. The Executive Budget allocates no funds to expand assistance for these excluded families.

The Schuyler Center joins the Empire State Campaign for Child Care in urging the Legislature to:

- Ensure ALL New Yorkers can access child care, starting with guaranteeing child care assistance (CCAP) to eligible low-income New Yorkers and invest at least \$400 million.
 - Make child care a state-funded entitlement for eligible families making less than 250% of the federal poverty threshold and increase state funding for CCAP to account for growth in the program.
 - End New York's rule that denies CCAP to families if parent(s)/caregiver(s) earn less, on average, than minimum wage. (S.1994 (Ramos)/A.2218 (Clark)).
 - End New York's rule of tying CCAP to parent(s)/caregivers' exact hours of work. (S.2001 (Brisport)/A.3174 (Hevesi)).

- Provide \$5 million to help eliminate barriers to accessing child care for children with developmental delays and disabilities.
 - Increase the enhanced rates for children with developmental delays and/or disabilities to 130% of the market rate (up from 115%) and take steps to make it easier for child care programs to receive the enhanced rate.
- Provide \$10 million to preserve and expand the newly implemented Facilitated Enrollment Scholarship Programs which provide assistance to families not eligible for NYS Child Care Assistance (CCAP).
 - Provide \$5 million for the New York City-based scholarship program (administered by the Consortium for Worker Education);
 - Provide \$5 million for the Rest of State child care scholarship program available to eligible families living outside New York City (administered by the Workforce Development Institute); and
 - Re-appropriate last year's allocation to these programs to enable initial recipients to receive a full twelve months of scholarship funding.

Position on the Executive Budget's Proposed Capital Investments; Creation of a Substitute Pool; Creation of a Coalition for New York Child Care

These Executive Budget proposals are welcome, but they do not address what the child care community, and the Governor's own Child Care Availability Task Force in the recently released Roadmap to Universal Child Care, have identified as the most urgent issue – the shortage of child care educators due to low pay. As one provider stated: "I worry that building more childcare centers without the fiscal support (for the workforce and operations) is going to result in more empty buildings." In fact, many child care programs are operating at less than licensed capacity because they cannot hire and retain adequate staff. A March 2023 survey of child care providers found that among 1,600 respondents, 28,462 licensed or registered slots were left empty due to insufficient staffing because of low wages. (Total licensed capacity in NYS; 795,000).

Regarding the Governor's proposal to create a NYS Child Care Coalition, if this group is directed to develop a sustained funding plan ambitious enough to support universal child care, and the Governor includes the plan in next year's Executive Budget, this could mark the moment the Governor's stated goal of universal child care moves from vision to reality. And, New York must make the investments requested above THIS YEAR to meet urgent needs while a permanent funding stream is identified.

Afterschool Programs

High-quality afterschool programs have been shown to help close the achievement gap for children in low-income families and enable families to achieve economic stability.

The Schuyler Center urges the Legislature to:

- Allocate an additional \$180 million to enhance and expand the Learning and Enrichment After-school Program Supports (LEAPS) grant.
- Dedicate \$5 million towards school-age child care and afterschool quality support through the NYS Network for Youth Success, the statewide afterschool network.

Home visiting

Make Maternal, Infant and Early Childhood Home Visiting Available to All Who Need It

Maternal, infant, and early childhood home visiting is recognized 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; increase high school graduation rates for children who received home visiting services while young; increase workforce participation and lower rates of welfare dependency; and reduce instances of child maltreatment. Home visiting is a proven, cost-effective intervention that yields tremendous savings over the lifetime of children in the form of lower health care costs and improved earnings as adults. Unfortunately, home visiting services are available to less than five percent of families with young children in New York State and are entirely unavailable in some areas.

In order to support State investment in home visiting to maintain existing programs and expand services to more families Schuyler Center urges the Legislature to:

- Support the \$26 million and the supplemental \$11 million included in the Executive Budget for Healthy Families New York.
- Support the \$3 million included in the Executive Budget for Nurse-Family Partnership and add an additional \$1.5 million.
- Restore \$200,000 for ParentChild+ and add an additional \$300,000 to support further expansion of their programs and access and professional development opportunities.

Child welfare services

Establish the Child and Family Wellbeing Fund

For more information on this topic, please read our following briefs:

- A Family-First Approach to Child Welfare in New York State. Attached to the testimony.
- <u>Child and Family Wellbeing Fund</u>. Attached to the testimony.

Every year, nearly 100,000 families experience unfounded Child Protective Services (CPS) investigations. CPS investigations last as long as two months, and often involve invasive procedures such as searching the home and interviewing family members. This tremendous stress and upheaval impacts not just the family, but the neighborhood, especially in communities experiencing disproportionate CPS intervention and high child poverty rates.

A Child and Family Wellbeing Fund would support children's growth and development by investing resources in 10 of the communities that have been historically impacted by CPS. The state of a neighborhood has both health and economic impacts on children—improving the state of neighborhoods would provide benefits to children even if their own family is struggling. The Child and Family Wellbeing Fund would help ensure that all New York children live in neighborhoods that support their wellbeing.

The Schuyler Center urges the Legislature to establish the Child and Family Wellbeing Fund at \$30 million.

Invest in the Human Services Workforce

Human Services workers provide supportive programs to New York's children and families, including the administration and navigation of foster care, adoption, kinship, and supportive housing for young people.

The Schuyler Center urges the Legislature to invest in the human services workforce with a cost-of-living-adjustment (COLA) of at least 7.8%.

Restore Funding for Kinship Caregiver Services and the Kinship Navigator Program

Hundreds of thousands of children in New York live with grandparents, other relatives, or close family friends when their parents are unable or unwilling to do so, a significant number of which are children placed in direct custody arrangements with kin by the child welfare system. In direct custody placements, children are cared for by kin who do not receive financial support. Local kinship caregiver programs offer important supports and services to kin, a majority of whom are grandparents, who care for children in their home outside of the child welfare system, and often with extremely limited resources. Kinship caregiver programs provide information about family members' rights, support to meet children's education and health needs, and assistance with obtaining health and social service benefits.

The New York State Kinship Navigator is a statewide resource and referral network for kinship families, providing information and connections to important resources.

The Schuyler Center urges the Legislature to restore funding for the Kinship Navigator to \$320,500, and for local kinship support programs to \$1.9 million.

Support Young People Who Have Experienced Foster Care So They Can Pursue Higher Education

Only two to seven percent of foster youth complete a two- or four-year degree. Yet, the best way to ensure that a young person will secure and retain good-paying employment in adulthood is a college education.

The Foster Youth College Success Initiative (FYCSI) supports young people who have experienced foster care and are attending college, including by covering costs such as tuition and fees, books, transportation, housing, medical and personal expenses. FYCSI also supports young people with advisement and tutoring. FYCSI supports about a thousand

students every year through successful completion of their course of study. More students avail themselves of FYCSI support each year.

The Schuyler Center urges the Legislature to expand investment in the Foster Youth College Success Initiative to \$10 million.

Strengthen Economic Support for New York Families

For more information on this topic, please read our following briefs:

- <u>Taking Action on New York's Commitment to Reduce Child Poverty</u>. Attached to the testimony.
- Strong Refundable Tax Credits to End Child Poverty. Attached to the testimony.

Far too many children in New York State live in poverty, and many more struggle to make ends meet. For more than a decade now, New York's child poverty rate has hovered around 20%. Stated another way, nearly one in five NY children live in poverty, and New York State ranks 40th in the nation in terms of child poverty.

In 2021, the New York State Legislature passed, and Governor Hochul signed into law, the Child Poverty Reduction Act. The Act commits the State to reducing child poverty by half by 2031 and establishes the Child Poverty Reduction Advisory Council (CPRAC), which is tasked with monitoring the State's progress and making policy recommendations to move the state toward its goal. CPRAC, now entering its third year as an advisory council, has recognized that progress toward a statewide reduction in child poverty requires sustained and systemic approaches that uplift children and families in all New York communities—rural, urban, and suburban.

In order to take bold, strategic action to move New York State this year decisively toward its stated commitment to cutting child poverty by 50%, **Schuyler Center urges the Legislature to:**

- Strengthen and expand New York's child tax credit by increasing the credit amount, making it more inclusive, and targeting the largest credit to the lowest-income New Yorkers. Specifically, to have the greatest impact on child poverty and deliver the greatest tax savings to families struggling to make ends meet, we urge the Legislature to build upon the Executive Budget's proposal by:
 - restructuring the state's child tax credit, the Empire State Child Credit (ESCC), as proposed in the Executive Budget, so the highest credit goes to the lowestincome families, by ending regressive minimum income requirements and phase-ins;
 - increasing the credit amount of the ESCC to \$1,500 per child per year for all children 0-18, as recommended by the State's Child Poverty Reduction Advisory Council, to provide families meaningful support;
 - o indexing the credit to inflation so that families continue to receive the full value of the credit

- o ensuring that all of these changes are permanent so that families can rely on the credit each year.
- We also urge the Legislature to strengthen the Earned Income Tax Credit (EITC) so that
 all working New Yorkers who are eligible may file, including those filing with an Individual
 Tax Identification Number (ITIN), as is permitted with the ESCC, and increasing the value
 of the credit. Inclusion of the Working Families Tax Credit (S.277-B (Gounardes)/
 A.4022-B (Hevesi)) in the Budget would accomplish both of these objectives.
- Increase Access to SNAP Benefits: The New York State Child Poverty Reduction Advisory Council (CPRAC), recently recommended that Governor Hochul create a state food benefit for households with children who are ineligible for SNAP based on citizenship status, as a pathway towards cutting child poverty by half by 2031. That policy is expected to cost \$140.8 million and reach 64,600 households with children each year. The program would be run through the Office of Temporary and Disability Assistance (OTDA) with administration led by local social service districts, and provide benefits equal to the benefits provided for similarly situated SNAP-eligible households. All currently-excluded immigrant groups would be eligible, including those on 5-year waiting periods.
- Establish the Baby Bucks Allowance (S.2132 (Ramos)/A.1597 (Clark), previously known as MILC). We appreciate the Governor's BABY Benefit proposal and support for direct cash aid during pregnancy but urge the Legislature to include in the budget the Baby Bucks Allowance. Research shows sustained financial support in early life has the greatest impact on maternal and infant health. The Governor's plan, offering \$100 monthly for the final six months of pregnancy and a \$1,200 lump sum at birth, is currently limited in eligibility, duration, and amount, which impacts its ability to meaningfully improve families' conditions in either the short- or long-term. In contrast, the Baby Bucks Allowance provides up to \$1,000 monthly for 21 months, helping families afford essential items like cribs, car seats, child care, and housing. We thank the Legislature for including the Allowance in their one-house budgets last year and urge you to do the same this year.
- Stabilize housing for more New York families living in poverty by increasing the Public Assistance housing allowance to bring it in line with the U.S. Department of Housing and Urban Development (HUD) fair market rent. Currently at a statewide average of \$347 for a household of four, the public assistance (PA) housing allowance was last adjusted over twenty years ago—in 2003.1

Establish Healthy School Meals for All

During the pandemic, the Federal government provided free school meals for all students in public schools. When this policy expired in June, <u>more than 726,000 students</u> at nearly <u>2,000 schools</u> lost access to free school meals. At a time when <u>many New Yorkers</u> are facing food insecurity and <u>inflation</u> is driving grocery prices to historic highs, this loss is hitting families hard.

Healthy School Meals for All is a proven strategy that reduces food insecurity and helps lift families out of poverty. Providing universal free school meals is the best way to ensure equitable access without stigma for *all* students.

The Governor has proposed full funding for Healthy School Meals for All. We applaud this historic investment, which will expand access to free school meals to an additional 280,000 students in nearly 600 schools across New York.

The State Senate and Assembly have championed universal school meals and included full funding in their respective FY2024 and FY2025 one-house budgets. We thank the Legislature for its longstanding, bipartisan advocacy for this critical policy. Now, with the Governor's support, we urge the Legislature to ensure Healthy School Meals for All is fully funded in this year's Enacted Budget.

The Schuyler Center urges the Legislature to establish and fund a permanent, statewide Healthy School Meals for All program that provides school breakfast and lunch at no cost to all students in schools participating in the National School Lunch Program.

Improve Access to the Women, Infants and Children (WIC) Program

New York families with children face high rates of food insecurity, with roughly one in six (15.8%) households with children reporting that they faced food insecurity sometimes or often between January and mid-September of 2024. And close to half of eligible New Yorkers do not participate in WIC. In the FY2025 Enacted Budget, the State established data-matching between Medicaid and WIC to help identify, and subsequently enroll, WIC-eligible New Yorkers who do not currently receive WIC benefits. However, WIC program sites need additional funding and resources to meet the need and ensure that eligible families can access the benefits they need.

The Executive Budget proposes \$9.5 million to expand access to the WIC program to help meet the growing need. Additionally, the Executive Budget proposes to implement data-matching between WIC and the Supplemental Nutrition Assistance Program (SNAP) to connect families to the benefits for which they are eligible.

Schuyler Center urges the Legislature to support the addition of \$9.5 million included in the Executive Budget to expand access to WIC programs for more families.

About Us

Schuyler Center is the home of and participates in the leadership of *Empire State Campaign for Child Care*, a campaign that advocates for universal child care in New York State and the compensation child care providers deserve, and New York Can End Child Poverty, a group dedicating to ending child poverty in New York. Schuyler Center also participates in the leadership of the Child and Family Wellbeing Action Network (CFWAN), advocates, providers, and people impacted by New York's child welfare system working towards a vision of New York where the state prioritizes investing in and implementing policies that strengthen and support children, youth and families; serves on Steering Committees for *Raising New York*, dedicated to the health and well-being of the youngest New Yorkers; *Kids Can't Wait*, focused on reform and improvement of New York's Early Intervention program. Dede Hill, Schuyler Center's Director of Policy, was an appointee to New York's Child Care Availability Task Force and Kate Breslin is an appointee to New York's Child Poverty Reduction Advisory Council.

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¹ OTDA. <u>Public Assistance (PA) Shelter Allowance and Shelter Supplement</u>. Powerpoint Presentation. March 7, 2023; <u>Public Benefits in New York State.</u> Powerpoint Presentation. April 10, 2023.