



Association of New York State Youth Bureaus

A CHILD AND FAMILY BUDGET ANALYSIS OF THE 2015-16 EXECUTIVE BUDGET

January 2015

Overview

On January 21, 2015, Governor Andrew Cuomo proposed his 5th Executive Budget to kick-off state budget negotiations. In adherence with an overall commitment to hold spending to less than 2%, the \$141.6 billion spending plan maintains important, prior year commitments to the non-profit community. Those commitments include funding for the 2% Human Services COLA that will go into effect on April 1, 2015 (\$20 million for OMH programs; \$57 million for OPWDD programs; \$6.3 million for OASAS programs and \$8.8 million in the Foster Care Block Grant to fund the state share of the 2% COLA with the expectation that counties would fund the balance).

The \$141.6 billion spending plan, if enacted as proposed, would generate a projected surplus of \$1.8 billion and holds state agency spending to 0.6% to allow for a 3.6% increase in Medicaid spending and possible 4.8% increase in Education spending if a wide variety of education reforms are approved. The \$5 billion available to spend due to lawsuit settlements is used for one-time infrastructure investments, economic development investments for upstate and \$850 million for OPWDD liabilities owed the federal government. **A \$50 million Non-profit Infrastructure Capital Investment**

Program is proposed, although advocates asked that \$500 million in grants to eligible human services organizations be available for necessary capital projects.

Office of Children and Family Services

Raise the Age

The Executive Budget includes a number of Article VII bills that will redesign the juvenile justice system, including **raising the age** of juvenile jurisdiction from 16 to 18 years of age by 2018, according to recommendations put forth by the Governor’s Commission on Youth, Public Safety and Justice.

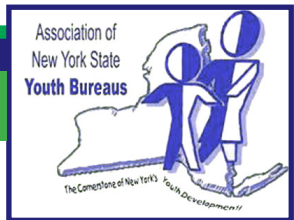
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An initial \$25 million investment to plan, create and expand services that will support diversion and probation supports for 16 and 17 year old youth who will be involved in the existing juvenile justice system. An additional \$110 million in capital funding will be invested to support placing newly sentenced 16 and 17 year old youth with OCFS instead of in adult correctional facilities beginning on December 1, 2015, if enacted.

Changes to the court system and sentencing guidelines will require legislation, as will the age changes, which are to be phased in as follows: 16 year olds diverted to the juvenile centers on December 1, 2015; the age of juvenile jurisdiction raise to 17 on Jan 1, 2017 and 18 on Jan 1, 2018.

OCFS COLA

Last year, the Legislature added \$2.95 million for a partial OCFS 2% COLA. A fully funded 2% COLA for OCFS programs would have cost \$19 million. This year, the proposed budget adds \$8.85 million to the Foster Care Block Grant to support another partial COLA. The recommendation reflects the cost-sharing arrangements that the state has with the counties for child preventive and protective services, and assumes some level of county contribution for the COLA.

Child Welfare Financing

The existing child welfare financing mechanism remains in effect through June 1, 2017. This includes state reimbursement to counties for 62% of preventive services costs. The budget recommends \$635 million, maintaining last year's funding level. However, the \$1 million in TANF funds that the Legislature added for preventive services purposes is not recommended to be continued.

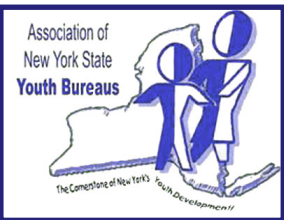
This program was historically a 65%/35% split between the state/local share and advocates regularly request that the Legislature restore the state share to 65%.

Foster Care Block Grant

The Executive budget proposes retaining a cap of the state investment in foster care, but increases the capped investment from \$436 million (at that level for 5 consecutive years) to \$444.8 million. The explanation for the \$8.85 million increase is that counties are expected to pass the state funding through to providers to partially fund the 2% COLA for foster care workers. This is the 4th year of the **Subsidized Kinship Guardianship Program (KinGap)** being under the Block Grant without expansion of the Block Grant funding.

The budget maintains funding at last year's level for the following programs related to prevention services and foster care populations:

- \$338,750 for **Kinship Care** support
- \$311,750 for **Post Residential Placement** for youth leaving residential foster care
- \$23.3 million for **Home Visiting**
- \$621,850 for **Hoyt Family Trust** programs
- \$2.137 million for **Young Adult Supportive Housing**
- \$3.409 million for **Public/Private Partnership Pilot Programs**
- \$3 million for the **Nurse Family Partnership** program



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- \$37.45 million for the Foster Care **Medicaid Per Diem**
- \$12.1 million for **Community Optional Preventive Services (COPs)**
- \$6.2 million for **HCBWS slots** purchased by counties as preventive services

The Executive budget recommends \$73.18 million for **B2H Waiver** slots, up from \$72.5 million last year.

The budget proposal continues the reduced state match for the **Adoption Subsidy** Program that was enacted in 2011 (was 73.5% and was reduced to 62%) and allocates \$187.62 million, a slight increase from 184.58 million. The state investment at \$73.5% was \$210 million in 2011.

Last year, the budget included \$5 million for **Foster Care Managed Care transition** and readiness grants. This year, the Budget recommends another \$10 million be available (two year total of \$15 million). The funds will be available for training, consulting, readiness, data collection, infrastructure and organizational preparedness. The state makes a commitment that if federal financial participation for this \$15 million is not approved, the state will make the nonfederal share available.

Youth Development and Youth Employment Programs

The Executive budget increases funding for the **Summer Youth Employment Program** from \$27.5 million to \$30 million.

The Executive budget proposes an additional \$10 million in tax credits to businesses that hire youth in areas of high unemployment and poverty and renames the program the **Urban**

Youth Jobs Program Tax Credit

(was the Youth Works Tax Credit). The program is restructured to make the new tax credits available in certain cities and towns with high rates of poverty and unemployment through 2017.

The funding recommendation for the **Youth Development Program** is \$14.1 million, representing the loss of \$1.28 million that the Legislature added last year.

The funding recommendation for the **Runaway and Homeless Youth Act Program** is \$2.355 million, representing a loss of \$254,500 that the Legislature added last year.

The funding recommendation for **Advantage Afterschool** is \$17.255 million, representing the loss of a \$500,000 Legislative add through TANF. The Governor does not try to renew his call that new Casino gaming revenue be earmarked for the expansion of afterschool programs. The Legislature diverted the recommended earmark to Gap Elimination Aid last year.

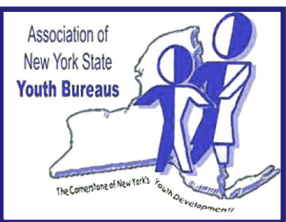
Juvenile Justice

- **Supervision and Treatment Services** for Juveniles - \$8.37 million, for 62% state share; counties will have to provide a 38% match – same amount as last year

- \$41.4 million for **the Close to Home Initiative** – same level funding as last year

- \$10 million in new funding for 100% reimbursement of capital expenditures by **Secure Detention** facilities

- \$76.16 million in a capped appropriation for the state's 49% of **Secure and Non-secure Detention** – same amount as last year



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The Governor does not recommend any funding for these programs sponsored by the Legislature:

- **Safe Harbor** – received \$3 million last year for services to sexually exploited youth
- **Settlement Houses** – received \$450,000 last year
- **Community Reinvestment** – received \$3 million last year

The Governor recommends that \$69 million be available the **Pay for Success Initiative, for social impact bonds**, a \$16 million increase from last year's \$53 million. Eligible compacts are expected to bring long-term savings by innovative early childhood development, child welfare, health care, public safety or homelessness solutions.

Office of Mental Health

The Executive provides \$20 million to fully fund the 2% COLA for OMH programs that goes into effect on April 1, 2015 for clinical workers and direct care workers.

The budget proposal extends authorization for OMH to collect **community residence exempt income** for one more year, through December 2016.

The budget recommendation proposes to authorize and fund payment at the Medicaid APG for children's behavioral health clinic visits by children under age 21 with **Child Health Plus** insurance coverage.

A "cost neutral" package of MRT initiatives includes "leveraging" **Health Homes** to

establish better linkages and improve care coordination for children (savings to pay for this are proposed through Medicaid cuts, including the \$10 million administrative action to **shift RTF Medicaid bed days over to commercial insurance payers**), that proposal is not completely developed but is intended to:

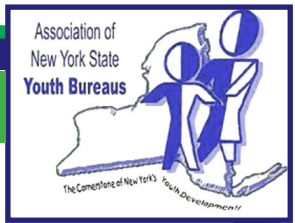
- Save about \$10 million of an approximately \$100 million Medicaid expenditure on Residential Treatment Facility services by converting the Medicaid disability determination process into one that requires accessing commercial insurance payments prior to resorting to Medicaid payments.

The proposed budget includes notification to close 136 state-operated psychiatric beds in 2016 should generate **\$15 million in additional Community Reinvestment** funding, but not until the Legislature is satisfied that alternative community services can support the loss of state inpatient services.

In addition, \$68 million of the original \$120 million **BIP** set-aside for Medicaid Managed Care preparedness funding and expansion services is still available for OMH to invest this year.

The budget proposal continues to distribute last year's funding:

- **\$20 million for grants for transitional supports** – which will be disbursed as follows: \$6 million to MTAC; \$12 million for Information Technology grants to non-Medicaid providers; and \$2 million for county regional planning efforts
- **\$60 million for clinic Vital Access Providers** to preserve outpatient Article 31 clinic capacity over the next 3 years;



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- **\$10 million for enhancing Health Homes** services for individuals involved with criminal justice systems and services;
- **\$13 million in reinvestment** associated with the closure of Article 28 and 31 inpatient services as calculated by DOH and distributed with a focus on crisis and diversion services

The planned Supportive Housing and NY/NY IV expansions are reported under the **HOMELESS/ HOUSING** section of this report.

OASAS

The Governor builds on the \$2.8 million the Legislature added last year for **Opiate treatment and prevention**, by adding another \$5 million and keeping the Legislative add. Combined, these funds will continue to support treatment and prevention programs targeted toward opiate abuse, residential service opportunities, and public awareness and education activities.

The budget proposal includes a planned 5% reduction in state operated OASAS inpatient Addiction Treatment Center capacity.

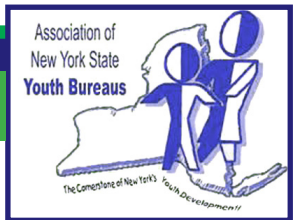
OPWDD

The budget proposes a technical amendment to allow for the implementation of the existing exemption in the **Nurse Practice Act** in certain Office for People with Developmental Disabilities (OPWDD) settings. Last year's budget agreement expanded OPWDD's Nurse Practice Act exemption for staff working in non-certified settings -- such as individuals living in

their own apartment or homes -- subject to the completion of a Memorandum of Understanding (MOU) between OPWDD and the State Education Department (SED). Before approving the MOU, technical amendments to Social Services Law, Executive Law and Mental Hygiene Law must be enacted to clarify that OPWDD has statutory authority to oversee nursing-related services in non-certified settings, as well as authority to engage in the corporate practice of nursing. As OPWDD continues to assist individuals with developmental disabilities in moving from larger institutional facilities to smaller homelike settings that are integrated in the community, greater flexibility is needed in the administration of medications and other tasks and activities.

Other OPWDD highlights include:

- \$120 million to provide up to 3,500 new or expanded residential, day, employment, case management, respite and other services for individuals with developmental disabilities;
- \$42 million to transition individuals with developmental disabilities from segregated settings (DCs and ICFs) to more integrated, community-based supports, and to expand OPWDD's pilot program using state workers for the provision of community integrated services; and
- \$177 million still to be released through the Balancing Incentive Program (BIP) for OPWDD to make strategic investments to transform services and supports to more integrated, community-based opportunities; increase employment opportunities for individuals with developmental disabilities; implement electronic health record systems; and support the system's transition towards managed care.



Homeless/Housing

The Executive Budget recommends that \$440 million in JP Morgan mortgage settlement funds be used to support housing initiatives and create housing for vulnerable populations, including the homeless and disabled. As such, the budget recommendation includes:

- \$116 million for a new statewide NY/NY IV program that will develop 5,000 new supportive housing units (this is traditionally a program that NYC shares the cost with NYS to expand, so the expectation is that counties or cities upstate will have to share some cost of development)
- \$100 million to preserve and create affordable housing
- \$70 million to revitalize commercial and residential properties as part of community renewal activities
- \$40 million for homeless assistance efforts
- \$27 million to support rental assistance for those with HIV/AIDS
- \$25 million for improvements to public housing
- \$25 million to improve senior and veteran housing
- \$22 million to assist homeowners write-down mortgage payments
- \$15 million for low cost financing through Community Development Fiscal Institutions

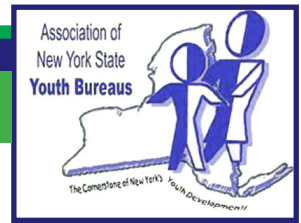
Education

The budget proposal links education increases to policy reforms. If the Legislature agrees to enact reforms, education funding could increase by as much as 4.8% or \$1.1 billion. If the Legislature fails to agree to proposed reforms, the state aid formulas in place would generate a \$377 million

increase in funding, or 1.7% increase. The reforms include “carrots” and “sticks” like establishing the Education Tax Credit for those that contribute to private or public education (a carrot) and raising the cap on the number of allowable Charter School by 100 new schools (a stick).

Other highlights include:

- \$25 million to expand half and full-day pre-kindergarten for 3-year old children in highest need school districts
- \$4.59 million for building aid payments by Special Act School Districts to the Dormitory Authority
- **Extended Day/School Violence** grant funding is maintained at \$24.3 million
- **21st Century Learning Center** grants are federally funded at \$96.5 million
- **OMH & OPWDD Aid** \$117.3 million for the 2015-16 and 2016-17 school years for the education of students who reside in a school at OMH and OPWDD facilities
- **Extension of the BOCES Pilot at OMH Facilities** to restructure educational services for children and youth residing in OMH hospitals by authorizing BOCES to provide service provided by the district at OMH hospitals and extend the pilot until 2018
- **Proposes that OCFS contract with BOCES** become permanent for foreign languages, music, art, career and technical skills for youth at agency’s facilities
- **Preschool Special Education Program** (4410 services for 3-5 year olds) allowing \$1.02 billion for the preschool education of students with disabilities, a decrease from \$1.04 billion.



Temporary Disability Assistance

The Governor recommends the following expenditure of TANF funding:

- FFFS \$964 million (same as last year)
- Child Care Subsidies \$323 million (up from \$310 last year)
- Summer Youth Employment Program \$30 million (up from \$27.5 million)
- Nurse Family Partnership \$3 million

The following allocations of TANF funding favored by the Legislature are not funded:

- Food Banks \$2,000,000
- ACCESS- Welfare to Careers \$800,000
- Advantage After School Program \$500,000
- ATTAIN \$5,000,000
- BRIDGE Program \$102,000
- Career Pathways Program \$1,000,000
- Support Services to Caretaker Relatives/Kinship \$500,000
- Centro of Oneida \$25,000
- Child Care Subsidies for CUNY \$141,000
- Care Child Subsidies for SUNY \$193,000
- Facilitated Enrollment in Capital Region-Oneida \$2,676,000
- Facilitated Enrollment in the Liberty Zone \$4,589,000
- Community Solutions for Transportation \$112,000
- Literacy Training for ESL Learners \$250,000
- Emergency Needs of Homeless \$500,000
- Non-Residential Domestic Violence \$2,460,000
- Preventative Services \$1,000,000
- Rochester-Genesee Transportation \$82,000
- Settlement House Program \$2,000,000
- Fatherhood Initiative \$200,000
- Wage Subsidy Program \$950,000
- Wheels for Work Program \$144,000