

## Testimony of Rebecca Charles and Caitlyn Passaretti Policy and Advocacy Associates Citizens' Committee for Children of New York

# Submitted to the New York State FY 2023 Joint Legislative Budget Hearing Human Services February 2<sup>nd</sup>, 2022

Citizens' Committee for Children of New York is a 76-year-old independent, multi-issue child advocacy organization. CCC does not accept or receive public resources, provide direct services, nor represent a sector or workforce. We document the facts, engage and mobilize New Yorkers, and advocate for solutions to ensure that every New York child is healthy, housed, educated, and safe.

We would like to thank Chair Weinstein, Chair Krueger and all the members of the Assembly Ways and Means and Senate Finance Committees for holding today's hearing on the human services proposals in the Governor's Executive Budget for the State Fiscal Year 2023.

As we enter the third year of the COVID-19 pandemic, New York's children and families continue to experience hardships across nearly every aspect of their lives. Loss of loved ones, disrupted education, job loss, housing instability, food insecurity, and heightened behavioral health needs have all negatively impacted children's well-being. Among these unprecedented challenges, the obstacles and inequities already prevalent in New York have been exacerbated, revealing profound disparities and long-unaddressed needs that require significant action and investment. Now is the time to invest in our children to ensure they not only recover from this crisis but thrive.

#### **Supporting the Human Services Workforce**

New York's human services workforce has long strained to provide essential services to families across New York due to deeply inadequate rates. CCC strongly supports the Governor's proposal in the Executive Budget to fund a 5.4% cost-of-living-adjustment for certain human service programs, and urges elected leaders to ensure this COLA is made permanent in the budget going forward.

#### **Early Childhood Education and Child Care**

Children of all ages have suffered the social, academic, financial, and psychological consequences of COVID-19. For the youngest children at their most malleable stages of development, it is particularly critical to invest in their well-being in order to combat the countless adverse effects of the pandemic. More than ever, New York's children and families need high-quality, affordable child care. In addition to the vital role it plays in child development, early care and education is also crucial to economic recovery and supporting working families.

From April 2020 to July 2021, women in the New York metro area were two and a half times more likely than men to cite child care as their primary reason for being out of work. Furthermore, only seven percent of families in New York City with children under five are able to afford center-based child care. To keep caregivers in the workforce or to help them return to the workforce, as well as to provide developmental support for children, we must focus on ensuring that child care is high-quality, accessible, and universal for New York's children and families.

### We commend Governor Hochul's commitments to accessible child care in the FY'23 budget including:

- Investing \$75 million in raising wages for the child care workforce
- Committing to raising the eligibility for child care subsidies to 300 percent of the federal poverty line over three years, with an initial increase to 225% FPL to expand access to 100,000 families
- Adding \$125 million to ensure subsidies keep pace with market rates

We believe that these proposed investments should be sustained and made permanent. However, while these proposals are important, they do not go far enough to transform New York's child care system from subsidy-based to a universal statewide child care system. The dire situation we find ourselves in calls for high-quality, universal child care that overrides the current system and ensures that all New York families, regardless of income, work or immigration status, have access to affordable child care. CCC, in partnership with the Empire State Coalition for Child Care, is calling on the state to make an investment of \$5 billion dollars in this year's budget to carve a path to universal child care in New York. That investment must do the following:

- Expand access to child care subsidies to all New York children infant to school age, while prioritizing low-income families and other vulnerable families, and immediately expand eligibility for subsidies to 300%. Governor Hochul has proposed to raise the eligibility for child care subsidies to 300% of the federal poverty line, but over the course of three years with the first expansion (225 percent) not occurring until October 2022. Because of the bureaucratic obstacles within the current subsidy system, once the governor's expansion plan is fully phased in, it will still exclude many families, including homeless families, immigrant families, and families involved in the child welfare system. All families earning under 300 percent of the poverty line should immediately have access to child care regardless of disability, housing or immigration status, or any other factor.
- Increase child care provider reimbursement rates to reflect the true cost of care by investing \$600 million into the budget. Governor Hochul's proposal of \$125 million to increase child care subsidy reimbursement rates will barely cover the rising costs of child care across the state. We are asking for a \$600 million investment that will reflect the true cost of care and pay the child care workforce fair and living wages.

<sup>&</sup>lt;sup>1</sup> CCC analysis of U.S. Census Bureau Household Pulse Survey, Public Use Files April 23 - July 5, 2021. Retrieved from: https://www.census.gov/data/experimental-data-products/household-pulse-survey.html.

<sup>&</sup>lt;sup>2</sup> Halkitis, S., Drobjnak, M., Hornick-Becker, D., Kimiager, B. (December 2020). "NYC' Child Care Affordability Crisis." *CCC*.

• **Significantly raise child care workforce compensation by investing at least \$500 million.** The \$75 million investment proposed by Governor Hochul is simply not adequate for the need. 70,000 people across the state work in the child care industry. By investing \$500 million, the state ensures that the workforce will be properly compensated without raising child care prices on New York families.

We strongly support the proposal in the Executive Budget to invest \$240 million for an 11% increase for schools serving children with disabilities, including preschools serving children with disabilities. We also urge the State to allocate \$1.72 million to design a new preschool special education tuition rate-setting methodology and discontinue the annual reconciliation process to provide interim relief while the rate-setting methodology is redesigned, allowing providers the flexibility to manage resources across a five-year period, as recommended by the Board of Regents.

We also believe it is urgent for the state to commit to universal full-day pre-K for all of New York's 4-year-olds. To move towards this goal, we urge state leaders to appropriate \$500 million to continue to expand access to quality full-day pre-K for all children in the state by providing \$10,000 per child.

#### **Child Welfare**

In 2021, CCC partnered with the Council of Family and Child Caring Agencies (COFCCA) to develop a questionnaire with child welfare preventive service providers to gather insights based on their experience carrying out programs under existing contracts and responding to emerging needs of families during the COVID-19 pandemic.

Results from both the New York City and Statewide surveys shed light on the increased needs of families and how prevention service providers responded during the pandemic and point to both long-standing and emerging challenges that demand policy action. Namely, the survey reveals a wide range of needs that have increased because of the pandemic. Providers have pivoted to meet families where they are by increasing cash and non-cash support and offering alternative to in-person visits, such as video conferencing, to ensure consistent communication and social distancing. However, prevention service provider agencies report crucial challenges with funding and staffing that limit their capacity to meet families' needs. In New York State, providers report that the pandemic has increased families' need for internet access, child care, mental health care, food, and many other supports.<sup>3</sup>

The heightened needs and economic insecurity New York families are experiencing due to this historic downturn increases risks to child safety and child and family well-being. In 2020, more than two-thirds, (72 per cent) of allegations of child maltreatment in New York City were related to concerns of neglect stemming from unmet basic needs due to economic hardship, such as insufficient or inadequate food, education, clothing, healthcare, and housing.<sup>4</sup> Child welfare preventive services are critical to maintain child safety and family stability. In the last two decades, we have seen a historic decline in the number of

CCC & COFCCA (2021). "Reimagining how to meet the needs of New York State's families in times of crisis: Findings from CCC-COFCCA survey of child welfare prevention services providers." Unpublished data
 CCC Keeping Track Online, Child Welfare & Community Safety. Retrieved from: https://data.cccnewyork.org/data/map/3/child-abuse-and-neglect-investigations#3/a/3/5/99/a/a

children in foster care; in New York City the foster care census has dropped from nearly 50,000 children to a record low 7,787 children in the foster care system in 2020.<sup>5</sup>

Moreover, during the height of the pandemic and economic shutdown, many children living in low-income households faced greater risks because of the instability in employment, housing, disconnection from school and isolation from peers. In response to growing and deepened needs, preventive services providers quickly pivoted to deliver a wide array of family supports including alleviating food and housing insecurity; providing essential material supports and services such as cash aid, groceries, diapers, baby formula; offering remote academic supports for students, support groups for parents; and teletherapy for children and adolescents.<sup>6</sup>

To truly protect New York's children and strengthen families now is the time to prioritize investments in services proven to maintain child safety and keep families stable and together.

First, CCC urge the Governor and Legislature to reauthorize and strengthen the child welfare financing statute by taking the following actions:

- Secure full funding and a restoration of the state and local 65/35 match for protection, prevention, and independent living services. Returning to that statutory match with full funding, is vital for getting children and families the support they need.
- Pull funding for Kinship Guardianship Assistance Program out of the Foster Care Block Grant and ensure KinGap subsidies mirror adoption subsidies. This action would increase the achievement of permanency for children and encourage counties to pursue permanent kinship placements.
- Raise the value of the child welfare housing subsidy from \$300 to \$725 to promote family reunification and independent living. This increase in voucher value can provide the stability needed by youth and families to secure housing and attain stability.

Second, there must be intentional investments in primary prevention so counties can address and prevent trauma and hardship and ensure access to services that help children and families thrive. The Governor and Legislature must support community driven "whole child and whole family" approaches to primary prevention, with neighborhood investments that improve wellbeing and avert child welfare involvement all together.

### Housing

January 15<sup>th</sup> marked the expiration of the eviction moratorium in New York State, putting hundreds of thousands of New Yorkers at risk of losing their homes. Over the last 21 months, CCC has monitored data from the U.S. Census Bureau's Household Pulse Survey to identify ongoing and emerging trends in well-being for New York's families and children. During the initial months of the pandemic from April to October 2020, more than 40 percent of renter households with children in the New York Metropolitan Area reported 'slight' or 'no' confidence meeting their monthly rental payments. From July to October 2021, 27 percent of renter households with children in New York State reported that they were behind on

https://docs.google.com/document/d/16evVngZEBALvABnUJUHaoJPIaOtDvn\_iEVTpE81Aba4/edit?usp=sharing

<sup>&</sup>lt;sup>5</sup> CCC Keeping Track Online. Retrieved from: https://data.cccnewyork.org/data/map/1399/foster-care-population#1399/a/3/1661/99/a/a

<sup>&</sup>lt;sup>6</sup> COFCCA & CCC Survey of Preventive Service Providers (2021)

<sup>&</sup>lt;sup>7</sup> Child Welfare Coalition Priorities. Retrieved from:

their rent – and among those, nearly a third (29 percent) reported that they felt it was 'somewhat likely' or 'very likely' that they would be evicted from their apartment in the next two months. From March 13, 2020, through late November 2021, there were approximately 75,000 eviction filings submitted to housing courts in New York City alone.<sup>8</sup>

## CCC is pleased to see the Governor's FY'23 proposed budget prioritizes investments to mitigate escalating risks to housing stability including:

- \$4.5 billion in FY'23 toward the five-year plan to create and preserve 100,000 affordable homes throughout the state
- Establishing the Affordable Neighborhoods for New Yorkers Tax Incentive program (ANNY), which promotes increased amounts of affordable housing units
- The Building Conversion Act to allow for Class B hotels in or near a residentially-zoned district in New York City to convert their units into permanent residences

However, while these proposals work to promote affordable housing throughout the state, the FY'23 proposed budget fails to put forth any proposals that address the more immediate eviction crisis and rental subsidies. We urge the state to do the following to assist the hundreds of thousands of New Yorkers who are now at risk of losing their homes:

• Fund the Housing Access Voucher Program (HAVP), which was designed to provide a rental voucher to households that are homeless or at risk of becoming homeless. Similar to Section 8, HAVP would require recipients to pay 30 percent of their income toward rent, with the remaining costs covered by the voucher, up to 110 percent of Fair Market Rent. HAVP would provide critical assistance to families unable to enroll in Section 8 due to issues of capacity or immigration status. Not only would HAVP generate savings from reduced shelter costs, but it would also ensure that families are not forced through the eviction court process and into the shelter system. We are asking for inclusion of \$2804A/A3701A in the adopted budget to establish the statewide subsidy and reach an estimated 85,000 households statewide.

#### **Youth Justice**

New York State has made real progress in youth justice and implementation of critical reforms brought by the Raise the Age legislation. During the first eighteen months of the Raise the Age law, shootings in New York City remained the lowest they have been in decades, and arrests and incarceration of 16- and 17-year-olds declined. Only after months of COVID-19 infections, deaths, and lockdowns did gun violence increase in New York City, as it did in many cities around the state and country where criminal justice reforms had not been enacted. And while we must address the recent rise in violence as part of community recovery from the COVID crisis, it is important to recognize that the numbers are still far lower than the rates of gun violence in 2000, when 16- and 17-year-olds were all prosecuted as adults for all criminal charges, even the most minor. It is critical that we protect raise the age reforms and focus our time and energy advancing a public health and anti-poverty response to rising violence.

It is clear that the pandemic has compromised the safety and stability of families, highlighting and exacerbating existing social, economic, health and educational inequalities and disproportionately impacting youth of color. As we recover from the collective trauma of the COVID-19 crisis across New

<sup>&</sup>lt;sup>8</sup> CCC analysis of U.S. Census Bureau Household Pulse Survey. Retrieved from: <a href="https://www.census.gov/data/experimental-data-products/household-pulse-survey.html">https://www.census.gov/data/experimental-data-products/household-pulse-survey.html</a>.

York, this is the moment for a bold new vision for youth justice that supports more resilient and safer communities.

CCC supports the continued investments of \$250 million for statewide Raise the Age implementation. We and our RTANY partners strongly encourage the Governor and Legislature to include a plan in the Adopted Budget to reinvest savings associated with the closure of OCFS facilities into communities where youth face the most risk for justice system involvement.

The negative impact of social isolation, school disruption, declines in youth employment and skyrocketing behavioral health needs cannot be overstated. New York youth are in crisis. CCC urges the Governor and the Legislature to support more robust investments in youth development to provide youth with critical community and peer supports they require. To that end, we were disappointed to see minimal increases in SYEP and sports programming and deep cuts to youth-oriented community services and labor initiatives:

- The Executive Budget proposes \$46.1 million for the Summer Youth Employment Program (SYEP), an increase of only \$1.1 million. We urge the Governor to invest more money in SYEP and to work with counties to expand the reach of the program and ensure every youth has an opportunity to connect with gainful employment.
- The Executive Budget proposes an increase of \$4 million to support the Youth Sports program, for a total of \$5 million in funding. We hope the Adopted Budget will have a larger investment, as youth deserve a plethora of opportunities to support their development.
- We oppose the \$5 million proposed cut in the Executive Budget for the Afterschool Advantage program
- We oppose proposals in the Executive Budget that would decrease by \$51 million various children and families' initiatives including funding for various human services initiatives (\$6 million), settlement houses (\$2.5 million), Safe Harbor (\$2 million) and the Kinship Program (\$1.9 million)
- We oppose the \$15.8 million decrease in the Executive Budget from the elimination of various labor programs, such as YouthBuild Schenectady, Rochester Building Trades Pre-Apprenticeship Program, and the New Settlement Young Adult Opportunity Initiative. These reductions would negatively impact a wide range of initiatives designed to help youth find employment.

We must acknowledge there are other areas of the Executive budget - in education<sup>9</sup> and public protection<sup>10</sup> - that include proposed investments to improve student wellbeing and school climate, prevent school disconnection, and invest in community driven partnerships to reduce gun violence. We fully support these proposals.

<sup>&</sup>lt;sup>9</sup> In education we support the \$100 million investment over the next two years for Recover from COVID Schools Program (RECOVS) & Mental Health Grants for mental health services and school-based services as well as the commitment to funding the Tuition Assistance Program (TAP) for part-time students (\$150 million) and for incarcerated students (\$5 million).

<sup>&</sup>lt;sup>10</sup> In public protection we support the proposed \$20 million investment in partnerships between government and community-based organizations to help communities experiencing gun violence12 and \$50 million investment in capital grants for communities impacted by gun violence.

To reiterate, New York's youth require our undivided attention. The investments in them must address the pressing issues young people are facing today if we are to ensure that they, and the state of New York, will have a bright and successful economic future.

### **Child Poverty**

During the first year of the pandemic, households with children were more likely to struggle to make ends meet, with 58% in the New York metro area having experienced a loss of employment income. Furthermore, 40% of households with children making less than \$25,000 a year reported income loss from April to July of 2021, pointing to the challenges that low-income families faced with economic recovery. Even still, New York City's unemployment rate is more than double that of the U.S. at 9.4 percent. Provided the pandemic, households with children were more likely to struggle to make ends meet, with 58% in the New York metro area having experienced a loss of employment income.

If we learned anything from the pandemic, it is that direct cash relief is critical in alleviating child poverty. The historic expansion of the federal Child Tax Credit kept nearly 3.5 million children out of poverty each month from July to December 2021 and reduced the monthly child poverty rate by 29.4 percent in November alone.<sup>13</sup> While leaving a monumental impact on the lives of families, the monthly federal Child Tax Credit payments have now expired, and New York State must work to continue assisting families with direct cash relief in this year's budget.

• We urge the state to enhance the Empire State Child Credit and expand it to cover children under the age of four as well as those who are 17 years of age. As you know, the Empire State Child Credit acts as a supplement to the federal Child Tax Credit, providing a maximum of \$330 for qualifying children, but only a \$100 credit to the lowest earning families. Unlike the federal program, the New York tax credit covers children without Social Security numbers but falls short in covering children under the age of four or seventeen, excluding millions of New Yorkers. Research shows that permanently increasing the Empire State child credit and expanding it to all children under 18 would have countless positive economic, health, and societal impacts that would more than outweigh the estimated cost of the program.<sup>14</sup>

#### Conclusion

New York is continuing to experience economic and social hardship, driven by the continuation of the COVID-19 pandemic and dearth of available resources for the most impacted communities. While the introductions of vaccines and federal relief supported some much-needed revitalization, there are still

15

<sup>&</sup>lt;sup>11</sup> CCC analysis of U.S. Census Bureau Household Pulse Survey. Retrieved from: https://www.census.gov/data/experimental-data-products/household-pulse-survey.html.

<sup>&</sup>lt;sup>12</sup> Haag, M., McGeehan, P. (December 2021). "The 'Double Whammy' That Is Slowing New York City's Job Growth." *The New York Times*.

<sup>&</sup>lt;sup>13</sup> Curran, M. (December 2021). "Research Roundup of the Expanded Child Tax Credit: The First Six Months." *Center on Poverty and Social Policy*.

<sup>&</sup>lt;sup>14</sup> Garfinkle, I. Sariscany, L., Ananat, E. Collyer, S. Wimer, C. (March 2021). "The Costs and Benefits of Expanding the Empire State Child Tax Credit. "Center *on Poverty and Social Policy*.

deep disparities in income, employment, housing, child care, wellbeing, education, and technological support.

From the data collected by the Citizens' Committee for Children, it is evident that providers are struggling to meet the continued needs of populations due to the extraordinary circumstances New York is still experiencing. Given this climate, we do commend the Governor for her first Executive Budget, and specifically look forward to working with her and the State Legislature on the continued support of Raise the Age, affordable housing, and other issues essential to family wellbeing. We hope the Adopted Budget for Fiscal Year 2023 will go further to support children and families across New York. Specifically, CCC is advocating for bold investments in behavioral healthcare, universal child care, expanding youth development opportunities, primary prevention and child welfare funding, equitable education, child allowances, and statewide housing subsidies. Supporting these issues will allow New York State children and families to begin the long road of recovery and reach success.