



**children's
defense fund
new york**

Joint Legislative Hearing on the 2023 – 2024 New York State Executive Budget Proposal: Human Services

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Joint Legislative Hearing Testimony: 2023 – 2024 New York State Human Services Executive Budget Proposal

About the Children’s Defense Fund – New York

Children’s Defense Fund – New York (CDF-NY) thanks the chairs of the Assembly Ways and Means Committee and the Senate Finance Committee for the opportunity to submit testimony on the 2023 – 2024 New York State Human Services Executive Budget Proposal.

CDF-NY is a non-profit child advocacy organization that works statewide to ensure every child in New York State has a *Healthy Start*, a *Head Start*, a *Fair Start*, a *Safe Start* and a *Moral Start* in life and a successful passage to adulthood with the help of caring families and communities. As the New York office of the Children’s Defense Fund (CDF), a national organization with roots in the Civil Rights Movement, we are committed to advancing racial equity and to leveling the playing field for marginalized New York children, youth and families. We envision a state – and a nation – where marginalized children flourish, leaders prioritize their well-being and communities wield the power to ensure they thrive. We pay particular attention to the needs of children living in poverty, children of color, and those with disabilities. CDF-NY strives to improve conditions for children and youth through research, public education, policy development, direct service, organizing, and advocacy in direct partnership with the communities we serve. We seek to build and amplify community power to ensure that marginalized children, youth and families can thrive, access opportunities, and experience authentic joy. Our policy priorities include racial justice, health equity, education justice, child welfare, youth justice, and economic mobility. To learn more about CDF-NY, please visit www.cdfny.org.

Our Collective Commitment to Communities Requires Budget Investments that Diminish Contact with and the Impact of the Youth Justice and Child Welfare Systems

1) Fully Fund Raise the Age Reforms

Raise the Age has been successful for marginalized young people and their communities, despite its underfunding. While \$800 million has been allocated for Raise the Age reforms over the last 4 years of budget cycles, it has been publicly reported that only \$270 million of those State dollars have actually been invested in communities. A failure to fully fund Raise the Age is a continuation of government’s failure to make critical investments in marginalized young people and their communities—investments that, in many cases, would have prevented youth justice system involvement and which are essential for a community’s overall health and safety. The FY 2023-2024 Budget must ensure that those funds included in this year’s appropriation reach the local community-based organizations that are providing critical support to our young people, including mental health, education, employment, mentorship, restorative justice, and other trusted programs.

While the Executive Budget proposal includes \$250 million in Raise the Age implementation dollars, there is no change to the mechanisms for getting these critical funds to communities.

These implementation dollars are administered by three agencies: the Office of Children and Families Services (OCFS), the Division of Criminal Justice Services (DCJS) and the Department of Budget (DOB). Those who serve and work with young people who may have contact with the criminal legal system need to have better access to this support, meaning that counties must access the funds more easily, and community-based organizations and service providers must be allowed to apply and receive state dollars without excessive red tape. Time is of the essence when it comes to supporting our youth and the local community-based organizations that support young people and their families. Communities should receive up-front allocations of Raise the Age implementation appropriations based on information about the numbers of youth who have contact with the criminal legal system.

Investments must be equitable. Communities that are disproportionately impacted by the youth justice system are communities that have endured generations of underinvestment. New York City has the greatest disparities in income of any major U.S. city. In Manhattan, Black and Latinx children – who are disproportionately impacted by the youth justice system – are 10 to 13 times more likely to live in poverty than white children.¹ Youth justice is a child poverty issue. Since Raise the Age was passed, New York City, which represents half of the youth justice system, has been excluded from receiving state funding. Unfortunately, the Executive Budget proposal does not change this. Permitting the City to access these dollars should be part of the Budget this year and would put New York on a path to ensuring equitable investment in a city whose young people and communities continue to struggle to meet basic needs.

2) Reauthorize Close to Home and Restore State Financial Support

Close to Home is a juvenile justice reform initiative designed to keep youth close to their families and community in New York City instead of Office of Children and Family Services operated placement facilities. It has operated successfully for a decade and is subject to reauthorization this year. While we support the Governor's proposal for permanent reauthorization of this ground-breaking reform, the final budget must restore state funding for the program. Like Raise the Age, all youth, no matter where they live in New York State, deserve equitable State support to be protected, safe and thrive.

3) The Child and Family Reinvestment Act

New York State has a shameful and immoral child poverty record. A higher percentage of children live in poverty in New York than in 34 other states, despite New York being one of the richest states in the nation and having one of the largest economies in the world.² Prior to the start of the COVID-19 pandemic, one in five New York children lived in poverty – that's nearly 800,000 children. Twenty-three percent of New York children under the age of five live in poverty – at exactly the period in their development when they are most susceptible to its devastating impacts. Racial disparities are pervasive in our State's child poverty crisis, with Black and Latinx children more than twice as likely as white children to live in poverty. In three out of every four of New York's counties, both Black and Latinx children are more likely to live in poverty than white children.³ Strengthening economic support for children and families is a racial justice and racial equity issue, which addresses systemic racism and helps marginalized families and communities to have a real opportunity to experience economic mobility.

¹ Children's Defense Fund-NY, New York County – Child Poverty in New York, available at: <https://www.cdfny.org/wp-content/uploads/sites/3/2021/05/Child-Poverty-in-New-York-County.pdf>.

² Children's Defense Fund-NY, Child Poverty County Profiles, available at: <https://cdfny.org/county-profiles/>.

³ *Id.*

Assembly Member Hevesi and Senator Brisport have championed a robust collection of investments that build on this foundation, which we endorse and support.

(a) Establish a New Child and Family Wellbeing Fund

Currently proposed as part of the Child and Family Reinvestment Act, the Child and Family Wellbeing Fund would support children's growth and development by investing resources in communities that have been historically disenfranchised, systematically underinvested in, and targeted for government intervention through the child protective services (CPS) / child welfare system. The Child and Family Wellbeing Fund is an innovative, first-of-its-kind, anti-racist approach to resourcing communities to support healthy children and families. The FY 2023-2024 Budget should include \$28 million for the new Fund, which would:

- Support the density of local nonprofits by investing in small groups that are usually locked out of government funding. Only groups with budgets under \$2 million that are recommended by community members.
- Resource trusted organizations. This fund is only open to groups without ties to the CPS system.
- Center community expertise in resource decisions. Advisory boards include child welfare system-impacted parents and youth.
- Intentionally invest in the social fabric. It uses the Asset-Based Community Development model to build social capital and collective action.
- Build long-term community capacity. Technical assistance to support growth is written in.
- Reduce the likelihood of family involvement in the child protective system. It invests in projects and resources known to reduce family stress and susceptibility to child welfare involvement.

The new fund would be structured around core purposes and functions:

- **Community-driven Investment:** The vision is to use the new Child and Family Wellbeing Fund to direct state dollars to groups that are deeply embedded in communities and responsive to community needs. Grantees are determined by a local advisory committee who have been identified by the community, composed of individuals with lived experience and individuals with professional experience in relevant public system policy and community engagement.
- **Operational Accountability:** Since the vision is to prioritize small, local groups and organizations that may not have capacity to seek out and apply for state grants, the Fund will operate through a "backbone" organization, which will provide technical assistance and support for communities to determine which kinds of community investments they want, support local advisory committees in soliciting and evaluating grant proposals, and distributing funding according to local advisory committee decisions.

- Reporting and Evaluation: The backbone organization would be responsible for documenting the grants, collecting information for evaluation and producing public reports to the legislature and the public that demonstrate the process, impact, and effects of the Fund's community-led, grant-making process and state-funded investments.

(b) Expand New York's Empire State Child Credit and Earned Income Tax Credit

As outlined in more detail in testimony submitted by the Children's Defense Fund-NY for the Budget Hearing on Taxes on February 9, 2023, we support reforms to New York's tax policy that are included in the Child and Family Reinvestment Act. These reforms address child and family poverty and reduce the likelihood of contact with the youth justice and child welfare system, where children, youth and families of color are disproportionately impacted.

The state must expand and strengthen the Empire State Child Credit by: (1) extending eligibility to include children under four years old; (2) increasing the value of the credit to \$1000 for young children and \$500 for older children; and (3) making the full credit available to families with the lowest income, including families with no income.

Similarly, we must strengthen and expand the Earned Income Tax Credit by: (1) permanently increasing the percentage of the federal credit paid to families from 30% to 45%; (2) expanding the credit for young adults without children (youth aged 18 through 24) who are currently ineligible for either the federal or state credit; and (3) adjusting filing requirements so that families using Individual Tax Identification Numbers (ITIN) can benefit.

(c) Support Unconditional Direct Cash Transfer Projects

Like the promise of the Child and Family Wellbeing Fund, direct cash transfer projects (also known as universal basic income or guaranteed income) should be part of the State's investment in building new policy that supports marginalized children, youth and families. Such pilots are underway in communities across New York State, and the Children's Defense Fund-New York is excited to be leading one in New York City for young people who have recently aged-out of foster care. Mounting evidence confirms what we know intuitively: flexible, concrete material support for families and young adults help people navigate crisis and maintain stability.⁴ Income loss, difficulty paying rent and utility shut-offs are among the strongest predictors of a family facing a CPS neglect investigation.⁵ We must stop criminalizing poverty and instead legislate economic solutions that provide marginalized families the support that they need and deserve.

Unconditional financial support is also critical for emerging adults aged 18 to 25. Young people today endure much more financial instability and greater economic inequality than previous generations.⁶ Tragically, we have entered a time in our nation's history where young people

⁴ Family and Child Well-being System: Economic & Concrete Supports as a Core Component. (2021, June). Chapin Hall. <https://www.chapinhall.org/wp-content/uploads/Economic-Supports-deck.pdf>.

⁵ *Id.*

⁶ Richard J. Bonnie, Clare Stroud, and Heather Breiner (eds.), "Investing in the Health and Well-Being of Young Adults," *Institute of Medicine and National Research Council of the National Academies*, 2015. Available at:

are worse off than their parents and are experiencing a trillion-dollar student debt crisis. Nationally, more than half of all young adults aged 18 to 24 live on incomes below 200% of the federal poverty level.⁷ And this precarity is not experienced equally among young people. Recent research has shown that white young adults had 16 times the wealth of their Black peers.⁸ Homeless youth⁹, young people who have had child welfare system contacts¹⁰, and other marginalized young adults should be part of building the collective knowledge necessary to scale guaranteed income policy in New York with state dollars.

(d) Expand Access to Reliable Child Care

Universal child care is essential for family economic mobility and autonomy, and to ensure every child a fair start in life. Despite recent gains in expanding access, we have much more to do to create a universal child care system in New York State. The Budget must make critical investments for families across New York State by: (1) increasing wages for the workforce and making child care operations sustainable; (2) ensuring access to subsidies regardless of a family's immigration status; (3) passing the decoupling bill (Hevesi/Brisport) and the 24-month eligibility option bill (Lunsford/Ramos) to increase families' access to child care resources.

(e) Child Welfare Services

We also continue to endorse necessary investments within the child welfare system. The final budget must include:

- Reforms that create a separate funding stream for the KinGap program outside the Foster Care Block Grant so that counties are not forced to choose between spending limited funds on foster care or kinship placements with family. Creating an independent funding stream would increase financial supports that help children leave foster care and live with family.

<https://www.ncbi.nlm.nih.gov/books/NBK284776/>.

⁷ Naomi Zewde (2020), "Universal Baby Bonds Reduce Black-White Wealth Inequality, Progressively Raise Net Worth of All Young Adults," *The Review of Black Political Economy* 47(1): 3-19. Available at: <https://doi.org/10.1177/0034644619885321>.

⁸ Heather Hahn, et al., "Young People's Lived Experiences with Safety Net Programs: Insights from Young People and Youth-Serving Organizations," *Urban Institute*, December 2021. Available at: <https://www.urban.org/sites/default/files/2022-04/young-peoples-lived-experiences-with-safety-net-programs-insights-from-young-people-and-youth-serving-organizations.pdf>.

⁹ Morton, M. H., Chávez, R., Kull, M. A., Carreon, E. D, Bishop, J., Daferede, S., Wood, E., Cohen, L., & Barreyro, P. (2020). Developing a direct cash transfer program for youth experiencing homelessness: Results of a mixed methods, multistakeholder design process. Chicago, IL: Chapin Hall at the University of Chicago, at 11, available at: <https://www.chapinhall.org/wp-content/uploads/Developing-a-Direct-Cash-Transfer-Program-for-Youth.pdf>.

¹⁰ See, e.g., Courtney, Mark E., et. al. (2011). "Midwest Evaluation of the Adult Functioning of Former Foster Youth: Outcomes at Age 26." Chapin Hall at the University of Chicago, available at: <https://www.chapinhall.org/wp-content/uploads/Midwest-Eval-Outcomes-at-Age-26.pdf>; Fryar, Garet, et. al. (2017). Fostering Youth Success Alliance (2020). *MOVING FORWARD: A Post-Pandemic Blueprint for New York's Foster Youth* (survey of transition age youth in New York), available at: https://www.fysany.org/sites/default/files/document/FYSA_MovingForward.pdf.

- Restoring funding for the NYS Unified Kinship Navigator system of care and for local kinship programs.
- Increasing the child welfare housing subsidy to support families who have contact with the system and older youth aging-out of foster care. The subsidy should also include annual adjustment based on positive growth in the consumer price index so that it can remain a valuable resource for stable housing over time.
- Making equitable investments in the foster care workforce.
- Providing funding for attorneys who provide legal representation to parents involved in the child welfare system.
- Increasing funding for, and expand access to, Advantage Afterschool and other out-of-school time funding streams, setting New York on a path to universal access.
- Increasing funding for, and expanding access to, the Youth Development Program, expanding access to services and supports through municipalities to child, youth, and family serving community-based organizations.
- Restoring state funding for reimbursement to counties for preventive services to its original level of 65%.

Conclusion

Thank you for your consideration of this written testimony. The Children's Defense Fund – New York looks forward to working with you on a State budget that improves the health and well-being of children, youth and families in *marginalized* communities in New York.

