

UNH Summary of the
FY 2018-2019 New York State Executive Budget



Summary of New York State 2018-2019 Executive Budget

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Introduction

On January 16, 2018 Governor Cuomo released his **\$168.2 billion FY2018-19 Executive Budget**, marking the return of the separation of the Governor's State of the State Address and his budget proposal, which for several years he had condensed into a singular event.

Year-over-year growth (excluding federal funding and capital expenditures) was kept to 1.9%, coming in just below Cuomo's **self-imposed growth cap** of 2%. With a \$769 million dollar increase in school aid and Medicaid scheduled for a 3.2% increase, most other areas of the budget were kept flat or reduced in order to maintain the 2% cap. In response to a \$4.4 billion projected deficit heading into the development of the FY2019 budget, as well as significant reductions in federal funding for health care and further uncertainty on the horizon, the Governor proposed a number of "**revenue raisers**," including new taxes and fees on health insurance companies and opioid manufacturers, as well as deferred tax credits for large corporations, and a closure of the carried interest loophole. In addition, the Governor seeks preemptive authorization to modify the FY2019 budget mid-year in the event of a loss of federal funding for the Child Health Insurance Program (CHIP).

While not formally included in his budget proposal, the Governor articulated a possible scheme whereby employers would assume responsibility for paying their employees' income taxes and deducting that amount from the employee's paychecks. Employers would then deduct the cost of these payroll taxes on their own filings, creating an anticipated net-neutral impact for both employees and employers. Such a maneuver is designed to skirt recent federal changes in the **deductibility of state and local taxes** on individuals' federal income tax returns. There are many outstanding questions around this idea, including the impact on nonprofit organizations that do not currently pay income taxes, as well as whether the federal government would act to close this loophole.

The Governor also proposed a number of **notable policy initiatives**, including passage of the DREAM Act, requiring all CUNY and SUNY campuses to provide access to food pantries, and a study on the impacts the legalization of marijuana would have in the State. In addition, The Governor proposed expanded access to the ballot, including early voting, same day voter registration, and automatic voter registration; however he did not include funding to support these initiatives. Finally, the Governor included several proposals as part of his *Women's Agenda*, including the prohibition of using tax dollars to settle sexual harassment/abuse claims, the removal of firearms from domestic violence offenders, legislation to address sexual exploitation crimes, and legislation to support access to contraception.

In the **human services arena**, the Governor included modest increases in child care subsidies, certain after school programs, and the Summer Youth Employment Program. These increases were offset however, by cuts in Adult Literacy Education, Advantage Afterschool, Naturally Occurring Retirement Communities, and the Nonprofit Infrastructure Capital Investment Program. In addition, the Governor failed to provide across-the-board cost of living adjustments in human services contracts, though he proposes such adjustments for direct care providers (6.5%). Finally, the Governor again failed to account for the increased cost of minimum wage in human services contracts, and also did not propose bringing the state into alignment with federal guidance on a *de minimis* indirect rate of 10%.

Overview of State Agencies Included in this Summary

Office of Children and Family Services (OCFS). OCFS administers funding for the Settlement House Program, child care, child welfare and several youth services such as Advantage After-School and the Youth Development Program, as well as Title XX funding, which is partially used by NYC to support senior centers.

New York State Education Department (NYSED). NYSED administers school aid funding, Universal Pre-Kindergarten (UPK), Adult Literacy Education (ALE), Empire State After-school Programs, and Extended School Day / Violence Prevention After-School.

State Office for the Aging (SOFA). SOFA administers funding for Naturally Occurring Retirement Communities (NORCs), EISEP Community Services for the Elderly, and Social Adult Day Services.

Office of Temporary and Disability Assistance (OTDA). OTDA administers funding for public assistance, homelessness prevention, SYEP, citizenship services, and the Flexible Fund for Family Services (FFFS), which local social service districts can use to support a wide range of human services.

Department of State (DOS). DOS administers funding for Opportunity Centers, which are focused on providing legal assistance, case management, and ESOL services for immigrants.

Department of Labor (DOL). DOL regulates labor laws, provides unemployment assistance, and connects individuals to employment and training opportunities.

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Office of Children and Family Services (OCFS)	
<p>Settlement House Program The Executive Budget eliminates \$2.45 million in funding for the Settlement House Program. While this program used to be supported by a combination of general fund dollars through OCFS and TANF dollars through OTDA, since FY2017, it has been comprised completely of general fund support (OCFS). This program has typically been negotiated with the legislature and included in the Adopted Budget.</p>	<p>\$0 <i>\$2.45 million decrease</i></p>
<p>Child Care Block Grant The Executive Budget maintains \$806 million, a \$7 million increase from FY 2017-2018. This increase is a restoration of a cut from last year. Further funding is needed to address increased costs from the new minimum wage and to provide child care to families on waiting lists.</p>	<p>\$806 million <i>\$7 million Increase</i></p>
<p>Advantage After School The Executive Budget reduces Advantage After-School funding by \$3.5 million which was added by the Legislature last year. Without this funding, there will likely be no new competition for the contracts expiring June 2018, resulting in a loss of after school system capacity.</p>	<p>\$17.26 million <i>\$2.5 million decrease</i></p>
<p>Youth Development Program The Youth Development Program, formerly known as Youth Development Delinquency Prevention (YDDP) and Special Delinquency Prevention Program (SDPP), partially funds a variety of youth programs including New York City's COMPASS After-School. The Executive Budget cuts \$1.5 million which was added by the Legislature last year.</p>	<p>\$14.12 million <i>\$1.5 million decrease</i></p>
<p>Quality Stars The Executive Budget maintains \$5 million for Quality Stars - a Quality Ratings Improvement System for child care programs. This funding was first added in the FY15-16 Executive Budget.</p>	<p>\$5 million <i>Level Funding</i></p>
<p>CACFP Participation The Executive Budget proposes maintaining \$250,000 for a competitive grant to encourage non-profit early care and education and after-school providers to participate in the federal Child and Adult Care Food Program (CACFP).</p>	<p>\$250,000 <i>Level Funding</i></p>
<p>Title XX Social Services Block Grant \$66 million of the federal Title XX Social Services Block Grant allocation to NYS is restricted to domestic violence services and adult protective services; \$27 million is discretionary for local social service districts. The Executive Budget maintains the discretionary nature of the block grant, allowing counties to allocate the funding as they see fit. This will enable NYC to continue to use this funding for its senior centers.</p>	<p>\$27 million <i>Maintains discretionary funds for senior services</i></p>

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State Education Department (SED)	
<p>Pre-Kindergarten Expansion for Three and Four-Year Olds The Executive Budget proposes \$15 million to expand Pre-Kindergarten for three and four-year olds. New York City will not be eligible for additional funding for four year olds but may apply for funding to support 3K For All.</p>	<p>\$22 million <i>New funding</i></p>
<p>Adult Literacy Education (ALE) The Executive budget eliminates last year’s \$1m increase. ALE is distributed by NYSED via competitive grants to CBOs, libraries & CUNY. With recent changes to the federal Workforce Innovation and Opportunity Act that will make it more difficult for providers to serve the lowest skilled and undocumented, ALE funding is particularly important to NYS and NYC.</p>	<p>\$6.3 million <i>\$1 million decrease</i></p>
<p>Community Schools Aid According to an analysis from our colleagues at New York State Network for Youth Success, the Executive Budget includes \$200 million in community school aid to support schools identified as “struggling” or “persistently struggling”. This is a \$50 million increase over the Governor’s FY 17-18 budget proposal. The Executive Budget also proposed raising the minimum amount a school district can receive from \$10,000 to \$75,000.</p>	<p>\$200 million <i>\$50m in new foundation aid funding</i></p>
<p>Extended School Day / Violence Prevention The Executive Budget maintains \$24.34 million for Extended Day School Violence Prevention Programs.</p>	<p>\$24.3 million <i>Level funding</i></p>
<p>Empire State After-School Program The Executive Budget proposes increasing the Empire State After-School Program by \$10 million with \$2 million set aside for school districts in high-risk areas in Nassau and Suffolk Counties. \$8 million is available for school districts with high rates of student homelessness. Unlike, in previous years, non-profit organizations serving children in the targeted school districts will be able to apply directly to the State for this funding.</p>	<p>\$45 million <i>\$10 million increase</i></p>

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State Office for the Aging (SOFA)	
<p>Community Services for the Elderly (CSE) The Executive Budget maintains funding for CSE from the previous year’s Enacted Budget. CSE is a flexible funding source used by localities to operate community-based services like senior centers, transportation, and other supportive services. In NYC, the Department for the Aging uses CSE funding to support case management, homecare, and senior centers.</p>	<p>\$28,933,000 <i>Level funding</i></p>
<p>Expanded In-Home Services for the Elderly Program (EISEP) The Executive Budget maintains funding for EISEP from the previous year’s Enacted Budget. The program provides low-income (not Medicaid eligible) older adults with care management and subsidized home care, as well as other in-home supportive services. The program uses a sliding fee scale for seniors who are able to contribute to their care. In NYC, the Department for the Aging uses CSE funding to support case management, homecare, and senior centers.</p>	<p>\$50,120,000 <i>Level funding</i></p>
<p>Social Adult Day Services (SADS) The Executive Budget maintains funding from the previous year’s Enacted Budget. SADS provides a structured and therapeutic environment for older adults with dementia and other physical impairments. It also provides vital respite for working caregivers.</p>	<p>\$1,072,000 <i>Level funding</i></p>
<p>Naturally Occurring Retirement Communities (NORC) & Neighborhood Naturally Recurring Retirement Communities (NNORC) The Executive Budget does not include the additional \$1 million for classic NORCs and \$1 million for Neighborhood NORCs from the previous year’s Enacted Budget. NORCs and NNORCs allow older adults to age in place, while providing on-site health and supportive services where older adults live—in a building, complex, or neighborhood.</p>	<p>\$2,027,500 <i>\$1 million reduction</i></p> <p>\$2,027,500 <i>\$1 million reduction</i></p>
<p>Wellness in Nutrition (WIN) (formerly SNAP) Plus Outreach The Executive Budget maintains funding from the previous year’s Enacted Budget. WIN is primarily used for home-delivered meals for frail seniors who are unable to prepare meals for themselves. It also funds some congregate meals at senior centers and provides limited funding for supportive services and case management.</p>	<p>\$27,483,000 <i>Level funding</i></p>
<p>Caregiver Resource Centers The Executive Budget maintains funding from the previous year’s Enacted Budget. The Older Americans Act funds Caregiver Services through Title III E at \$12 million, and the State provides \$353,000 to Area Agencies on Aging to operate this program.</p>	<p>\$353,000 <i>Level funding</i></p>
<p>Title XX Social Services Block Grant \$66 million of the federal Title XX Social Services Block Grant allocation to NYS is restricted to domestic violence services and adult protective services; \$27 million is discretionary for local social service districts. The Executive Budget maintains the discretionary nature of the block grant, allowing counties to allocate the funding as they see fit. This will enable NYC to continue to use this funding for its senior centers. <i>Note: this funding passes through the NYS Office of Children and Family Services. For the purposes of this summary, it is listed with older adult funding.</i></p>	<p>\$27 million <i>Continues to be discretionary funds for senior services</i></p>

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Office of Temporary and Disability Assistance (OTDA)	
<p>Summer Youth Employment Program The Executive Budget includes \$40 million, a \$4 million increase over the previous fiscal year, which will cover the minimum wage increase for State-funded summer job slots. It will not however, allow for an expansion to meet unmet demand across the State.</p>	<p>\$40,000,000 <i>\$4.0 million increase</i></p>
<p>Career Pathways The Executive Budget eliminates funding for Career Pathways, a workforce program that combines education and job training skills in order to create opportunities for future employment. This program was funded at \$2.85 million in the previous year's Enacted Budget.</p>	<p>\$0 <i>\$2.85 million reduction</i></p>
Department of State (DOS)	
<p>Opportunity Centers The Executive Budget maintains funding for the neighborhood Opportunity Center program, which provides legal assistance, case management and ESOL services for immigrants. Opportunity Centers were created in FY12-13 through consolidation of the New York State Refugee Resettlement Assistance Program (NYSRRAP) and New York State Citizenship Initiative (NYSCI).</p>	<p>\$6.4 million <i>Level funding</i></p>
Department of Labor (DOL)	
<p>YouthBuild The Executive Budget does not include funding for YouthBuild, a program for youth who are out of work and out of school. The program provides training in construction alongside HSE preparation. This program has typically been negotiated with the legislature and included in the Adopted Budget.</p>	<p>\$0 <i>\$300,000 reduction</i></p>
Capital Projects	
<p>Nonprofit Infrastructure Capital Investment Program (NICIP) The Executive Budget does not renew funding for NICIP. It only reappropriates a total of \$120 million from the three previous budget years (\$50m, \$50m, \$20m) to fund the original RFP. NICIP funds competitive grants for capital and technological investments for human service nonprofits that provide services through state contracts.</p>	<p>\$0 <i>\$20 million reduction</i></p>