

Child Poverty Reduction Advisory Council (CPRAC) - DRAFT REPORT:

statutorily-required assessment of “the proposals contained within the executive budget submission that are expected by the advisory council to impact the child poverty rate.”

Introduction

Governor Hochul has prioritized making New York more affordable and livable, as exemplified by her commitment to reducing childhood poverty by 50% by 2030. The creation of the Child Poverty Reduction Advisory Council (CPRAC), the entity publishing this report, is a signal by the Governor that she is committed to ensuring that children and families can not only survive but flourish in New York State.

Pursuant to Social Services Law 131-zz, this report provides an overview of the State Fiscal Year 2024 Proposed Executive Budget and its impact on reducing childhood poverty. This budget includes many proposals reflecting this priority. From smart investments in housing, to policy actions that will increase workers’ wages, to the continuation of key anti-poverty programs and more, the proposals put forth in the proposed Executive Budget will directly and indirectly strengthen New Yorkers’ economic security, resulting in the reduction of child poverty in New York State.

Improving New Yorkers’ Economic Security

Childhood. The Governor’s Proposed Executive Budget makes major investments in programs for our State’s youngest children, which will have short- and long-term positive impacts on their health, well-being, development, and future opportunities. This includes historic investments in expanding childcare, support for the State’s robust prekindergarten program, funds to support child welfare workers, and efforts to help young New Yorkers get a leg up in the workforce.

- Pre-Kindergarten:
 - continued support for pre-k across the State.
 - **\$125 million** new investment to allow an additional 17,500 young children to benefit.
 - **\$1.2 billion** in State support now provided for pre-k in New York.
- Child Care:
 - **\$7.6 billion investment** over four years.
 - expanding eligibility for child care assistance to an estimated 113,000 children by increasing eligibility to the federal maximum – from 300 percent of the federal poverty level to 85% of the State Median Income.
 - changes to make eligibility and assistance work better and more quickly for families, including standardized eligibility across the state to address disparities, reducing barriers to eligibility for people receiving government support (i.e., SNAP, HEAP, Medicaid or WIC), lowers and in some cases eradicates co-pays, and increases State reimbursement rates to providers to expand the number of programs from which families can choose.
 - **\$4.8 million** in State funds for the Employer-Supported Child Care Pilot Program, operating in three separate regions in the state.

- **\$389 million** in underutilized Federal funds for a Workforce Retention Grant program.
- **\$25 million** to create a new tax credit, the Child Care Creation and Expansion Tax Credit Program, which would incentivize the expansion of the number of qualified childcare seats/supply of childcare for New Yorkers. This tax credit will be made available to providers who generate new capacity over the next two years.
- Child welfare:
 - **\$8.5 million** for a 2.5% cost-of-living adjustment for workers across foster care, adoption, and supportive housing programs.
 - **\$16 million** in additional capital funding to renovate and maintain vital infrastructure at OCFS youth facilities.
 - **\$250 million** to continue to support State and local costs for reform measures for the Raise the Age program.
- School Aid
 - **\$34.4 billion** proposed for school aid in Fiscal Year 2024, an increase of 10% from last year
 - NYS is committed to guaranteeing a sound, basic education to all New York children, regardless of geography or income.
 - Foundation aid funding to be funded in full, historic investment and the first time since the foundation aid formula adopted in 2007.
- Youth opportunities:
 - **\$18 million** in OTDA's budget for a new Youth Opportunities Program, which will augment the Summer Youth Employment Program during the school year, to provide year-round, part-time employment to an estimated 2,500 youth. This program **will grow to \$37 million** on an annual basis and will operate in localities that have experienced high rates of violent crime.
 - **\$47.1 million** for the Summer Youth Employment Program, an increase of \$1 million, to accommodate the most recent minimum wage increase and ensure the same number of youths can be served as last summer

Public Benefits. The Governor's Proposed Executive Budget makes important reforms to the State's public benefits programs. These reforms would ease the processes for New Yorkers in need to apply for and access the assistance to which they are entitled, especially as they obtain employment and build income. The Budget would also expand Medicaid coverage to support more low-income New Yorkers. These actions will improve the economic stability and outlook of benefit recipients and increase access to education and training opportunities.

- Stability for **benefit recipients**:
 - making it easier for benefit recipients to maintain stability as they obtain work, by addressing policies that created benefits cliffs
 - Disregards income for qualified work activities and training programs when calculating monthly benefit
 - A **six-month disregard** for earned income for New Yorkers who get jobs, incentivizing work and addressing benefit cliffs historically associated with gaining employment, which many recipients and advocates had called out for years

- ending the requirement for education to be combined with other activities after 12 months of post-secondary education
- Expanding **Medicaid coverage** for 7.8 million low-income New Yorkers

Housing. The Governor's Executive Budget seeks to confront New York's housing affordability crisis head-on with a comprehensive housing policy vision. The Governor's latest investments build on the State's ongoing 5-year housing plan and establish a new, comprehensive Housing Compact for the state. This plan seeks to usher in an era of housing construction that will increase housing supply and decrease housing costs over the long term. The Governor's Executive Budget also includes programs that target renters and homeowners who have high utility bills.

- NYS Housing Compact:
 - **\$250 million** for infrastructure upgrades and improvements to support local housing growth and development, including county housing production targets and transit-oriented development.
 - **\$20 million** for planning and technical assistance to support local rezoning efforts and other solutions to drive growth.
 - **\$4 million** to create a new Housing Planning Office within Homes and Community Renewal to support localities in meeting their housing goals and coordinate planning efforts across the state.
 - **\$50 million** for the creation of a statewide Homeowner Stabilization Fund to provide critical home repairs in 10 key communities with a high concentration of low-income homeowners of color.
 - Extending and implementing **a range of tax credits** designed to spur housing production and address the housing affordability crisis, including extending the 421-A construction deadline through 2030, tax exemptions for accessory dwelling units, tax incentives for converting commercial spaces to affordable housing, and more
- Continued implementation of the Governor's \$25 billion, five-year housing plan to create or preserve 100,000 affordable housing units, including 10,000 supportive housing units:
 - **\$5.7 billion** in capital resources,
 - **\$8.8 billion** in State and Federal tax credits and other Federal allocations,
 - **\$11 billion** to support the operation of shelters and supportive housing units and to provide rental subsidies.
- **\$400 million** to provide relief to New Yorkers experiencing high electric bills as well as lowering energy burdens through electrifications and retrofits.
- Expansion of the NYS Homes and Community Renewal (HCR) **Tenant Protection Unit** as part of a multi-year investment to provide targeted support for tenants in upstate New York,
 - Will enable the unit to expand outside of NYC and provide guidance, advocacy, and legal assistance for tenants across the state
- Creating **3,500 transitional and supportive housing units** to serve New Yorkers with mental illness.

Employment/Wages. The Governor’s Executive Budget seeks to index the minimum wage to inflation. The Governor wishes to ensure that New York’s \$15 minimum wage is able to be indexed in order to address the impacts of inflation and the increased cost of living.

- Indexing the minimum wage to inflation
 - Ensures the State’s minimum wage changes and grows over time to reflect changing realities for New Yorkers and keep pace with New Yorkers’ real costs

Regional Economic Development. The Governor’s Proposed Executive Budget makes comprehensive investments in key regions across the State to generate economic development that will improve the lives of area residents, including by increasing housing supply and expanding economic opportunity.

- **\$425 million** to invest in local economies, including **\$225 million** in grant funding and tax credits for the Regional Economic Development Councils and **\$100 million** each for the Downtown Revitalization Initiative and NY Forward.
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The Executive Budget for SFY2024 includes many major investments across key policy areas, including unprecedented investments in new and expanded programs that will serve and support low-income New Yorkers. The CPRAC believes that there is more work to do within each area to achieve our goal of reducing child poverty in New York by 50% over the next ten years and is committed to continue working towards this goal.