

March 3, 2023

Dear Deputy Secretary Kim & Commissioner Tietz:

We are writing as Statutory Members of the Child Poverty Reduction Advisory Council in our role to provide a 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.”

In its current form, we cannot endorse the draft statement because it fails to acknowledge that while there are provisions in the FY24 Executive Budget proposal that may contribute to reductions in statewide child poverty rates, there is an absence of policy instruments with the strongest evidence base and inclusion of other proposals with insufficient evidence to be associated with child poverty reduction.

As members, we have included an assessment (Addendum 1) of the existing Executive Budget proposals on the basis of their projected impact on the child poverty rate and strength of evidence, as well as guidance drawing on the [National Academy of Sciences “Roadmap to Reducing Child Poverty.”](#) Important components of the Executive Budget have the capacity to aid all New York children by expanding access to care and services through investment in Pre-K; child care; School Aid; Youth Opportunities; and energy subsidies, while Executive proposals to index the minimum wage to inflation has the potential to support child poverty rate reduction if strengthened.

Meanwhile, the evidence related to some of the Executive Budget proposals is less strong, suggesting minimal impact for New Yorkers who are experiencing poverty: business tax credits for child care; capital funding for OCFS youth facilities; Regional Economic Development Councils; and Downtown Revitalization Initiatives lack evidence to support their inclusion among the other proposals to impact the child poverty rate.

A review of existing **evidence** suggests there are additional opportunities (Addendum 2) where policy/budget proposals could be strengthened to make a measurable impact on child poverty. The Child Poverty Reduction Act (CPRA) creates an expectation of implementation and ongoing assessment of policies that are likely to reduce child poverty.

Outlined are a series of opportunities to advance critical, evidence-informed actions that can be taken in *this year’s* Budget that will immediately assist New York’s children and families who are experiencing poverty. They represent current legislative proposals under consideration by the State Legislature for inclusion in the negotiated budget.

Sincerely,

Kate Breslin, President & CEO, Schuyler Center for Analysis & Advocacy

Dia Bryant, Executive Director, The Education Trust-NY

Richard R. Buery, Jr, CEO, Robin Hood

Melissa Genadri, Economic Mobility and Health Policy Associate, Children’s Defense Fund-NY

Allison Lake, Executive Director, Westchester Children's Association

Pete Nabozny, Policy Director, the Children’s Agenda

Addendum 1

Impact Scorecard: Executive Budget Proposals Expected by the Advisory Council to Impact the Child Poverty Rate

Budget Item	Additive or maintaining current effort	Degree of immediate child poverty reduction (Scale 0 - 3, 3 = highest)	Degree of 10- year child poverty reduction impact (Scale 0 - 3, 3 = highest)
Pre-Kindergarten:			
continued support for pre-k across the State.	Maintaining	1	1
\$125 million new investment to allow an additional 17,500 young children to benefit.	Additive	1	1
\$1.2 billion in State support now provided for pre-k in New York.	Maintaining	1	1
Child Care:			
\$7.6 billion investment over four years.	Maintaining	1	2
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.	Additive	1	2
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.	Additive	1	2
\$4.8 million in State funds for the Employer-Supported Child Care Pilot Program, operating in three separate regions in the state.	Additive	0	0
\$389 million in underutilized Federal funds for a Workforce Retention Grant program.	Additive	1	0

\$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.	Additive	0	0
Child Welfare:			
\$8.5 million for a 2.5% cost-of-living adjustment for workers across foster care, adoption, and supportive housing programs.	Additive	1	1
\$16 million in additional capital funding to renovate and maintain vital infrastructure at OCFS youth facilities.	Additive	0	0
\$250 million to continue to support State and local costs for reform measures for the Raise the Age program.	Maintaining	1	1

School Aid			
\$34.4 billion proposed for school aid in Fiscal Year 2024, an increase of 10% from last year	Additive	1	2
NYS is committed to guaranteeing a sound, basic education to all New York children, regardless of geography or income.	Maintaining	?	2
Foundation aid funding to be funded in full, historic investment and the first time since the foundation aid formula adopted in 2007.	Additive	1	2
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.	Additive	1	1
\$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	Additive	1	1
Stability for benefit recipients:			
Making it easier for benefit recipients to maintain stability as they obtain work, by addressing policies that created benefits cliffs	Additive	1	1

Disregards income for qualified work activities and training programs when calculating monthly benefit	Additive	1	1
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	Additive	1	1
Ending the requirement for education to be combined with other activities after 12 months of post-secondary education	Additive	1	1
Medicaid			
Expanding Medicaid coverage for 7.8 million low-income New Yorkers	?	0	0
Housing			
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.		0	0
\$20 million for planning and technical assistance to support local rezoning efforts and other solutions to drive growth.	Additive	0	0
\$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.	Additive	0	0
\$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.	Additive	?	?
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	Additive	0	0
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:	Additive	0	1
\$5.7 billion in capital resources,			
\$8.8 billion in State and Federal tax credits and other Federal allocations,		0	0
\$11 billion to support the operation of shelters and supportive housing units and to provide rental subsidies.		1	1

\$400 million to provide relief to New Yorkers experiencing high electric bills as well as lowering energy burdens through electrifications and retrofits.		1	1
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,		1	1
Will enable the unit to expand outside of NYC and provide guidance, advocacy, and legal assistance for tenants across the state		1	1
Creating 3,500 transitional and supportive housing units to serve New Yorkers with mental illness.	Additive	0	1
\$20 million for support to landlords who need financial assistance with lead paint remediation.			
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	Additive	1	1
Regional Economic Development			
\$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.	Additive	0	0
Mental Health			
\$1 billion mental health investment	Additive	1	1

ADDENDUM 2

Additional Opportunities in This Year's Budget to Improve Economic Security for New York's Low-Income Children and Families

A review of existing **evidence** suggests there are additional opportunities where policy/budget proposals could be strengthened to make a measurable impact on child poverty. The Child Poverty Reduction Act (CPRA) creates an expectation of implementation and ongoing assessment of policies that are likely to reduce child poverty.

Outlined are a series of opportunities to advance critical, evidence-informed actions that can be taken in *this year's* Budget that will immediately assist New York's children and families who are experiencing poverty. They represent current legislative proposals under consideration by the State Legislature for inclusion in the negotiated budget.

Tax Relief for New York Families

Facts: The Child Tax Credit expansion in 2021 increased the benefit size, made the credit fully refundable, and included the most disadvantaged children, and was delivered monthly; it reduced child poverty by 43% and improved equity. In addition, the Earned Income Tax Credit is credited with reducing poverty and research shows children whose families received the EITC are [more likely to](#) graduate from high school, go to college, and be employed as a young adult.

What is in the Executive Budget: Despite overwhelming evidence of effectiveness, the Executive Budget proposes no tax relief for children in low-income families, though it does propose tax expenditures in other areas, including a significant expansion of New York State's already robust and refundable Film Tax Credit.

Tax Credit Policy

Recommendation: Deliver tax relief to children in low-income families by strengthening refundable tax credits. Specifically,

- Add a robust credit for children under age four, currently excluded from New York's Empire State Child Credit (S.771/A.2464 and S.4952/A.3911);
- Ensure the full Empire State Child Credit goes to the lowest-income families, by ending regressive minimum income requirements and phase-ins (S.771/A.2464);
- Increase the Empire State Child Credit amount to provide families meaningful support (S.771/A.2464 and S.4952/A.3911);
- Increase the credit amount of the (Earned Income Tax Credit) EITC;

- Make the EITC available to tax filers who file using an Individual Tax Identification Number.
- The Working Families Tax Credit (S.2077/A.4022) would accomplish all of these.

Poverty Reduction Assessment:

- The Working Families Tax Credit (S.2077/A.4022) would result in a 19.6% reduction in children under 18 living in deep poverty.

Minimum Wage

Facts: Increased household income is associated with [improved birth outcomes](#) and reduced infant mortality and [fewer child maltreatment reports](#). In 2020, there were [630,000 New York children](#) living in a household with someone earning less than \$15 per hour. More than a quarter [of minimum wage earners](#) are parents (27.9%) and almost half are single parents (47.9%) who will see their earnings increase from the higher minimum wage.

What is in the Executive Budget: The Executive budget proposes automatic increases to the minimum wage once it reaches \$15/hour under existing law. The Executive proposal includes caps on the increases, delivering a raise of about \$13 per week for the average affected worker. The Executive Budget does not make changes to the subminimum wage.

Recommendation: Increase New York's minimum wage and adjust it each year to keep up with rising costs. The failure of the minimum wage to keep up with rising costs of living contributes to economic insecurity for families. **The Raise the Wage Act (S.1978-A/A.2204-A)**, would raise the minimum wage to \$21.25 in NYC, Westchester, and LI and \$20 upstate by 2026. In 2027, upstate would reach parity with the rest of the state, as the minimum wage would automatically increase each year. The Act would give 2.9 million workers an average raise of \$63 per week and could greatly reduce child poverty across New York State.

Housing

Facts: It stands to reason that providing concrete support in the form of housing assistance, in a state with housing costs that exceed the national average and more than 550,000 households are behind on rent, would improve family economic security. The National Academies of Sciences, Engineering and Medicine Roadmap to Reducing Child Poverty reports that children who were young when their families received housing benefits had improved educational and adult outcomes.

What is in the Executive Budget: *The Executive Budget includes several proposals intended to promote the development of new housing stock. The Executive budget does not include a Housing Access Voucher Program or other initiative focused on immediate housing needs for low-income families.*

Recommendation: Keep children and families housed by establishing the Housing Access Voucher Program (HAVP) (S.568-A/A.4021), a state-level voucher program to provide housing stability to New York families at risk of homelessness. Housing in New York costs more than twice the national average and nearly one-third of households with children were [behind on rent in November 2022](#). Voucher programs have been shown to lower rent burdens, prevent eviction, and reduce the risk of homelessness. Notably, children who grow up in households with vouchers have increased earnings in their 20s and lower incarceration rates. Stable housing is foundational to children's well-being. The proposed legislation calls for a [\\$250 million annual investment, which would cost \\$83 million in its first year, rising to the full allocation of \\$250 million in year three. With this level of investment, HAVP would serve 13,760 households](#), across New York State, including nearly 4,000 families with children.

Food and Nutrition

Facts: The federal SNAP program has been shown to improve birth outcomes and other child and adult health outcomes and school meals are a powerful tool for delivering good nutrition to children, improving attendance and behavior, reducing tardiness, and preparing students for academic success.

What is in the Executive Budget: *The Executive budget would not fund free school meals or SNAP-type benefits for immigrant households.*

Recommendation: Establish and fund statewide, permanent Healthy School Meals for All to ensure all students receive a healthy school breakfast and lunch at no cost each school day. Nearly 600,000 children in New York State [lack the food they need](#), and additional federal food assistance has ended. Providing free meals for all students—regardless of income—is a proven strategy to reduce food insecurity, improve mental and physical health, support students’ ability to thrive academically, and bolster equity. With an investment [of \\$200 million, more than 726,000 children](#) will eat healthy meals at school, cost-free.