



Child Poverty Reduction
Advisory Council

Child Poverty Reduction Advisory Council (CPRAC)

Meeting 14 – June 10, 2024

Reminders – Administrative Items

- Meetings are being recorded and live streamed
- Facilities
- Breaks

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Welcome

Welcome

- **Deputy Secretary to the Governor for Human Services and Mental Hygiene Peter Hatch—*Acting CPRAC Co-Chair***
- **Commissioner Barbara Guinn (OTDA) –*CPRAC Co-Chair***

Goals for Meeting 14

- **Recap** – Meeting 13
- **Overview** – State Budget, Federal Context
- **Present** – Impact on Public Benefits
- **Discuss** – Advocacy and Take-up
- **Look ahead** – next steps

Recap

Meeting 13

Recap – Executive Budget Report

- Issued CPRAC Report on the Executive Budget
- Delivered to Governor and Legislature pursuant to statute

Recap – Presentation on Cash Transfer Programs

- Children's Research & Education Institute / David Harris
 - Review key State- and Federal-level updates to different cash transfer programs, including proposed CTC changes in NYS
 - Discuss birth grants and NYS BABY Benefit proposal
- Key Takeaways
 - CTC increase raises NY's rank from 5th worst to 5th best
 - First statewide BABY Benefit in NYS projected to help thousands of families, further reduce child poverty, and could be expanded

Recap – CPRAC Committees Progress

- Reconvened committees
 - In April: Employment and Wages Committee
 - In May: Childhood Committee
- Resumed discussion of ideas for potential analysis
- Conversations ongoing
- Will discuss with Urban Institute the feasibility of modeling different ideas/proposals from each committee
 - If modellable, could potentially compliment enacted policies

State Budget

Poverty-Related Highlights

State Budget – Enacted Policies

- Budget includes actions in all areas CPRAC recommended
 - Tax Policy: Child Tax Credit Expansion
 - Public Benefits: BABY Benefit
 - Food Access: Universal school meals
 - Housing: Housing Access Voucher Program (HAVP) Pilot
- Urban will estimate the child poverty effects of each proposal individually and in combination

State Budget – Tax Policy

- Expanding NYS Child Tax Credit (Empire State Child Credit)
 - Largest increase in NYS history
 - Expanded eligibility by removing minimum income requirement and made fully refundable so lowest-income families can receive maximum credit
 - Increases value of credit to \$1000 for children under 4, effective starting Tax Year 2025 (can be claimed in 2026)
 - Increases value of credit to \$500 for children 4-16, effective starting Tax Year 2026 (can be claimed in 2027)

State Budget – Public Benefits and Food Access

- Birth Allowance for Beginning Year (BABY) Benefit
 - \$12.6 M to provide birth grant to low-income parents on PA
 - Lump sum of \$1800 at birth when new baby is born
 - Implementation over six months
 - National leader (first statewide program)
- \$340M to provide universal school meals
 - Increasing free food access for all students in NYS
 - Saving families around \$1600 per child per year
- \$23M Hunger Prevention and Nutrition Assistance

State Budget – Housing

- \$50 Million for Housing Voucher Access Program Pilot
 - State-funded rental assistance vouchers for homeless households or at-risk households making 50% Area Median Income (AMI)
 - Voucher level = 90-120% FMR
 - Target of beginning to issue during first half of 2026
- Continued investments to preserve existing and develop new NYS affordable housing supply

State Budget – Enacted Policies

- Budget includes actions in other areas CPRAC studied
 - Employment: Free community college in high-demand occupations
 - Employment: Streamline working papers for youth
 - Childhood: \$510M to continue expanding access to child care, including by increasing CCAP capacity
 - Childhood: \$9M to distribute free diapers and postpartum supplies
 - Childhood: \$34.2B Medicaid investment
- Urban will estimate the child poverty effects of each proposal individually and in combination

Federal Context

Safety Net Under Attack

Federal Context – First 100 Days of Trump Admin

- First 100 days of Trump Admin includes severe cuts across board:
 - \$1.3B in cuts to State programs (not including local govt, universities, etc.)
 - \$500M in cuts to food banks via cancellation of half of TEFAP shipments
 - \$300M in cuts to infrastructure funding
 - Cuts to funds that allow school districts to buy food from local farmers
 - Cuts to majority of AmeriCorps funding in New York
 - Reorganizing/shrinking Federal footprint for NYS (SSA, USDA, HHS, etc.)
 - Terminated employees who manage LIHEAP
 - Reduced federal workforce by 120k nationwide (at least 1200 in NYS)

Federal Context – President's Budget

- Trump Admin expressed budget priorities include:
 - \$33B in cuts to HUD housing programs, including Housing Choice Voucher Program, public housing, and homelessness programs
 - \$33B in cuts to HHS, including the elimination of LIHEAP and Community Services Block Grant Program
 - \$5B in cuts to USDA, including \$721M from rural housing programs
 - \$646M in cuts to FEMA
 - \$49M cut to Office of Civil Rights
 - Major cuts to substance use services via SAMHSA
 - Major cuts to CDC and NIH

Federal Context – Cruel Cuts to Safety Net

- House of Representatives passed budget bill that would:
 - Cut SNAP by ~\$290 billion over 10 years nationwide
 - Cut Medicaid by \$880 billion over 10 years nationwide
 - More punitive work requirements/time limits for SNAP and Medicaid
 - Further restricting benefit access for noncitizens
 - Elimination of related education and outreach funds
 - Prohibit Planned Parenthood from receiving Medicaid funds
 - Elimination of the free Direct File tax filing program

Federal Context – Urban Institute SNAP Analysis

- Changes to SNAP work requirements
 - Extending 80 hours/month work requirement and time limit to more groups
 - If not meeting requirement, limited to 3 months SNAP in 36-month period
 - Affects households with children over age 7, and to people ages 55-64
 - Limits state flexibility to request waivers for areas with high unemployment
 - Reduce the number of discretionary exemptions from time limit
- Findings
 - 2.7 million families affected nationwide, including 1.5 million families who lose all SNAP and 1.2 million families receiving lower benefits
 - ~300k families affected in NY, including 200k who lose all SNAP and 99k families receiving lower benefits
 - Average loss of \$265/month for all NY families

Federal Context – Urban Institute Medicaid Analysis

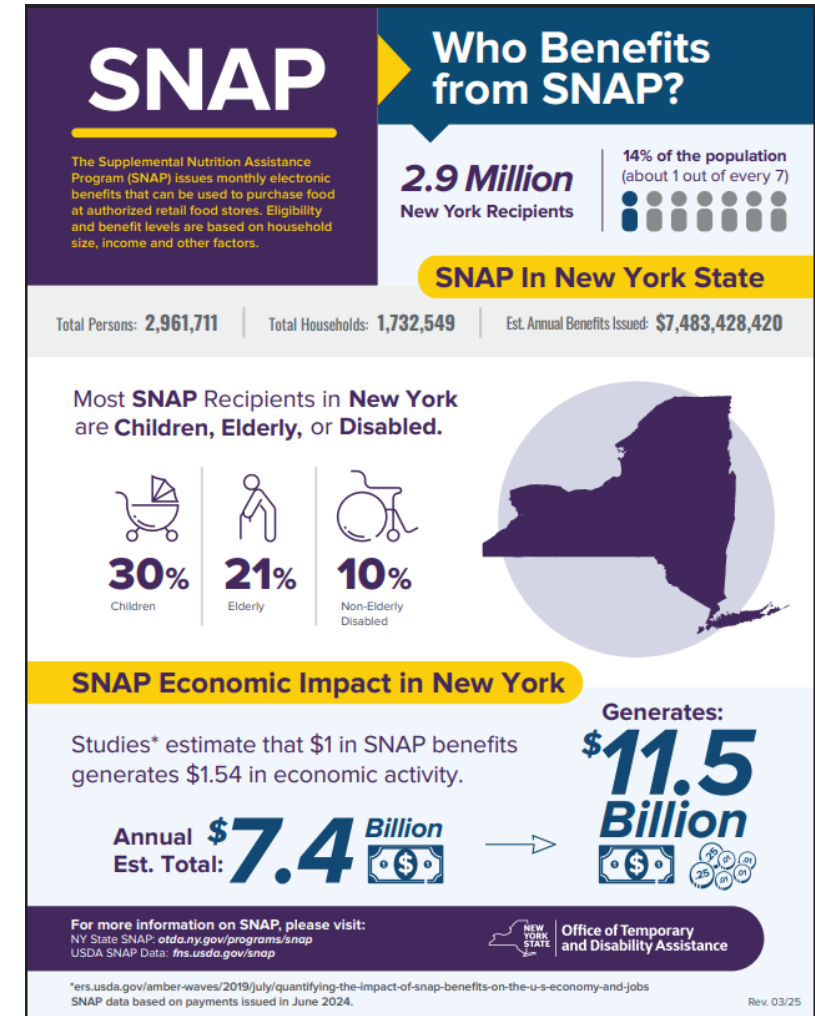
- Changes to Medicaid work requirements
 - Strict work reporting requirements on recipients to receive coverage
 - Single adults age 19-55 must work 80 hours/month for three or more months
 - The House bill doesn't specify targeted populations, but many conditions appear to target ACA Medicaid expansion population (100-138% of FPL)
- Findings
 - Estimated 4.6-5.2 million adults would lose eligibility nationwide
 - Most face disenrollment because of the reporting requirements alone
 - Higher coverage losses predicted if states do not use data to grant automatic exemptions or identify compliance – or if the bill goes beyond ACA Medicaid expansion population

Federal Context – NYS Healthcare Analysis

- House bill would also:
 - Impose Strict limitations on how states can finance the program, putting future payments to providers and hospitals at risk
 - Cut federal funding to New York State's Essential Plan by \$7.5B annually (more than half)
- Findings
 - For NYS, the healthcare provisions in the House bill, including changes to Medicaid and Essential Plan, would lead to 1.5 million New Yorkers losing healthcare coverage, according to Department of Health estimates

Federal Context – SNAP in NYS

- SNAP Helps:
 - 2.9 million New Yorkers
 - Most recipients are children, elderly or disabled
- Economic Benefit:
 - \$7.4 billion in benefits issued annually in NY
 - USDA estimates every \$1 spent generates \$1.54 in economic activity
 - For NY, that means \$11.5 billion in economic activity generated as recipients spend benefits locally



Impact on SNAP in NYS – Cost Share

- Federal government funds 100% of benefits, and Federal/State governments share administrative costs 50/50
- Shifting federal responsibility for benefit costs to states would hurt states, localities, and recipients:
 - Undermine SNAP's ability to help residents withstand challenges
 - Push significant costs onto NY
 - Cannot be absorbed at the state or local level
- As a result, impacts may be:
 - Reduced benefits
 - Limited access to needed assistance
 - Increased state and local taxes

Impact on SNAP in NYS – Thrifty Food Plan

- The Thrifty Food Plan is used to calculate SNAP benefit allotments and helps ensure benefits are adequate to help households access sufficient nutrition at lowest possible cost
- Adequate benefits reduce financial stress, allowing families to focus on employment, education and other critical endeavors rather than daily survival
- Rolling back Thrifty Food Plan adjustments or precluding future adjustments would reduce benefits and undermine families' ability to afford adequate nutrition, especially as food prices remain high
- Current benefits average approximately \$7/per person per day

Impact on SNAP in NYS – QC History and Context

- SNAP has rigorous Quality Control standards and federal oversight, with FNS analyzing SNAP error rates, which do not measure fraud
- Historically, SNAP administrative error rates are not high:

	<u>NYS Rate</u>	<u>National Rate</u>
– 2019	6.30%	7.36%
– 2023	12.68%	11.68%

- Since COVID, states/local govt have faced major workforce constraints, while managing program changes and increased need
- Also required to meet federal benefit timeliness requirements
- These factors contribute to error rates – NY is improving again

Impact on SNAP in NYS – QC and Cost Shifts

- Error rates are being used as basis for cost shifts in latest GOP reconciliation bill – states with PER >10% could see 25% shift (targets states like NY, CA, NJ, DC)
- In NYS, 25% cost shift for benefits alone = \$1.9B annual
- Further adjustment by FNS of error rate calculations to increase stringency and/or imposition of increased penalties can further strain state and local governments

Impact on SNAP in NYS – Work Requirements

- Reducing flexibilities and adding more restrictive work requirements will reduce access to benefits and exacerbate the complexity/costs for New York counties
- For example, limiting States' abilities to obtain waivers related to Able Bodied Adults Without Dependents (ABAWD) will:
 - Reduce access to benefits for vulnerable individuals
 - Overly punitive for clients who need support
 - Costly for counties to implement
 - Administratively burdensome for district staff
 - Not focused on employment outcomes

Impact on SNAP in NYS – Summary

- Latest mark up of reconciliation bill includes:
 - Shifting benefit costs based on QC error rates = \$1.9B
 - Shifting administrative cost split from 50/50 to 75/25 = \$225M
 - Elimination of SNAP-Ed = \$29M
 - More punitive work requirements/time limits
 - Further restricting benefit access for non-citizens
- **Estimated \$2.1B cost shift to NYS annually for SNAP alone**

Federal Context – HEAP in NYS

- HEAP Helps
 - Reduce energy costs for 1.4 million New Yorkers, including low-income homeowners and renters
 - Vulnerable households, including children, elderly, or disabled
- Economic Benefit:
 - \$430M in benefits were issued in the most recent program year
 - Moody's estimates every \$1 spent generates \$1.31 in economic activity
 - For NY, that means \$563M generated as benefits are spent on local utilities



Federal Context – HEAP in NYS

- Breakdown of services supported by LIHEAP funds for FFY 2024-2025

Component	Funds	% of Funds	# Estimated Households	Type of Assistance
Regular heating assistance	\$289,000,000	62%	1,370,000	Financial assistance paid to vendor
Emergency heating assistance	\$60,000,000	13%	80,000	Financial assistance paid to vendor
Cooling assistance	\$15,000,000	3%	17,000	Equipment purchase
Weatherization	\$51,400,000	11%	11,000	Weatherization of home
Heating Equipment Repair and Replacement	\$11,200,000	2%	2,200	Repair or replacement of heating equipment
Clean and Tune	\$2,000,000	0.04%	5,000	Clean/tune of heating equipment
District and State Administration	\$35,300,000	7%		
Total	\$463,900,000	100%	1,400,000	

Impact on HEAP in NYS – Funding Threats

- Federal government funds 100% of benefits and administrative costs
- Elimination of funding:
 - Natural Gas and Electricity utility arrears and shut offs will increase
 - Low-income households will not be able to afford deliverable fuel
 - Increased Public Assistance needs
 - Increased risk of death due to cold or extreme heat
- Reduction of funding:
 - Reduction of benefit amounts
 - Reduction of households receiving assistance
 - Components and services cut

Federal Context – Impact on CPRAC

- Re-evaluate strategy in light of Federal context
 - Reality check about severity of potential cuts and cost shifts
 - States cannot backfill changes being pursued by Trump Admin
 - Number one goal is to protect New York's social safety net
 - Ensure New Yorkers can access programs they are eligible for
 - Fighting back in court to preserve services and funds
 - Unified, targeted advocacy – all hands on deck

Discussion

Advocacy and Take-up

Discussion – Advocacy and Coalition-Building

- How can we lock arms and unify our advocacy to protect New York's safety net and fight back against Federal cuts?
 - Spread the word, share key information (fact sheets, etc.)
 - Press releases
 - Sign-on letters
 - Events (rallies, etc.)
 - Local representatives

Discussion – Implementation and Take-Up

- How can we maximize the impact of enacted policies, including programs CPRAC has focused on?
 - Child Tax Credit
 - Public Assistance
 - SNAP
 - Child Care Assistance

Looking Ahead

Next Steps

Next Steps – 2025

- Continue monitoring NYS progress reducing child poverty
 - Measuring estimated effects enacted policies
 - Comparing estimates to forthcoming Census data
- Exploring how to build on progress and recommendations
 - Identify suggestions from Childhood & Employment Committees
 - Develop additional ideas to compliment enacted policies
 - Additional iteration and microsimulation modeling of proposals
 - Urban Institute analyses to be conducted during fall/winter
 - Schedule of meetings to be determined

Closing

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Thank you!



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