



**Office of Children
and Family Services**

**LEGISLATIVE FISCAL COMMITTEES'
JOINT BUDGET HEARING**

**SFY 2023-24 Executive Budget
Human Services**

**Suzanne Miles-Gustave, Esq.
Acting Commissioner**

Monday, February 13, 2023

LEGISLATIVE FISCAL COMMITTEES' JOINT BUDGET HEARING
State Fiscal Year 2023-24 Executive Budget
Human Services
Monday, February 13, 2023
Suzanne Miles-Gustave, Esq., Acting Commissioner
New York State Office of Children and Family Services

Good morning, Chairs Krueger and Weinstein, Children and Families Committee Chairs Brisport and Hevesi, and distinguished members of the Senate and Assembly. I am Suzanne Miles-Gustave, Acting Commissioner of the New York State Office of Children and Family Services (OCFS). I appreciate this opportunity to present Governor Hochul's Fiscal Year 2024 Executive Budget and it can take us further along in a mission I know is near and dear to each of you as well – ensuring all of New York's children, families and communities are served and uplifted.

This year's Executive Budget makes smart, responsible investments and provides ongoing support for OCFS's core child care, child welfare and juvenile justice programs, while advancing a bold and ambitious agenda to make New York the state we all dream it to be – more affordable, more livable, and more equitable for all New Yorkers. The Governor's budget proposal thoughtfully weaves investments in children and families into the fabric of the larger human services network, rebuilding New York's mental health care system and addressing the housing crisis. Taken as a whole, the Governor's agenda makes great strides in improving the lives of the state's children, youth, and families—most importantly those who have been historically marginalized and under-resourced.

Never before in New York's history have we had a governor with such a deep commitment to increasing access to quality, affordable child care than Governor Hochul. From the moment she took office, it has been among the Governor's top priorities to build the strong and equitable child care system that New Yorkers need and deserve.

With your partnership, last year we committed \$7 billion over four years to the child care assistance program. We extended eligibility to more than half of New York's young children by increasing the income threshold to over \$83,000 per year for a family of four. We removed barriers to child care assistance by eliminating onerous work requirements for parents who are pursuing higher education or training. We also invested over \$15 million to expand the availability of child care on our SUNY and CUNY campuses.

Building on that extraordinary momentum, this year's budget increases the state's commitment to child care assistance to an unprecedented \$7.6 billion over four years. The budget proposes to increase the income eligibility limit for child care assistance to 85 percent of State Median Income (SMI) – approximately \$93,000/year for a family of four. This is the maximum allowed by federal law and will make an estimated 113,000 children newly eligible for assistance. In total, the Executive Budget invests over \$1 billion for the New York State Child Care Block Grant, an increase of \$137.5 million, in the next fiscal year.

And we'll address the patchwork of standards across the state: setting family co-pays at one percent; instituting a uniform policy of 80 allowable absences; and ensuring that our most vulnerable families – such as those who are unhoused, or those caring for a child in foster care or kinship care – are provided the child care assistance they so desperately need.

There's no doubt we need this funding to make child care assistance available to more families. But we also know that less than 10 percent of eligible children actually receive assistance. Although there are many reasons this might be, one barrier is New York's cumbersome and antiquated application process, which makes it far too difficult for families to apply for assistance. This year's budget includes important initiatives to streamline and centralize the child care assistance application process. First, we will launch a statewide online solution that will allow families to pre-screen for eligibility and apply for assistance electronically. Additionally, for families that already participate in other programs, such as SNAP, HEAP, Medicaid or WIC, the budget proposes to eliminate the senseless and redundant requirement that these families also prove their income eligibility for child care assistance. This will provide easier access for an estimated 83,400 children in families that are already eligible.

Governor Hochul also understands that high-quality child care programs aren't possible without a well-supported workforce. Last year, we invested in a second round of stabilization grants to providers, with at least 75 percent of those funds dedicated specifically to supporting the workforce. This year's budget invests \$389 million for a third round of stabilization grants for workforce retention initiatives. The budget also maintains last year's investment to support the increase in market rates to the 80th percentile – among the highest in the nation – which not only broadens child care options for families, but also dramatically increases payments to providers, by over 30 percent on average and as much as 50 percent for some.

Building off last year's successful \$100 million child care deserts initiative, the Governor's budget also includes several proposals aimed at rebuilding the supply of

child care. First, New York Homes and Community Renewal (HCR) will give priority to applications for its Low-Income Housing Tax Credit that incorporate space for child care facilities. On top of that, the budget proposes a flexible, statewide business income tax credit for businesses that create or expand child care access for their employees. The budget also provides \$4.8 million to launch a new Employer-Supported Child Care (ESCC) pilot program in three regions of the state in which employers will contribute a third of the cost of child care for low to middle income families and the state will match it, reducing out-of-pocket costs for families who don't otherwise qualify for assistance. Finally, the budget invests \$1 million for a new Business Navigator program in each of the state's 10 Regional Economic Development Council regions to help businesses identify child care options for their employees.

The Executive Budget also makes important investments in New York's most vulnerable children and families by investing \$7 million for preventive and permanency placement services for foster, adoptive, and kinship families. The 2.5 percent COLA that's included in the budget will also benefit the families and voluntary agencies who care for New York's children in foster care and adoptive parents.

The budget also increases the appropriation authority for child welfare payments, reinforcing the state's commitment to this landmark funding stream that provides open-ended reimbursement for preventive services, child protective services, independent living services, after-care services, and adoption administration.

The budget includes \$17 million to support voluntary foster care agencies that provide medically necessary care to children and youth placed in congregate settings and are impacted by federal requirements related to Institutions for Mental Disease (IMD). For impacted voluntary foster care agencies, this funding will support the hiring of necessary staff, mitigate the loss of federal Medicaid reimbursement, and allow them to invest in additional programmatic needs.

New York is a national leader in funding youth sports activities and education for underserved children and youth. OCFS is proud to administer this \$5 million in annual funding. With these funds, communities have been able to open new, exciting opportunities for young people, including those from historically under-resourced communities, including Black, indigenous, and youth of color, girls, and adaptive sports for youth athletes with disabilities.

OCFS also applauds Governor Hochul's proposal to index the state's minimum wage to inflation, which will provide a vital economic lifeline to New York's low-wage workers, who are disproportionately women and people of color, and many of whom work in

human services. We continue to face a daunting workforce crisis in careers that are critical for OCFS to fulfill its mission. The Governor's budget also includes \$3.8 million to supplement state-funded contracts to mitigate the impact of the wage increase on struggling human services providers.

This year's Executive Budget also includes \$16 million in additional capital funding for OCFS facilities, which provide programming, education, vocation, and mental health treatment services to youth placed in the agency's custody by Family and Criminal Courts. This investment will enable OCFS to modernize and maintain vital infrastructure, while also promoting the safety and well-being of the youth and the staff who support them each day.

This budget reflects our commitment to OCFS's mission, which is protecting the safety and permanency of New York's children and families, and to uplifting all New Yorkers to a standard that reflects the dignity and humanity of each of us.

Thank you for this opportunity to speak directly to you today. I welcome any questions and comments you may have.