



TESTIMONY

OF

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PRESENTED TO THE

NEW YORK STATE SENATE FINANCE COMMITTEE

AND

NEW YORK STATE ASSEMBLY COMMITTEE ON WAYS AND MEANS

REGARDING THE

NEW YORK STATE EXECUTIVE BUDGET PROPOSALS FOR

MENTAL HEALTH

STATE FISCAL YEAR 2009-2010

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Good Afternoon. My name is Joan Siegel and I am the Senior Policy Associate for Health and Mental Health at Citizens' Committee for Children of New York (CCC). CCC is a 65- year old privately supported, independent, multi-issue child advocacy organization. CCC does not accept or receive public resources nor do we provide direct service or represent a sector or workforce; rather for 65 years we have undertaken public policy research, community education and advocacy activities to draw attention to what is or is not for working for children in New York and to advance budget, legislative, and policy priorities—all with the goal of ensuring that children are healthy, housed, educated and safe. I would like to thank Chairman Farrell and Chairman Kruger and members of the Assembly Ways and Means and Senate Finance Committees for this opportunity to testify on the Governor's Executive Budget for Fiscal Year 2009-2010.

It is clear that New York's troubled economy and staggering budget deficit demand acute attention in a way that none of us have seen since the Great Depression. While all New Yorkers are reeling from the downturn, few are likely to be hit harder than poor children and their families. While the SFY10 Executive Budget attempts to address both the revenue and expense sides of the budget ledger, we do not believe that it goes far enough to protect the neediest New Yorkers from shouldering a disproportionate burden. The Executive Budget has put badly needed revenue on the table, through a long list of fees, fines and taxes, but fails to advance the most equitable and least painful means to raise revenue-- increasing personal income taxes on New York's highest earners. CCC's recently commissioned poll, taken to gauge New Yorker's support for certain taxes, found that 73% of New Yorkers support income tax increases on individuals earning \$250,000 or more a year over reductions in government services. The poll also found broad support for increasing taxes on sugar sweetened beverages and alcohol when a portion of the revenue raised from the taxes would be reinvested in prevention programs to combat obesity and substance abuse (72% and 74% respectively).

We urge the legislature to negotiate a budget that uses fairness and equity as a guiding principle and thus enacts progressive personal income tax reform and tax policies that support improved public health. We are wary of many of the fee and fine proposals that are regressive and in particular, we are very concerned that implementing parent fees for Early Intervention and increasing the fees for Child Health Plus may be a deterrent to enrollment and receipt of critical services for children in need.

Turning to the expense side of the budget ledger, despite some desperately needed protections for New York's neediest - such as an increase in the public assistance grant, expansion of health insurance coverage to older youth, and preservation of uncapped funds for child abuse and neglect prevention - the Executive Budget relies heavily on cost shifts to local governments and focuses on closing budget gaps as short term gains rather than as long term investments that could ultimately reduce costs and produce better outcomes for children. The proposed cuts to cost effective programs, such as home visiting, homelessness prevention, child abuse prevention, youth programs and child care, will be costly to the state in the long run.

There are several cost shifts to localities that are also of profound concern. Specifically, the Executive Budget proposes to eliminate the Aid to Municipalities (AIM) for New York City at a cost to the city of over \$300 million and proposes to shift significant preschool special education costs to counties (over \$70 million for New York City alone). In addition, the proposed changes to the Flexible Fund for Family Services (FFFS) will create significant cost-shifts, increase competition among social service programs, and limit state support at a time of increased need.

The Executive Budget also fails to redirect even a small portion of funding saved into programs that would reduce the need for more costly interventions. To that end, while we support the Executive Budget proposal to close and consolidate underutilized juvenile placement facilities, we are dismayed at the failure to reinvest some of those savings into community based alternatives that prevent teens from entering the system in the first place.

Turning to the Mental Health budget. First, CCC believes that given the significant mental health needs of children and the long-term consequences of failing to meet those needs, the SFY 09-10 budget does not go far enough. *The Children's Plan* is a unique and integrative approach to children's mental health that implements the 2006 Child Mental Health Act and builds upon the state's Achieving the Promise plan. Yet the Executive Budget only allocates \$1.7M this year and \$3.0 million next year to OMH for implementation, and fails to fund the needs of the seven other child serving agencies participating in the implementation of this multi-system approach to wellness.

In addition, while we appreciate the state's need to reduce spending and raise revenue, we are concerned that some proposals will negatively impact the mental health status of children. Specifically, we oppose the Executive Budget proposals to delay the start of family support

services for Child and Family Clinic Plus and alter the payment structure for Early Intervention Services.

- Child and Family Clinic Plus: CCC urges the Legislature and the Governor to negotiate a budget that does not delay the start of family support services for the Child and Family Clinic Plus program until 2010-11. Child and Family Clinic Plus is an innovative program that is part of OMH's Achieving the Promise for New York's Children and Families initiative. It is a proactive approach, focusing on early identification of mental health issues and maintaining children in their home environments. Family Support Services generally include respite, advocacy, peer support and skill building. These services enable families to cope better with mentally ill children and thus, permit children to remain in loving, supportive homes. CCC is concerned that the delay in implementation would result in diminished access to needed supports, poor outcomes for children and would trigger the need for more costly interventions.
- Early Intervention: Oppose Parent Fees: CCC opposes the Executive Budget proposal to impose a monthly parent fee for Early Intervention (EI) services. Early Intervention services change the course of a young child's life by providing services such as physical and occupational therapy and vision services for children ages 0 to 3. Imposing a parent fee means that some developmentally delayed children will not get access to life-altering services if their parents were unable and/or unwilling to pay the monthly fee. In addition, imposing a parental fee on poor New Yorkers earning less than 400% of the federal poverty limit is particularly troubling in this poor economy when parents may have to choose between food and occupational therapy for their children. Moreover, the Article VII bill not only reads that a child whose parent does not pay the monthly fee loses services, but also eligibility. This means that should a family's economic situation change and they are able to pay, the eligibility process would need to be started all over again. No child should lose out on these critical services because a parent cannot or will not pay the monthly fee.
- Early Intervention: Oppose Requiring Providers to Bill Third Party Payors: CCC also opposes the proposal to require early intervention providers to bill third party payors prior to seeking payment from the counties/ New York City for benefits not covered by such payors. Providers are inexperienced at doing this, which means that they may not bill correctly (resulting in less money or no money to offset Medicaid costs). This proposal would delay funds and thus hinder the providers' ability to provide services to children –

as time will be spent on billing and monies will not be readily available. The projected savings is zero for SFY 09-10 and minimal (\$500,000) for SFY 10-11, but will have significant ramifications on services for children.

In closing, we ask the Assembly and the Senate to negotiate a budget with the Governor that advances truly shared sacrifices and a fair distribution of the burden of the economic crisis so that it is borne by all New Yorkers. It is essential that state leaders take this opportunity to put New York State's future back on track to by enacting progressive personal income tax reform and protecting New York's most vulnerable children and families.

Thank you for the opportunity to testify.