



Assessment of the State Fiscal Year 2025-2026 Executive Budget

This report provides the 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.” The Child Poverty Reduction Advisory Council (CPRAC), which is publishing this report, is charged by law with making evidence-based recommendations for reducing child poverty by 50 percent in New York State over a 10-year period, culminating in 2031, and monitoring the state’s progress towards this goal. In December 2024, the CPRAC issued the 2024 CPRAC Recommendations and Progress Report outlining the progress New York has made reducing child poverty and the Council’s initial recommendations to achieve a reduction of child poverty by 50 percent. The report was delivered to Governor Kathy Hochul and the New York State Legislature as required.

As noted in the CPRAC report, research indicates government action can have some of the biggest and most immediate impacts on reducing childhood poverty, especially in the topic areas of tax policy, public benefits, and housing. The package of proposals most strongly recommended by the CPRAC includes expansions to existing policies and the establishment of new State programs in these key areas, as described below, that would have an immediate and direct impact on reducing the child poverty rate in New York:

- (1) **expand the Empire State Child Credit**, increasing the maximum value of the credit from \$330 per child to \$1,500 per child for all children, and ensuring that children in low- and moderate-income families would be fully eligible for the full credit;
- (2) **create a state housing voucher program** providing a housing voucher to all unsubsidized families that are income eligible for the federal Housing Choice Voucher Program but do not receive an HCVP voucher because funding for the federal program is limited;
- (3) **strengthen the state’s Public Assistance** program by doubling value of the basic allowance and making it easier to apply for and maintain benefits through the extension of earned income disregards and the elimination of asset tests and certain sanctions; and
- (4) **establish a state food benefit** for families with children who may not receive SNAP because of their citizenship status or that of others in their household.

According to analyses conducted by CPRAC with the Urban Institute, these proposals are together estimated to reduce child poverty by more than 50 percent when fully implemented.



Scan QR code to view the NYS CPRAC 2024 Recommendations and Progress Report or click here:
<https://otda.ny.gov/cprac/reports/CPRAC-2024-Recommendations-and-Progress-Report.pdf>

Pursuant to Social Services Law 131-zz, this report provides an overview of the proposals within the State Fiscal Year 2025-2026 Proposed Executive Budget that are anticipated to have an impact on child poverty in the state.

In this report, the Council considers those proposals, including new investments and continuations of existing programs and services that affect child poverty. To analyze and report on the proposals' expected impacts on child poverty, the Council considers:

1. Do the proposals represent investments in new or existing programs or policies?
2. Will the investments have a direct or indirect impact on child poverty?
3. Will the investment and its child poverty reduction impacts be felt immediately, over a short or longer-term period, or temporarily?

Itemized below are the proposals within the Executive Budget that are anticipated to affect child poverty. There are proposals within the Executive Budget that will have *direct, short-term* effects on child poverty, including Governor Hochul's historic expansion of New York's child tax credit, the provision of universal free meals to all students in the State, the first-in-the-nation BABY Benefit for expecting and new mothers receiving Public Assistance, and the expansion of the WIC program to provide more nutritious foods and essential services to women, infants, and children. Meanwhile, other proposals will have an *indirect and long-term* effect on child poverty, such as the significant investment to expand the availability of child care by creating new child care seats, including in child care deserts where the need is most pronounced, and the continued efforts to build new housing supply and boost employment across the State. While this report does not assess the Executive Budget proposals' impacts on the racial inequity associated with poverty, the CPRAC recognizes this is a critical component of its work.

The CPRAC also recognizes the urgency of the child poverty crisis. To that end, the CPRAC released its recommendations summarizing the evidence-based proposals that research shows would have direct, immediate, and sustained effects on child poverty and assist in alleviating racial and ethnic disparities of poverty. The Council's recommendations include a range of different policy proposals, including tax credits, program reforms, and other investments, which analysts project could reduce child poverty in New York by 50 percent. CPRAC's report also considers the effects its recommended proposals would have on child poverty rates by race and discusses how the package it advanced would begin to address disparate racial impacts of poverty by reducing child poverty among Black and Hispanic children. While CPRAC issued its initial recommendations in December 2024, CPRAC remains committed to deepening its analysis and continuing its work monitoring the State's progress reducing child poverty. CPRAC will also continue to discuss policy proposals that could build on the recommendations it issued and complement significant poverty-related actions taken in the enacted budget. The Council's continued analyses and discussions will help develop further evidence for additional action.

Key Definitions

For the purposing of assessing the proposals within the Governor's Executive Budget that are expected by the CPRAC to impact the child poverty rate, within ten days after the Governor offers any amendments to the Executive Budget submission, this report considers three categories of potential impact for each proposal:

- Whether a proposal is new or existing
- Whether a proposal will have a direct or indirect effect on child poverty
- Anticipated timing of a proposal's effect on child poverty

Whether a proposal is new or existing:

- **Existing:** Proposal involves continued and/or additional funding of significant prior-year investments.
- **New:** Proposal involves new policy, program, and/or spending

Whether a proposal will have a direct or indirect effect on child poverty:

- **Direct:** Proposal is anticipated to affect household resources directly, such as by providing cash, subsidy, higher wages (including in the form of employment and/or health benefits that reduce out-of-pocket costs), or allowing individuals to retain more money, and to produce a measurable change in the rate of child poverty.
- **Indirect:** Proposal is anticipated to strengthen supports available to low-income households, and to contribute to reduction of harms (e.g., illness, delayed literacy, criminal justice involvement) that undermine the future economic mobility of children, but does not change household resources. For example, education investments that improve educational outcomes, which generally lead to higher wages over individuals' lifetimes, or the use of dollars to hire staff or advance workforce initiatives, which are key investments for various programs but don't directly affect current household resources.

Anticipated timing of impact on child poverty:

- **Immediate:** Proposal is anticipated to result in a measurable change in the child poverty rate within 2-4 years of implementation, therefore contributing to achieving the CPRAC goal of reducing child poverty by 50% by December 2031.
- **Short-term:** Proposal is anticipated to contribute to achieving the 50% child poverty reduction goal between 4-8 years.
- **Long-term:** Proposal is anticipated to contribute to achieving the 50% child poverty reduction goal more than 8 years.
- **Temporary:** Proposal is anticipated to achieve a temporary change in the rate of child poverty.

Key proposals from Governor Hochul's SFY 2025-26 Executive Budget:

The Governor's Executive Budget contains several significant proposals in key topic areas identified by CPRAC that are expected to have direct and immediate effects reducing child poverty in New York. These proposals, which are similar and/or related to concepts considered and/or recommendations advanced by CPRAC, include:

- **Tax policy:** Increase and expand New York's Child Tax Credit (\$825 million)
- **Food assistance:** Provide universal free school meals to all students, regardless of status (\$340 million)
- **Public benefits:** Support pregnant women and new moms and babies with a BABY Benefit (\$8.5 million)
- **Public benefits:** Expand WIC to reach new enrollees with assistance (\$9.5 million)

Additional details about these proposals are provided below.

Addendum 1

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

Budget Item	New or existing effort	Direct or indirect impact	Timing of impact
TAX POLICY			
Provide \$825 million to strengthen and expand the State’s child tax credit by increasing the maximum credit from \$330 to \$1,000 for children under the age of four and, starting in 2026, \$500 for children ages four through sixteen, and by eliminating the restrictive earned income requirement, allowing low-income New Yorkers to fully benefit from the credit	New	Direct	Immediate
Provide a one-time Inflation Refund to New Yorkers, delivering \$3 billion in direct payments to around 8.6 million New York taxpayers statewide in 2025, due to a surplus in sales tax revenue	New	Direct	Temporary
EMPLOYMENT/WAGES			
Provide \$3 million for a demonstration program in Monroe County to mitigate the “benefit cliff” for lower-wage workers who may decline promotions or full-time work because of concerns that increased income will result in reductions in public benefits by providing work incentive payments and financial counseling address any real or perceived loss of means-tested public benefits	New	Direct	Temporary
Provide \$10 million to support legislation to digitize working papers for minors and create a one-stop online portal for young people, caregivers, employers, and school administrators	New	Indirect	Long-term
Provide \$47 million (\$28.2 million SUNY, \$18.8 million CUNY) to cover the remaining cost of tuition, fees, and books for community college students ages 25-55 pursuing select associate’s degrees in high-demand occupations, including nursing, teaching, including early education, technology, and engineering	New	Indirect	Short-term
Provide \$694 million for implementation of two workforce programs to support training and education for new workers as well as support career advancement for existing workers through tuition payments and student loan repayment	New	Indirect	Long-term
CHILDHOOD			
Education			
Provide \$340 million for universal free school meals, requiring all school districts, charter schools, and nonpublic schools that participate in the national school lunch and breakfast program to provide free breakfast and lunch meals to all students regardless of their families’ income, thereby reducing costs for families and ensuring that no student goes hungry at school	New	Direct	Immediate
Child Care			

Budget Item	New or existing effort	Direct or indirect impact	Timing of impact
Provide \$100 million in capital grants to child care centers, counties, and municipalities to expand the availability of child care by increasing child care seats, including in child care deserts where the need is most pronounced, and support necessary repairs and renovations at existing programs.	New	Indirect	Long-term
Direct \$10 million in Federal funds to help family child care programs cover renovations and repairs that are necessary to provide safe, high quality child care, helping to preserve vital community-based child care seats and ensuring smaller, primarily home-based entities also have access to assistance.	New	Indirect	Short-term
Continuing the State's more than \$7 billion four-year plan to expand access to child care and improve affordability for young families by providing nearly \$1.8 billion in resources towards child care assistance	Existing	Direct	Short-term
Healthcare			
Directing \$1.6 billion this year in federal funding generated through an assessment on Managed Care Organizations (MCOs)	New	Indirect	Long-term
Provide \$8 million to partner with Baby2Baby to deliver maternal health and newborn supplies boxes that will include screening tools for postpartum depression and anxiety, mental health information, self-care products, diapers, blankets, and swaddles to 100,000 babies, and provide \$1.5 million to deliver 10 million diapers to low-income families	New	Indirect	Immediate
Continuing \$7 billion Medicaid initiative secured through a 1115 waiver, which will significantly expand coverage for health-related social needs services, such as housing and transportation support, for Medicaid beneficiaries meeting certain qualifying criteria, in addition to providing social care screenings and referrals to services for all Medicaid members	Existing	Direct	Short-term
PUBLIC BENEFITS			
Invest \$8.5 million, annually, to support the New York State BABY (Birth Allowance for Beginning Year) Benefit which will provide \$100 per month throughout pregnancy and an additional \$1,200 payment at birth for New Yorkers who receive Public Assistance	New	Direct	Immediate
Invest \$9.5 million to support new enrollees in the State's Women, Infants, and Children (WIC) program to meet the growing need for food and essential services	New	Direct	Immediate
Increase dual enrollment in SNAP and WIC and help more families afford their grocery bills by undertaking a data-matching process between OTDA and DOH to identify and contact participants who may be missing out on Federally-funded benefits	New	Direct	Immediate
Provide \$600,000 to install self-service kiosks in high-need communities to facilitate access to public benefits like SNAP, WIC, and child care services at high traffic locations such as community centers, libraries, religious institutions, and bus shelters, reducing travel and wait times while offering multilingual support and easier access to essential resources.	New	Direct	Immediate

Budget Item	New or existing effort	Direct or indirect impact	Timing of impact
HOUSING			
Provide \$250 million to build housing on State-owned land through the Redevelopment of Underutilized Sites for Housing (NY RUSH) initiative	New	Indirect	Long-term
Provide \$100 million in capital funding to assist communities that are recognized Pro-Housing under Governor Hochul's Executive Order No. 30 with critical infrastructure projects, and \$10.5 million for technical assistance grants.	New	Indirect	Long-term
Provide \$3.5 million to expand services to youth who are unstably housed or homeless, and to ensure that youth who need stable shelter and transitional housing can find it	New	Indirect	Short-term
Advance legislation to ban collusion through the use of rent price-fixing software to protect renters from unnecessary rent increases, strengthen laws to combat home appraisal discrimination, and grant rent-regulated tenants the same protections for security deposits as all other tenants	New	Indirect	Long-term
Continues the \$25 billion, five-year Housing Plan, which is on track to create or preserve 100,000 affordable homes by the end of FY 2027, including 10,000 homes with supportive services for vulnerable populations, and electrify an additional 50,000 homes.	Existing	Indirect	Long-term
OTHER			
Provide \$11 million increase for the Division of Human Rights (DHR) staff and operations, and legislation to increase the efficiency of DHR's discrimination intake process	New	Indirect	Short-term
Direct the Department of Financial Services (DFS) to issue regulations targeting exploitative banking practices that prohibit predatory fees, cap the number of daily overdraft charges, and improve transparency through timely notifications, while preserving access to affordable, accessible, high-quality banking services	New	Indirect	Short-term
Propose legislation to establish a licensing and supervision framework for "Buy Now, Pay Later" loan providers, including introducing safeguards, such as disclosure requirements, dispute resolution standards, late fee limits, and data privacy protections to ensure consumers are better protected when using these financial products	New	Indirect	Long-term

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