

## Child Health Clinics Face Budget Cuts, Again

As in recent years, the Mayor's Preliminary Budget for fiscal year 2005 proposes a reduction in funding for the city's 31 child health clinics. Under the Mayor's plan for the coming fiscal year, funding for the clinics, which handle more than 100,000 visits each year, would fall to \$7.8 million, a 37 percent cut. The proposed cut has once again become a key issue in the annual city budget debate, with the City Council proposing not only to restore the \$3.8 million cut but to increase funding by \$2 million.

Since 1994, the child health clinics have been operated by the quasi-private Health and Hospitals Corporation (HHC) under a contract with the city's Department of Health and Mental Hygiene (DOHMH). The contract does not cover the full cost of operating the clinics, and the cash-strapped hospitals corporation runs them at a loss. Since fiscal year 2000, Mayors Giuliani and Bloomberg have included proposed cuts to clinic funding that have then been restored—either partially or fully—by the City Council prior to the budget's final adoption.

*From Milk to Health Care.* The child health clinics evolved from the infant milk stations created at the turn of the 20th century to combat high infant mortality rates in New York City's poorest neighborhoods. Operated by the city, these milk stations soon attracted families seeking medical advice, not just pasteurized milk. In response, the infant milk stations became the baby health stations of the late 1910s, and in the late 1920s expanded to become the child health clinics. The number of child health clinics has varied greatly over the years, going from nearly 100 city-funded child health clinics at the program's peak in the 1960s to the 31 city-funded clinics of 2004.

Currently, the child health clinics offer primary and preventative care services to infants, children, and adolescents. All clinics provide services to children up to the age of 18, and a few provide care until age 21. Geographically, the vast majority of the child health clinics are located in Brooklyn, followed by Queens, Manhattan, the Bronx, and Staten Island ([see appendix](#)).

In addition to providing primary and preventative care, the clinics offer several health services on a limited or one-time basis. These services include HIV testing and referral, new admission exams for school registration, and summer camp and day care exams. In keeping with HHC's mission, care is provided at the clinics regardless of the patient's ability to pay.

*Funding Fluctuations.* Despite annual proposals to reduce the subsidy for the child health clinics, fluctuations in funding for the program have been relatively modest in fiscal years 1999 through 2003. During this period, total city and state funds provided to HHC for the operation of the clinics ranged from a low of \$13.4 million in 2002 to a high of \$14.8 million in 2003. In 2004, however, combined city and state funding for the child health clinics has been reduced to

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**Total State and City Subsidy to HHC for Child Health Clinics, Actuals**

*Dollars in millions*

	1999	2000	2001	2002	2003	2004*	2005*
Subsidy	\$ 14.2	\$ 13.9	\$ 14.3	\$ 13.4	\$ 14.8	\$ 12.5	\$ 7.8
Annual % Change		-2.5%	2.8%	-6.2%	10.9%	-15.7%	-37.6%

SOURCES: IBO; Health and Hospitals Corporation.

NOTES: Figures include city and state funds. \*2004 and 2005 figures are estimates; both figures include the cuts proposed in the November 2003 Financial Plan.

\$12.5 million, and based on the Mayor’s most recent four-year Financial Plan, this figure would fall to approximately \$7.8 million—a 37.6 percent reduction—in 2005 and beyond.

When the Mayor’s Executive Budget for 2004 was released in April 2003, planned city funding for the child health clinics was reduced for fiscal years 2004 through 2007. Under Article VI of the New York State Public Health Law—the section that deals with state aid to localities for public health services—this proposed reduction in city funding automatically triggered a reduction in state aid for the clinics. Prior to the adoption of the budget for this fiscal year (2004), the City Council and advocates successfully negotiated a restoration of \$2.9 million of the proposed \$3.5 million reduction in city funds. The city’s restoration also generated a restoration of state funds of approximately \$1.6 million. As a result, the total subsidy—both city and state funds—provided to HHC for the child health clinics in fiscal year 2004 was set at \$12.8 million in the budget adopted in June 2003.

The funding cutback apparently did not result in less medical services. Of the nearly \$1 million that was not restored (\$600,000 in city funds and \$400,000 in state funds), the majority had been earmarked for administration of the clinics. Administrative duties were chiefly conducted by the Office of Child Health at the Health and Hospitals Corporation, which was responsible for overseeing the contractual and programmatic requirements of the child health clinics as well as acting as the liaison with DOHMH. As a result of the \$1 million reduction, however, the Office of Child Health was eliminated by HHC in fiscal year 2004, and the administrative duties of the former office have been spread throughout the hospitals corporation.

As noted earlier, the Mayor’s Executive Budget released in April 2003 also reduced funding for child health clinics in fiscal years 2005 through 2007. Although the restoration negotiated last June covered the current fiscal year, cuts in child health clinic funding in fiscal years 2005 through 2007 remained. These cuts total \$3.5 million in city funds and \$2.0 million in state funds annually.

More recently, the November 2003 plan further reduced the city’s subsidy to the child health clinics by \$445,000 in fiscal year 2004 and \$320,000 in 2005. These reductions also result in lost state funding of \$196,000 and \$140,000 respectively. Just last month, however, the City Council restored approximately \$200,000 in city funds to the child health clinics for fiscal

year 2004. IBO estimates this action will also generate a restoration of state funding of approximately \$88,000. Accounting for these actions, IBO estimates the total subsidy provided to HHC for the operation of the child health clinics is now approximately \$12.5 million in 2004 and \$7.8 million in 2005.

*HHC and the Funding Shortfall.* It is important to note that the subsidy provided to HHC by DOHMH for the support of the child health clinics does not cover the full cost of providing services. In fact, even if the 2005 reductions are restored, the clinics would still be operating at a deficit.

The Health and Hospitals Corporation maintains that it will be able to cover the November plan cuts for fiscal years 2004 and 2005 by enrolling more uninsured children who visit the clinics in Medicaid. However, HHC does not expect this initiative to generate enough revenue to cover last spring’s \$3.5 million cut in city funding or the corresponding \$2.0 million in reduced state funds scheduled for fiscal year 2005. HHC has pledged to keep all of the child health clinics open in 2005, but the corporation will need to cover the deficit using other resources.

These funding reductions for the child health clinics come at a time when HHC is facing potentially serious fiscal difficulties. Currently, HHC projects expenditures of \$4.4 billion and revenues of \$3.9 billion in fiscal year 2005, leaving an operating gap of \$435 million. While HHC expects to start 2005 with a positive opening cash balance of \$120 million, much of these funds will be exhausted during the year. To avoid a deficit at the end of the corporation’s fiscal year, HHC expects to close the deficit through \$180 million in unspecified state and federal actions as well as \$140 million in productivity savings and revenue enhancements. Implementing all of these measures would allow HHC to close 2005 with a positive cash balance of \$4 million.

*Written by Rachele Celebrezze*

# Can Schools' ESL and Bilingual Programs Make the Grade?

Roughly 125,000 of the city's public school students are classified as English Language Learners—students with limited or no ability to speak or write in English. These largely immigrant students have lagged behind their classmates, with lower four-year high school graduation rates and higher drop out rates. Federal and state aid for English learner students is increasing but it is too early to gauge the effect. Based on the education's department's published reports, IBO estimates spending has increased from \$138.3 million in 1999 to \$174.9 million in 2003. A small amount of additional funds were used in each of these years, although the education department could not provide details.

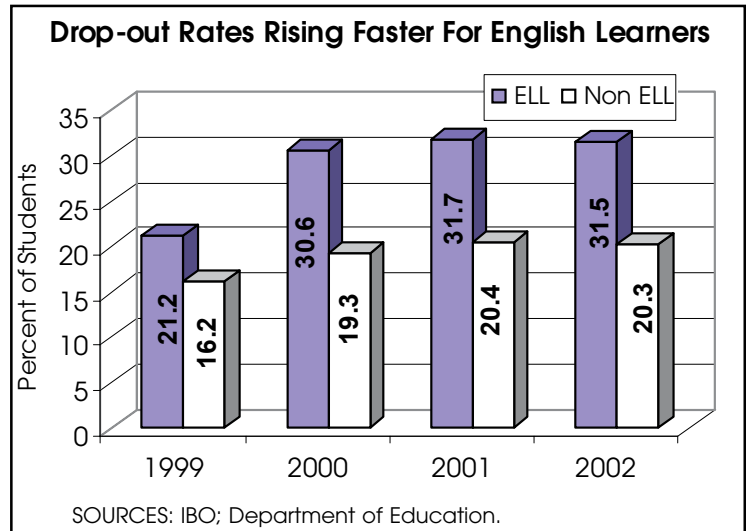
While much attention in recent weeks has been focused on "social promotion" in the schools, many English Language Learners remain in their programs for long periods of time. The city has a long-standing goal of students leaving the English learner programs—either bilingual education or English as a second language (ESL)—for English-only programs within three years. In 2002, nearly 13,600 students had been in the programs for seven years or more. More than 8,300 of the English Language Learners who graduated from the city's high schools in 2002 still lacked fluency in English and continued to qualify for the programs.

**English Language Learner Programs.** The primary goal of the English learner programs is to develop fluency in English. Most New York City public schools provide two options: bilingual education, in which students receive instruction in their native languages while they are learning English, and English as a second language, in which students are given special help primarily in English. In 2002, 982 elementary and middle schools and 179 high schools provided bilingual or ESL programs. In most cases, students are placed in ESL classes if there are not enough students who speak the same language to create bilingual classes, or if there are no teachers to teach in that language.

The number of students in the English learner programs has been falling in recent years. From 1999 through 2003, enrollment in English learner programs has fallen from 148,400 to 125,000. The decline has been in the number of English learners in elementary and middle schools.

**Funding Rises.** Based on available information, funding for English learner programs has risen from \$138.3 million in 1999

to \$174.9 million in 2003. The increase has recently been propelled by a near doubling in federal aid for these programs under the No Child Left Behind Act—from \$20.8 million in 2002 to \$37.9 million in 2003. After declining slightly, state aid for these programs is now growing as well. In the current fiscal year the city will receive an estimated \$66.7 million, an increase of \$13.1 million over 2003.



**Graduation and Drop-out Rates.** While drop-out rates are generally rising for all students, they have risen more rapidly for English Language Learners. Roughly 17 percent, or 11,170, of the 62,480 students in the class of 1999 were identified as having been English Language Learners at some time during their high school years, according to an education department report. Of the 1999 class, 21.2 percent of English Language Learners dropped out compared to 16.2 percent for the general student body. In the class of 2000, 30.6 percent of English learner students dropped out compared to 19.3 percent for the overall class, according to education department statistics. In the class of 2001, the drop-out rate for English learner students was 31.7 percent compared to 20.4 percent for the overall class. In the class of 2002, the number of English learner students who dropped out was 31.5 percent, compared to 20.3 percent for the overall class.

Disparities also exist between the four-year graduation rates of English learners and the rest of the high-school student body. In the class of 1999, 44 percent of the English learners attending high school graduated within four years, a rate 13 percentage points lower than the general student population. For the class of 2002, 40 percent of English learners graduated in four years, 11 percentage points below the rate of other students.

The story is very similar for those who stay in high school longer. An education department report found that for class of 1999 students who graduated after seven years, the difference in graduation rates between English learners and other students was 10.8 percentage points.

But many English Language Learners who graduate still need to improve their English. Among the 2002 graduates, 13.2 percent were still English Language Learners, students entitled to bilingual or English-as-a second-language services because they did not score high enough on the special test to exit those programs.

*Teacher Certification.* A shortage of ESL and bilingual teachers has long been a problem for the school system's English learner programs. In order to become a certified bilingual education teacher an individual must fulfill the requirements for the primary certification as well as apply for a bilingual education extension and pass two additional tests.

While there are now fewer uncertified teachers in the English learner programs, a significant number remain. In the 1999-2000 school year, 27.5 percent, or 1,114, of bilingual teachers and 14.4 percent, or 300, of ESL teachers were not certified. By last school year, the share had dipped to 13.6 percent of bilingual teachers (444) and 10.5 percent of ESL teachers (231), according to education department data.

Because of the difficulty in finding certified bilingual teachers as

well as teachers in some other areas, in June 2003 the state approved the city's request to postpone implementation of a Board of Regent's requirement that the school districts stop hiring uncertified teachers. The city was given a two-year extension and allowed to hire as many as 3,000 new uncertified teachers for the 2003-2004 school year and 1,500 more in 2004-2005. These teachers will only be used in shortage areas such as math, science, special education and bilingual education.

*Change for the Better?* In December 2000, then-Chancellor Harold Levy announced a plan to improve instruction in the English learner programs and to provide parents with more information about the programs. The program was originally expected to cost \$75 million, but budget constraints scuttled much of the plan.

Last July, Mayor Bloomberg announced a more modest effort to improve English Language Learner programs. These changes, which have been implemented, include a \$20 million investment primarily for teacher training as well as additional after-school and weekend programs for English learners. The education department is hiring 107 specialists to help teachers in their classrooms and creating a special academy for English Language program teachers. It is too soon to evaluate whether these changes will result in more students gaining fluency in English, advancing from the programs within three years, and improving graduation rates.

*Written by Nashla Rivas Salas and Matina Madrick*