



TESTIMONY

OF

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POLICY AND GOVERNMENT RELATIONS

CITIZENS' COMMITTEE FOR CHILDREN OF NEW YORK, INC

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

EDUCATION

STATE FISCAL YEAR 2013-2014

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Good afternoon. My name is Stephanie Gendell and I am the Associate Executive Director for Policy and Government Relations at Citizens' Committee for Children of New York (CCC). CCC is a 69-year old privately supported, independent, multi-issue child advocacy organization, dedicated to ensuring every New York child is healthy, housed, educated and safe. CCC does not accept or receive public resources, provide direct services, or represent a sector or workforce. For 69 years CCC has undertaken public policy research, community education and advocacy efforts to draw attention to children and their needs so that we can advance budget, legislative, and policy priorities that are cost-effective and produce better outcomes for New York's youngest residents. I would like to thank Chairman Farrell and Chairman DeFrancisco and members of the Assembly Ways and Means and Senate Finance Committees for this opportunity to testify on the Governor's Executive Budget for State Fiscal Year 2013-2014.

Governor Cuomo's \$136 billion Executive Budget closes a \$1.3 billion deficit, while aiming to strengthen our State's education system, increase jobs and better protect our state from unpredicted disasters such as Superstorm Sandy. CCC is grateful for many of the measures the Governor and the Legislature have taken over the past few years to stabilize the State's economy and help to build a better New York.

The Governor's Executive Budget takes some notable steps to improve the lives of children such as raising the minimum wage, beginning to implement the recommendations of the *New NY* Education Reform Commission, and continuing to reform the juvenile justice system.

While these are notable enhancements, there are also budget reductions to programs and services that CCC is very concerned about, including cuts to post-adoption services, Nurse-Family Partnership, after-school programs, services for sexually exploited and runaway and homeless youth, as well as the elimination of the funds for the Court Appointed Special Advocates (CASA) program.

While continuing to prudently address State spending is critical to New York's recovery from the economic downturn, few have been hit harder by this recession than poor children and their families. It is CCC's belief that we must not allow this year's budget to chip away at the safety net needed to ensure that the next generation of New Yorkers can reach their full potential.

TANF Funding:

CCC had been pleased that both the SFY 2012-2013 Executive Budget and Adopted Budget for SFY12-13 offset reductions in federal funds through the use of \$93 million State General Funds in SFY 12-13 and \$215 million in SFY 13-14 for the Child Care Block Grant. We were also pleased because this enabled the programs that had historically been funded with TANF funding to maintain their funding. CCC saw this as a tremendous victory for children—the state was investing its resources into stabilizing the child care system and other critical services maintained their funding.

CCC is deeply disappointed to see that the SFY 2013-2014 reverses course on these measures by funding child care with TANF funds and eliminating funding for programs that were previously funded with TANF. Specifically, not only does the Executive Budget not replace the \$215 million in the Child Care Block Grant with General Funds as per last year's Adopted Budget, but

it also swaps \$70.7 million of General Funds from the Child Care Block Grant with TANF funds. We are deeply troubled by this divestment of state resources into the child care program. Further, as a result of this transfer of TANF funds, the Executive Budget proposes to eliminate funding for many programs historically funded with TANF (as these TANF dollars are now funding child care.) CCC opposes cutting many of these programs including: Nurse-Family Partnership, Advantage Schools, Child Care CUNY, Child Care SUNY, Child Care Demonstration Projects, Caretaker Relative initiative, Emergency Homeless funding, Preventive Services (including post-adoption services), and Settlement Houses. Our testimony will address these proposed cuts in more detail in their respective issue area sections.

CCC urges the Legislature to adopt a budget that restores the state's commitment to funding child care through the General Fund and restores funding for programs historically funded by TANF that are de-funded by the Executive Budget.

Child Welfare:

Child Welfare Financing:

The backbone of the current child welfare financing structure is open-ended state reimbursement for the services the state wants to incentivize and a capped block grant for those services the state wants to reduce county reliance on. Thus, the state provides open-ended reimbursement for services that keep children safe, prevent foster care, and signify permanency (i.e. adoption subsidy). Alternatively, there is a block grant for foster care, which also funds private juvenile justice placements.¹

This financing structure, in place since 2002, has corresponded with a dramatic decrease in foster care both statewide and in New York City, even though there has been a significant increase in child abuse and neglect reports. In addition, there has been a significant expansion of preventive services both in New York City and statewide. CCC believes that the general framework for child welfare financing in New York has benefited countless children and families and we are grateful that the Executive Budget proposes to maintain open-ended, uncapped reimbursement for protective, preventive and independent living services.

Currently, New York State Social Service Law Section 153-k provides for a 65% state reimbursement rate for protective, preventive, independent living, after care and adoption administration services; however, for several years budget bills have reduced the level of state support down to 62%, while not amending the Social Services Law. The SFY 2013-2014 Executive Budget once again proposes that the State's reimbursement be reduced to 62%. **CCC urges the Legislature and the Governor to adopt a budget that restores the state's commitment to keeping children safe by returning state the match to 65%.**

¹ The exception to this fiscal incentive arrangement is New York's new Kinship Guardianship Assistance Program (KinGAP), in which the subsidies for this permanency arrangement are currently funded by the Foster Care Block Grant and not open-ended reimbursement. As discussed in more detail, the Executive Budget proposes to again fund KinGAP through the FCBG.

Almost all children who are adopted from New York's foster care system are eligible for an adoption subsidy. The subsidy is typically the same payment level as the foster parent was receiving while the child was in foster care. The goals of adoption subsidies are to eliminate any fiscal disincentive for a foster parent to adopt and to provide support for hard-to-place and special needs children adopted from foster care. Historically, the State had reimbursed counties 75% of the non-federal share for adoption subsidies pursuant to Social Service Law Section 456. For the past two fiscal years, the state has reduced its commitment and support to these children by reducing its reimbursement to 62% through budget bills (not statutorily). This is a pure cost-shift to counties who will be continuing to pay adoptive parents the same rates. **CCC urges the Legislature to adopt a budget that restores the state funding match to 75% for adoption subsidies.**

The Executive Budget once again proposes to fund the Kinship Guardianship Assistance Program (KinGAP or subsidized relative guardianship) through the Foster Care Block Grant (FCBG). The FCBG is intended to fund the State's share for children in out-of-home placements, including foster homes, kinship foster homes, residential foster care placements, and private juvenile justice placements including the Close to Home facilities.

While CCC appreciates the state's efforts to create disincentives for localities to rely on foster care, and for localities to expedite permanency, there are some children and youth who will always be in need of a foster care so that they can be safe and receive the services they and their families need. It is imperative that New York's foster care system have the resources it needs to provide high quality foster care to any child that needs to be removed from his or her home. In fact, the State and its counties have an enormous responsibility to these children for whom they have determined it is necessary to interfere with their parents' rights and of whom they subsume temporary or permanent custody.

As with adoption subsidy, the federal government pays 50% of the KinGAP subsidy for Title IV-E eligible children who meet certain federal requirements. Kinship guardianship is a permanency arrangement for children living with relatives who are not going to be reunified or adopted for reasons deemed to be in the child's best interest by both the local social service district and the Family Court. The goal of KinGAP is to provide these children with permanency outside of the foster care system, and enable their relatives to continue to receive a subsidy. KinGAP would theoretically reduce foster care expenses for these children who would have otherwise remained in foster care.

Given that almost all counties use their full FCBG allocation, funding the state share of KinGAP subsidies in the FCBG is a pure cost-shift. Notably, the number of children receiving adoption subsidies is starting to decrease because a) the declining foster care census means there are fewer children eligible to be adopted and b) those children who were adopted at the height of the foster care census are beginning to age out of adoption subsidy eligibility (i.e. turn 21). **CCC urges the Legislature to adopt a budget that removes KinGAP from the Foster Block Grant and funds the state share in the same manner as adoption subsidy.**

Court-Appointed Special Advocates (CASA)

CCC is deeply troubled that the Executive Budget proposes to eliminate all state funding—\$800,000—from the statewide Court Appointed Special Advocates (CASA) program.

CASA is a national program aimed at helping foster children, with over 930 offices throughout the country. Over 3,000 foster children are helped by CASAs in New York each year, with over 1,500 of those children served by the New York City-based CASA office.

The CASA program recruit, train and supervise volunteers who are appointed by Family Courts to provide unbiased, independent information to the court in child abuse and neglect cases. As stated by Former Chief Judge Kaye in a recent *Law Journal* article, this proposed cut is “very distressing.”² This extremely cost-effective program provides invaluable support to foster children in helping to expedite their cases in Family Court so that children can live with permanent stable families.

CCC urges the Legislature to adopt a budget that restores all \$800,000 to the statewide CASA program.

Family Court Judges:

This year marks the 50th Anniversary of the New York State Family Courts. While many of us have come together to celebrate the accomplishments of the Family Courts, we must also seize on this opportunity to address the critical resource needs-- so that this system can better serve children and families for the next 50 years.

The Family Courts are desperately short of resources. Overburdened court calendars and court staff are leading to long adjournments and significant court delay. For example, it has been reported that cases that were scheduled for the week of Hurricane Sandy when the courts were closed were routinely re-calendared for the spring—a 6 month delay.

Since 1991, the Family Court Act has statutorily limited the number of Family Court Judges in New York City to 47 Judges. During the intervening 32 years, there have been many additional demands placed on the Family Courts, including the 1999 Adoption and Safe Families Act, the 2005 Permanency Law, and the 2008 legislation allowing intimate partners to obtain orders of protection (which resulted in a 16% increase in offense petitions in NYC). In addition, the last several years have brought budget cuts to the Family Courts, which have also impacted the workload and case processing time of the courts including many staff layoffs shortening of the court day to prevent the use of overtime.

Delay in Family Court translates into delays in critical decisions such as whether children can return home to their families, be adopted, visit their parents, or be placed with their siblings. Every time the federal government reviews how long New York’s children are in foster care compared to other states, New York routinely ranks at the bottom of the list (currently 50 out of 52) for reunification and adoption. Children only get to be children once—New York’s children deserve better than to grow up in foster care waiting for their hearings to be held.

CCC urges the legislature to adopt a budget that increases the number of Family Court

² The New York Law Journal, *Advocates for Children Fear Dire Effects of Budget Cuts*. January 30, 2013. <http://www.newyorklawjournal.com/PubArticleNY.jsp?id=1202586191178&thepage=1>

Judges statewide and in New York City and returns the Family Court budget to its SFY10-11 funding levels.

Safe Harbor Funding for Sexually Exploited Youth

CCC is disappointed to see that the Executive Budget failed to appropriate the \$1.5 million for sexually exploited youth that was appropriated in last year's budget. This funding, which helps the state and counties implement the State's Safe Harbor Act, is currently being used to help those working with youth are able to identify children who have been sexually exploited, bring them into safety, refer them for services—and thus help these young people be safe and begin to heal.

The State Office of Children and Family Services used these funds in the current year to contract with IOFA to create a statewide cross-system training package and a tool kit (including a screening tool). OCFS also allocated \$124,444 to the target counties of Erie, Monroe, Onondaga, Westchester and the five boroughs of New York City to develop or enhance their services for this vulnerable population. In New York City, the funding is being used this year to help city staff identify and better assist sexually exploited youth and to locate and provide critical services to these children throughout the City.

We are very concerned that these great state and local efforts to assist these young people will not be able to continue if the funding is not available in the upcoming state fiscal year. **CCC urges the legislature to restore the \$1.5 million for Safe Harbor/Sexually Exploited Children and actually restore this program to its previous funding level of \$3 million.**

TANF-funded Child Welfare Programs

Finally, to ensure the safety, permanency and well-being of the vulnerable children and youth, CCC urges the Legislature to adopt a budget that restores the **\$2 million cut from Nurse-Family Partnership (NFP) (previously funded at \$5 million) and the \$610,000 for Preventive Services, which is actually funding post-adoption services.**

NFP is a rigorously tested evidence-based community health program that has proven to break the cycle of poverty with measurable results. Program outcomes include long-term family improvements in health, education, and economic self-sufficiency.³ Independent research has proven that for every public health dollar invested in high risk NFP families, communities can save up to five dollars in return.⁴ To remove funds from this cost-savings program is counter-productive. Similarly, post-adoption services help to maintain children and youth in their adoptive homes, preventing their placements from being disrupted and preventing a return to more-costly (both measured in dollars and trauma) foster care.

³ "About", Nurse Family Partnership, 2011. Available at: <http://www.nursefamilypartnership.org/about>

⁴ "Benefits and Costs", Nurse Family Partnership, 2011. Available at: http://www.nursefamilypartnership.org/assets/PDF/Fact-sheets/NFP_Benefits-Cost

Juvenile Justice

CCC appreciates the Governor and the Legislature's continued commitment to improving New York's Juvenile Justice System. The past few Executive Budgets have eliminated costly and empty beds; enabled youth placed in non-secure (and soon limited secure) facilities to be placed close to home; created a statutory funding mechanism for alternatives to detention and placement programs; and led to the expansion of these more cost-effective and more effective alternatives to detention and incarceration/placement.

CCC was pleased to see that the Executive Budget continues the State's efforts to close excess bed capacity in the system and proposes a Close to Home model for youth outside New York City. We agree that youth throughout the state should benefit from more community based services (rather than be placed in facilities) whenever it is safe and that for those young people who do need to be placed, that it is best for them, their families and their communities for the youth to be placed close to home.

We urge the legislature to adopt a budget that continues to rightsize the juvenile justice system by reducing state facility capacity by 88 beds and 15 after care slots and establishes a "Close to Home" initiative for youth from counties outside New York City.

On the other hand, CCC was disappointed to see that the Executive Budget proposes to eliminate the funding for community reinvestment programs that has been funding alternative to detention and placement/incarceration programs for youth. **CCC urges the legislature to restore community reinvestment funds to its SFY09-10 funding level of \$5 million (funded at \$4 million in SFY 12-13).**

Child Care/Early Childhood Education

As stated by Governor Cuomo in his State of the State Address, "We need more early education. Every expert will tell you that early education makes a difference and it makes the difference for life. The statistics are overwhelming. Children who receive early education perform 25% better on math by the second grade, 20% better on English, 30% are more likely to graduate from high school and 32% are less likely to be arrested as a juvenile."

CCC was grateful that the Executive Budget proposes to begin the State's support to full-day Universal Prekindergarten (UPK) by both supporting the policy of full day UPK (as opposed to merely half-day) and allocating \$25 million towards this effort. While half-day (2 ½ hour) pre-kindergarten programs are beneficial for young children, full day pre-kindergarten has demonstrated even greater success.⁵ The proposed investment of \$25 million to expand full-day UPK in high-need, low-wealth districts is an important step toward ensuring that young children

⁵Impact of Full-day Prekindergarten Program on Student Academic Performance. Montgomery County Public Schools. February 2009
http://www.montgomeryschoolsmd.org/departments/sharedaccountability/reports/2009/FD%20PreK%20outcome%20evaluation%20report_final_2_19_09.pdf

have access to safe, quality, affordable early childhood education so they can enter kindergarten prepared to succeed academically and socially.

Unfortunately, universal pre-kindergarten is still far from universal, as only about half of 4-year-olds statewide are served in half-day UPK programs.⁶ To reach universality, New York State would need to achieve 65-75% enrollment, or about 149,000-172,000 of 4-year-olds statewide.⁷ Thus, we view the investment of \$25 million as a down payment on full-day UPK statewide.

Furthermore, the State's commitment to early childhood education must also address the needs of children ages 0-3 who also benefit academically and socially from quality programs, and whose parents rely on child care to be able to work.

The State's subsidized child care system has been in crisis for some time now. The decrease in federal child care funds to New York (due to the young child factor), the increased Market Rate every two years, the federal requirement to serve all families on public assistance needing child care (without additional federal or state support), the loss of ARRA funds, the increased health insurance costs for providers, and the increased costs of providing quality care for children, have left the system desperately short of resources. In New York City, the Mayor is proposing to cut child care for over 10,000 children in the upcoming City Fiscal Year.

As discussed in the TANF Funds section, CCC is extremely disappointed that the State is disinvesting its state dollars (General Fund) from child care. While CCC is well-aware of the budgetary challenges New York State has faced, and appreciates the efforts the State administration and State legislators have made to protect the quality and capacity of the child care system, preserving capacity and ensuring quality are critical for New York's children and their low- income working parents.

CCC urges the Legislature to adopt a budget that both restores the use of General Funds for child care and provides additional funding to enable counties to preserve their capacity and hopefully increase the capacity to serve low-income working families.

Food and Income Support

CCC was extremely pleased to see the Governor's Executive Budget proposal to increase the State's minimum wage from \$7.25 per hour to \$8.75 per hour. This will go a long way towards helping low-income New Yorkers better support their families. **CCC urges the legislature to adopt a budget that raises the minimum wage from \$7.25 per hour to \$8.75 per hour.**

CCC was also pleased to see that the Executive Budget proposes to increase funding to Food Banks by \$2 million. **CCC urges the State to adopt a budget that ensures the State's emergency food programs are sufficiently funded to meet the needs of the growing number of food insecure households.**

⁶ New York State Report Card. Accountability and Overview Report. 2010-2011.

<https://reportcards.nysed.gov/statewide/2011statewideAOR.pdf>

⁷ This estimate is based on the total number of 4-year-olds in New York State, which is 229,583, according to the 2010 Census. U.S. Census Bureau, 2010 Census. Summary File 1, Table PCT12.

Housing and Homelessness

In essence, the Executive Budget proposes slightly decreased or level funding for many of the essential programs that prevent homelessness and provide shelter for homeless youth and families. In light of the severe reductions these programs have experienced over the last few years, as well as the increased poverty and housing instability among youth and families caused by the economic downturn, CCC believes it is necessary for the State to strengthen its support and restore funding that has been cut in prior budget cycles.

The Executive Budget proposes to fund the Homeless Housing and Preventive Services funding stream at \$28.7 million, a decrease of \$1.6 million from last year's adopted budget. The Housing and Preventive Services stream funds the New York State Supportive Housing Program, Solutions to End Homelessness Program, and the AIDS Housing Program. These programs are essential to preventing youth and families from becoming homeless, but have experienced major cuts over the last several budget cycles. **CCC urges the Legislature to adopt a budget that at a minimum restores at least \$1.6 million to the Homeless Housing and Preventive Services funding stream.**

The Executive Budget also proposes to cut the Runaway and Homeless Youth Act funding to \$2.36 million, over \$214,456 less than it was funded in the current fiscal year. This cut would be on top of the substantial cuts that have been made to RHY over the past five budget cycles. RHY funding ensures that New York's runaway and homeless youth have access to vital services and shelter. Statewide, 13,000 young people rely on RHY funding each year for shelter and case management services; however, providers increasingly struggle to meet these needs in light of successive years of budget cuts. **CCC urges the Legislature to restore RHY funding to its FY 2008-2009 level of \$6.31 million.**

In addition to funding programs that serve homeless youth and families, it is necessary to ensure that New York families are able to afford a place to live. Unfortunately, this is too often not the case: in New York City, 55 percent of renters pay more than 30 percent of their income in rent, while 28 percent spend more than half their income on rent.⁸ Recognizing that the creation and preservation of affordable housing is essential for the well-being of families throughout New York, the Executive Budget proposes a new "House NY" program that would invest \$1 billion of additional resources over five years to preserve and create 14,300 affordable housing units statewide. **CCC urges the Legislature to adopt the Executive Budget Proposal to create and fund the "House NY" program in the budget.**

Supportive housing has been proven to be a cost-effective housing solution for homeless individuals and families facing substance abuse or mental illness, as well as for youth aging out

⁸ U.S. Census Bureau, American Community Survey 1 Year Estimates, 2010.

of the foster care system. In addition, supportive housing produces Medicaid savings by reducing the incidence of costly hospital stays. Last year, in recognition of these savings, the State established the Supportive Housing reinvestment fund as part of Medicaid Redesign. For FY 2014, the Executive Budget funds the Supportive Housing Fund at \$91 million, which will continue to provide service funding, rent subsidies and capital dollars for high-cost Medicaid Recipients. **CCC urges the Legislature to support the Executive Budget proposal to fund the Supportive Housing Fund as well as the proposal to develop 3,400 supportive housing beds for the New York – New York III program.**

Youth Services

Summer Youth Employment Program (SYEP):

CCC was pleased to see that unlike previous fiscal years, the SFY 2013-2014 Executive Budget proposes to maintain \$25 million for the Summer Youth Employment Program (SYEP). SYEP is vital to preparing youth for work and reducing youth unemployment during the summer months. SYEP provides youth ages 14-24 with paid summer employment and educational opportunities.

State support for SYEP in New York City is vital. In 2012, \$13.5 million of the \$25 million for SYEP in New York State helped to support the 29,416 youth enrolled in the City's program.⁹ However, last summer, the NYC Department of Youth and Community Development received 132,593 applications.¹⁰ Year after year, the number of applicants to SYEP in New York City continues to grow, and the number of slots available for youth wishing to participate has decreased.

While CCC appreciates the proposal for the state to continue its current level of support for SYEP, if the Governor's proposal to raise the minimum wage is approved, counties will need additional funding to serve the same number of children next summer. **CCC urges the legislature to adopt a budget that ensures, at a minimum, the same number of youth can participate this summer as did last summer and earn the same amount in wages.**

Youth Development and Delinquency Prevention (YDDP) and Special Delinquency Prevention Program (SDPP):

The FY13-14 Executive Budget proposes to combine the Youth Development and Delinquency Prevention (YDDP) and Special Delinquency Prevention Program (SDPP) into one funding stream instead of two. CCC is comfortable with this proposal so long as the total funding level for both programs is not reduced and the programs funded by these two streams are able to continue to provide services to children and youth.

CCC opposes the Executive Budget proposal to reduce funding for YDDP/SDPP to \$14.2 million from the FY12-13 Enacted Budget level of \$15.3 million for SDPP and YDPP combined.

⁹ New York City Department of Youth and Community Development. 2012 SYEP Annual Summary http://www.nyc.gov/html/dycd/downloads/pdf/2012-SYEP_Annual_Summary11-29-2012.pdf

¹⁰ Ibid

Notably, \$15.3 million represents a nearly 50% cut in funding from the FY10-11 levels. **CCC urges the Legislature to adopt a budget that restores YDDP and SDDP to \$28.2 million.** These funds support vital programs such as dropout prevention, crisis intervention, family mediation and counseling, and the Out-of-School Time program in New York City.

Advantage After-School

The Afterschool Alliance reports that nearly a quarter of K-12 children in New York State are unsupervised after school. Furthermore, there are more than a million children who would participate in an after-school program if they had access to one.¹¹ New York State's investments in youth services are critical, as youth programs provide academic, social, and emotional supports for participants and also keep children safe in the afternoons and summers while school is not in session and their parents are at work.

The FY13-14 Executive Budget proposes funding the Advantage After-School program at \$17.25 million, a \$500,000 reduction from last year's Enacted Budget and more than \$10 million less than the FY09-10 allocation. The \$10 million cut over the past three years translates to 8,000 after-school slots and 800 jobs lost in New York State. **CCC urges the Governor and the Legislature to work together to restore Advantage Program funding to \$28 million (SFY09-10 levels).**

Conclusion

In closing, we urge the Legislature to negotiate a budget with the Governor that ensures that the state remains committed to the programs that produce positive outcomes for children, and ultimately saves the state money on more expensive interventions such as foster care, medical care, homeless shelters, and the juvenile justice system.

While we appreciate that very difficult choices about revenue increases and expense reductions need to be made, we urge you to protect the services that will ultimately be less costly to the children of today and the taxpayers of tomorrow.

Thank you for the opportunity to testify.

¹¹The After School Alliance. New York After 3pm.
http://www.afterschoolalliance.org/documents/AA3PM_2009/AA3_Factsheet_NY_2009.pdf

