



NORTHERN RIVERS

Life changing care since 1829

**TESTIMONY OF
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NORTHERN RIVERS FAMILY OF SERVICES**

**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 HUMAN SERVICES
STATE FISCAL YEAR FISCAL YEAR 2025-2026**

FEBRUARY 12, 2025

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Summary of Recommendations

1. **Build and fund a comprehensive workforce strategy across Human Services**
2. **Foster Home Insurance Is a Crisis Requiring a Risk Pool**
3. **Provide Justice for Child Survivors**
4. **Implement School Cellphone Ban to Support Learning**

Introduction

Gov. Kathy Hochul of New York unveiled a \$252 billion executive budget that placed a priority upon affordability, public safety, economic development, housing and prosperity.

The proposed budget includes funding for about \$1 billion in middle-class tax cuts, \$3 billion in rebate checks for millions of New Yorkers, \$800 million for an expansion of the state's child tax credit, \$340 million for school meals for every student and close to \$60 million for more police officers on subway trains — all designed to address concerns about affordability, crime and the cost of living.

The spending plan represented a nearly \$8.6 billion increase from the current budget, largely because of vast jumps in Medicaid and education spending.

“Under Article XVII - Social Welfare. Section 1 - Public relief and care. The aid, care and support of the needy are public concerns and shall be provided by the state and by such of its subdivisions, and in such manner and by such means, as the legislature may from time to time determine.”

The challenge is to pass a fair, balanced and forward-thinking budget that addresses the needs of all New Yorkers and meeting the Connotational requirement.

Good afternoon. My name is William Gettman, and I am the CEO of Northern Rivers Family of Services located in the Capital Region.

About Northern Rivers Family of Services

Northern Rivers Family of Services was established in 2012 through affiliation with longstanding family services agencies Northeast Parent & Child Society and Parsons Child & Family Center. In 2019, we affiliated with Unlimited Potential, whose operations began in Saratoga Springs. Together, the 1,400-strong workforce of Northern Rivers and member agencies serve more than 18,000 children and families in 41 upstate counties each year, with \$88 million invested through more than 60 social services and child welfare programs. Northern Rivers builds a strong, successful, and healthy future for our children, families, and communities through quality services, collaboration, and innovative leadership. Our program areas include:

- Residential and community-based child welfare programming including foster care, preventive services, postadoption services, and evidence-based home visiting programs;
- Educational services for 400 students including early learning, pre-K, and Early Head Start, as well as accredited 853 schools (elementary, middle, and high school);
- Community-based child welfare and crisis services programs for children and adults including mobile crisis, school-based services, and licensed clinic programs; and
- Community-based waiver programs for children and adults including health home services.

I would like to thank Chair Liz Krueger and Chair Gary Pretlow, Human Services Committee Chairs, and members of the Assembly Ways and Means and Senate Finance Committees for this opportunity to testify on the Governors Executive Budget for State Fiscal Year Fiscal year 2025-2026. As has been stated many times:

The budget is not just a collection of numbers.

but an expression of our values and aspirations.

While Northern Rivers Family of Services is grateful for many of the measures the Governor Hochul proposes, we believe adjustments to the budget need to be made to make New York state a great place to live, raise a family, and operate a business. Our testimony recommends changes and suggestions for the final budget. Unless the proposed Executive Budget is adjusted to adequately support the Human Services sector and the children, adults, and families we serve each day, New York state will not reach its goals. Without support and opportunity for ALL New Yorkers, we will not be truly successful.

One lesson from the past years is that the needs of children and families don't fit neatly into budget codes, state agency silos, or generic diagnoses. Our Human Services sector provides mental health, child welfare prevention, and residential, educational and another vital services-based on the needs of the child, family, and complicated trauma faculties.

Our budget for the coming year must provide cross-discipline solutions. Undeniably, child welfare professionals provide mental health services, outpatient mental health professionals provide family stability and positive functioning, and residential care agencies provide specialized education.

1. Build and fund a Comprehensive Workforce Strategy across Human Services

New bold ideas and innovation require the skills and expertise of a strong workforce. The recommendations in the proposed budget require recruitment and retention of thousands of individuals across every county, borough, and neighborhood. We need nurses, direct-care staff, medical professionals, cooks, drivers, case managers, peers, teachers, aides, and many more. **The proposed state budget includes a 2.1% human services investment effective April 1, 2025. While we appreciate the partial investment, the CPI as calculated by the federal government is 2.8%. Further, shortfalls in prior budget requires the the investment of 7.8% for the human services sector, including programs not previously funded,**

The 7.8% investment should be enacted through the cost-of-living-adjustment (“COLA”) mechanism, which also must be amended to be inclusive of all State-contracted human services programs, including contracts held by DCJS, DOH, NYSED, NYSOFA, OASAS, OCFS, OMH, OPDV, OPWDD, OTDA, and OVS. Critical programs such as crime victim services, independent living centers, supportive housing, preventive services, and rape crisis counselors were erroneously excluded from the previous COLAs and are essential to meet the human services needs of New York’s adults, children, and families.

We strongly support including prevention workers and health home care managers in the Human Services COLA as proposed in S.1580 (Persaud) /A.2590 (Hevesi)

This is a critical mechanism to ensure that providers have the necessary resources to keep up with the true cost of providing services and supports. Agencies that are providing these services, cannot be expected to subsidize the government while collaborating to keep New Yorkers afloat by providing them with mental and behavioral health, developmental disabilities, supportive housing, youth and child services, foster care, aging services, and a whole host of services for New Yorkers from all walks of life.

When adequate investment into the sector is not in the budget or only partially funded, providers must choose between giving workers well-deserved increases or paying the increased costs of utilities and rent. This investment will assist programs in covering some of the cost of inflation and increased costs, that went unaddressed in the rates last year. Some examples of increased costs include:

- Health insurance cost increases;
- Costs associated with staff recruitment efforts given high vacancy rates and unabated turnover rates in the field;
- Price increases for food, utilities, and maintenance.
- Insurance increases that greatly exceed the CPI
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With over 800,000 human service workers across the State, many of whom are women and people of color, a 7.8% investment will be particularly impactful and alleviate the financial strain many have faced while working in the sector. This inequitable system has forced nonprofits to operate with significantly less resources and reduces the possibility of staff earning wages and benefits equivalent to comparable positions in either government or the private sector. 22% of human services workers depended on SNAP benefits to make ends and they made 30% less than what government employees earn for the same role. These workers continue to serve their communities through times of crises while dealing with inflationary pressure and chronically underfunded government contracts. It is time for New York State to show up for them and their organizations by making a meaningful investment.

We deeply appreciate your consideration of this urgent request for a 7.8% investment and adding programs that have previously been left out of the COLA statute to encompass ALL human services programs this year and going forward. We are eager to collaborate with you to address this oversight and ensure that these vital programs are continuously supported

At the same time, New York State needs a coherent workforce recruitment and retention strategy. The proposed budget contains many solid ideas, yet they are scattered in various agency budgets. We need to compile these ideas to build a Human Services workforce plan.

The turnover rate for front line staff in New York's foster care programs is 49%; turnover for caseworkers in New York's family foster care, prevention, and residential foster care programs is 24%. The state must invest in this workforce to turn the tide from family's current reality of beginning therapeutic work again and again, too often, each time a new caseworker starts with them. Each budget year that New York does not invest in creating career pathways for child welfare professionals and in raising their salaries to retain them in the field is another year that New York wastes the opportunity to make a real difference in achieving positive outcomes for children-promoting family stability, reducing lengths of stay in foster care, and achieving lasting permanency for children.

Who is the Human Services Workforce?

Workforce Support Is a Social Justice Issue

Women comprise an astonishing 81% of the Human Services and direct-care workforce in New York. This equates to 268,900+ skilled, well-educated workers who are paid significantly less than women in New York's private sector, leading to increased staff turnover and jeopardizing the quality of service.

Not-for-Profit Organizations Are an Economic Engine

New York's not-for-profit workforce is not only hard-working, but is also an economic engine. Across New York State, 1 in 6 workers are employed by a not-for-profit organization. These workers contribute billions to the state's economic health, including the payment of income, sales, and property taxes. Beyond the direct economic impact, the not-for-profit workforce allows all New Yorkers to stay employed, avert costly medical costs, and educate our youth. A

strong not-for-profit sector, with a viable direct-care staff, creates additional economic growth and allows New York State to attract new business investments and companies.

Toward that end, we recommend additional retention and policy strategies:

- We urge your support for increases to the NYS Child Welfare Worker Incentive Scholarship Program and the NYS Child Welfare Worker Loan Forgiveness Incentive Program, increasing funding to \$1 million each.
- We support the Loan Forgiveness Program for Mental Health Clinicians Serving Children and urge broad application across the child welfare sector.
- These programs provide an incentive to current and prospective employees to work in the critical field of child welfare, and support the education and training needed to provide quality care. Investments in these programs are critical, as one of the very few programs that support our prevention workforce.

NYS Child Welfare Worker Incentive Scholarship Program

- We were thrilled when the legislature added \$100,000 to this program last year. However, the Governor's proposed Executive Budget, eliminated this investment.
- Our child welfare staff tell us that in addition to salary increases, they need more support in achieving their higher education goals.
- We consistently hear from our child welfare workers that although they find the work very challenging, they enjoy what they do and want to continue to grow with our agencies. We recommend expansion. We recommend expansion as part of the overall workforce strategy

NYS Child Welfare Worker Loan Forgiveness Incentive Program and The Loan Forgiveness Program for Mental Health Clinicians Serving Children

- We also often hear that staff begin to look for other jobs when they cannot afford to pay their student loan monthly repayments (given the growing student debt crisis in our country, staff have student loan payments ranging from several hundred dollars per month to payments even in excess of \$1000 per month).
- While there have been some efforts to provide short-term relief by the federal government related to student loan debt recently, we seek a long-term option for supporting the state's child welfare workforce in their educational goals so we can begin to build a true career pathway for our state's child welfare professionals.
- We believe that increased state investment into our child welfare workforce will greatly assist in our staff recruitment and retention, especially supporting diversity, equity, and inclusion efforts at our agencies, and will also create and diversify the next generation of child welfare leaders in the field.
- Establishing a Human Services Employee Wage Board (\$4675/Ramos)

2. Foster Home Insurance Is a Crisis Requiring a Risk Pool

Liability insurance has become extremely expensive and difficult to secure for foster care programs. As a result of costs and recent decisions made by carriers across the country, providers will not be able to obtain required coverage beginning April 1 of this year. (see attached fact sheet and links)

Liability insurance is required for all nonprofit child welfare organizations that are providing foster care, through the terms of their contracts with individual counties. Due to social inflation (referring to a trend in increasing jury verdicts due to social and cultural attitudes affirming awarding higher compensation exceeding the general cost of inflation in liability cases ([NAIC, online](#)) and increasing pressures in the insurance market specifically related to foster care, agencies in the state of New York and nationwide are experiencing significant challenges in accessing liability insurance coverage. For foster care agencies that are able to obtain continued insurance coverage, it often comes with significant cost increases.

- Northern Rivers urges the state to create a risk pool for liability insurance for foster care providers.
- Additionally, Northern Rivers requests immediate support provided through the foster care rate methodology, for providers who can demonstrate hardship, to help cover increased premiums foster care agencies are experiencing in their mandated liability insurance coverage in the same fiscal year.

Problem:

- Foster care agencies are required per their contracts to carry certain levels of general liability insurance.
- Due to social inflation and increasing pressures in the insurance market, specifically related to foster care, agencies in NYS and nationwide are experiencing significant challenges in accessing liability insurance coverage.
- We have already seen the impact on system capacity in other states, as providers shift programming away from foster care due to the difficulty in obtaining liability insurance.
- This is becoming an increasingly urgent issue. There are very few insurance providers in this sector already, and we are seeing the field get even smaller in places like California.
- In late August last year, the Nonprofits Insurance Alliance of California (NIAC), which represented 90% of the foster family agencies (FFAs) in California, announced it will not renew insurance coverage for all FFAs in the state beginning October 1. This has created a crisis in the sector in California, for which there is currently no statewide solution.

- The same insurer, NIA, wrote an update to all of their insured agencies nationwide, stating that effective April 1 2025 (though reserving the right to do so beforehand) they will not renew umbrella coverage for any of their insured foster family agencies nationwide.
- What we feared would happen- that insurers would start dropping out of the foster care market in NY, has now begun.
- If unaddressed, this issue may prevent our member Voluntary Foster Care Agencies here in New York from being able to legally serve children in foster care if they are not able to secure or to pay for adequate liability insurance. This will shift the responsibility for the provision of foster care services to the county, as we have already begun to see occur in California.
- When foster care agencies are able to obtain continued insurance coverage, they are often forced to accept lower coverage levels at higher premiums, all while counties continue to increase required coverage limits. Agencies do not have the resources to pay for these increased costs.

3. Provide Justice for Child Survivors

- The Child Victims Act (CVA) was created as a mechanism to give victims a voice and an avenue to seek justice.
- Unfortunately, the number one variable that has nothing to do with a victim's credibility or the nature of the harm they allegedly suffered is whether there is insurance coverage for a specific case.
- Many cases do not have any identified coverage for a judgment or settlement.
 - Research has found that of foster care providers surveyed, insurance could not be identified in almost 40% of cases.
- Of those cases that do have the insurance coverage identified—the insurance carrier has often declined to defend and/or indemnify.
- The older the alleged harm- where the more severe alleged conduct may appear, because child safety and safeguards against abuse have steadily improved over time- the more unlikely there will be coverage or sufficient coverage given policy limits in place at the time.
 - The average age of incidents in cases in our sector is 42.2 years
- It is inequitable for a victim's compensation to depend on luck rather than the substance and credibility of their case and the harm they can demonstrate
- Additionally, a January report by Sea Change makes it clear that most Child Welfare providers have no ability to fund large recoveries outside of such insurance coverage.

- The report demonstrates the “existential threat” that faces the child welfare system, noting that “[w]ithout support from policymakers, they are at risk of either discontinuing essential services or failing completely.”
- The impact of potential closures of voluntary foster care agencies would be felt broadly.

We urge the creation of a fund in the foster care block grant to support uninsured agencies to pay the results of the child victim litigation.

4.Implement School Cellphone Ban to Support Learning

The governor has proposed a [cellphone ban](#), policy to “restrict the use of smartphones and other internet-enabled devices” during school hours. The proposal, if enacted, would start next school year and would leave it up to individual school districts to enforce the restriction. It includes exceptions for students who need devices for things like tracking insulin and students who are in an English as a second language program.

We encourage passage of the ban as a way to promote student success,

Conclusion

In closing, we urge the Legislature to negotiate a budget with the Governor that ensures New York remains committed to the programs that produce positive outcomes for our most vulnerable children, individuals, and families; one that ultimately saves the state money on more expensive interventions such as foster care, unnecessary medical care, homeless shelters, and the juvenile justice system. We strongly encourage the Legislature to support the need of the not-for-profit Human Services sector. Failure to fund an increase for not-for-profit Human Services agencies will have a significant negative impact on the ability of individuals and families to receive services and ultimately on the physical, mental, and financial health of New York State as a whole.

Simply stated, we recommend investments in our vital not-for-profit Human Services organizations and communities that yield positive outcomes for all New Yorkers. We must make New York state a great place to live, a great place to raise a family, and a great place to operate a business. Thank you for the opportunity to testify.

Support the Child and Family Serving Workforce

A stable and well-trained workforce is crucial for ensuring quality services and positive outcomes for our children and families. The current level of turnover and vacancies amongst the child welfare programs is of grave concern, given the negative impacts on time to permanency, and increased lengths of stay.

Workforce Matters

The non-profit child welfare sector is in desperate need of an infusion of funding to raise salaries for the current workforce to provide parity in investment with other state licensed programs, align salaries being provided for workers in other settings with similar credentials and experience, stabilize turnover, and promote future career pathways.



Invest in the Human Services Sector

A 7.8% investment in rates across the human services providers is needed to raise wages and to address inflationary increases in operating costs.

- Include prevention programs and health homes serving children as proposed in S.1580 (Persaud) /A.2590 (Hevesi)
- Ensure that investments in Voluntary Foster Care Agencies are fully realized as proposed in A.718 (Hevesi)



Expand Higher Education Career Pathways

Expand funding for:

- NYS Child Welfare Worker Incentive Scholarship Program;
- NYS Child Welfare Worker Loan Forgiveness Program; and
- Loan Forgiveness Program for Mental Health Clinicians Serving Children



Enhance Access to Training

Pass legislation to allow workers in non-profits to complete certain required training through distance learning methods, similar to county CPS workers (As enacted in Chapter 470 of the Laws of NY).

Key Findings: COFCCA's Child Welfare Workforce Report

Turnover

- Overall caseworker average turnover across all child welfare programs was about 42% according to COFCCA's most recent member survey.
- The average turnover rate was about 57% among residential direct care workers and close to 50% among family foster care caseworkers.

Public Sector Inequity

Statewide, the average starting salary for caseworkers with BA degrees across all programs is \$46,129. An equivalent job with NYS government pays \$61,270.

Wage Floor Compression

- As the minimum wage increases, less stressful jobs become an attractive alternative for many staff or potential candidates.
- Even after significant investment by providers across the sector, many residential direct care workers only make about \$5,000 above minimum wage in NYC, Westchester, and Long Island, and only slightly more in the rest of the state.

Create a Foster Care Insurance Risk Pool

COFCCA urges the state to create a risk pool to stabilize the liability insurance market for not-for-profit child welfare agencies providing foster care in New York State.

The Problem

Local Social Services Departments rely very heavily on Voluntary Foster Care Agencies for foster care placement services.

In order to provide foster care services, agencies are required, per their contracts, to carry certain levels of general liability insurance.

Due to social inflation and increasing pressures in the insurance market, specifically related to foster care, agencies in NYS and nationwide are experiencing significant challenges in obtaining affordable liability insurance coverage.

Without state assistance to mitigate this insurance crisis, foster care programs are at risk of being unable to continue to obtain necessary coverage.

If nonprofit agencies are unable to obtain required insurance coverage, they will not be able to provide services, leaving the counties and/or State responsible to step in and take over the care of New York's children and youth in foster care.

The Solution



Ensure Access to Coverage

COFCCA urges the state to create a risk pool to address fluctuations in the insurance market for not-for-profit child welfare agencies providing foster care.



Address Affordability

Immediate support is needed through the foster care rate methodology, for providers who can demonstrate hardship, to help cover the costs of increased premiums.

Consequences of Inaction

California's Crisis

- California, like New York, operates a state supervised, county administered foster care system.
- In late August, the Nonprofits Insurance Alliance of California (NIAC), which represented **90%** of the foster family agencies (FFAs) in California, announced it will not renew insurance coverage for all FFAs in the state beginning October 1.
- For agencies who are unable to obtain alternative coverage, this will mean a shift the responsibility for the provision of foster care services to either another foster care agency or the county.
- This has created a crisis in the sector in California, for which there is currently no statewide solution.

New York's Vulnerability

According to recent survey conducted by COFCCA of Voluntary Foster Care Agencies providing foster care services to every county statewide:

- Over 50% of foster care providers in New York have liability coverage with a single insurance carrier.
- These providers serve an average of 20 counties each. Were this single carrier to discontinue providing insurance for foster care programs in NY, the impact would be significant statewide.

Child Victims Act Settlement Funding

In 2019, the Legislature passed monumental legislation establishing the Child Victims Act, which provided a mechanism to give survivors a voice and an avenue to seek justice. However, without state funding, individuals may never receive their due compensation from voluntary foster care agencies and thousands more children will be negatively impacted due to a loss of essential services.

A System at Risk

COFCCA member organizations offer a broad array of programs and services designed to prevent adverse childhood experiences, and to promote child safety and well-being that are at-risk due to unintended consequences of CVA. A January 2024 report from [SeaChange Capital Partners](#) demonstrates the "existential threat" that faces the child welfare system, noting that "[w]ithout support from policymakers, they are at risk of either discontinuing essential services or failing completely."

Funds are needed in the Foster Care Block Grant to support a mechanism to address the costs of Child Victims Act awards that are granted to individuals previously in the care of a Voluntary Foster Care Agency in order to:



Ensure Justice for Survivors

Without state funding assistance, survivors may never receive their due compensation from voluntary foster care agencies.

Child Welfare providers have very limited financial resources outside of government funding to provide state mandated services.



Ensure Continuity of Care

COFCCA member agencies provide services to close to 90,000 children, and over 850,000 individuals through foster care and prevention programs, and many more across the social safety net in New York.

Services in Jeopardy

Migrant Services

- Legal Support
- Case Management
- Mental Health Counseling
- Housing Services
- Education and Employment Assistance

Anti-Violence Programs

- NYC Credible Messenger Street Outreach Programs (Cure Violence)
- Community Credible Messenger Initiative (CCMI)

Homeless Services

- Runaway and Homeless Youth Services
- Independent Living/ Transitional Housing
- Affordable Housing Developments

Mental and Behavioral Health

- Home and Community-Based Services (HCBS)
- Children and Family Treatment and Support Services (CFTSS)
- Mental Health Clinic Services

Special Education

- Special Act Schools
- State approved private non-profit special education schools (853 Schools)