

Testimony before the Joint Fiscal Committees
on the SFY 2014–15 Executive Budget
Human Services Budget Hearing
February 4, 2014

Submitted by
Kate Breslin, President and CEO
Schuyler Center for Analysis and Advocacy

The Schuyler Center would like to thank the chairs and members of the respective health committees for the opportunity to submit our testimony on the 2014-15 New York State Executive Budget. Schuyler Center is a 142-year-old statewide, nonprofit organization dedicated to providing policy analysis and advocacy in support of public systems that meet the needs of people in poverty. Schuyler Center often works on areas that fall between multiple systems of care including health, welfare, human services and more recently early care and learning.

The Schuyler Center is a founding member of *Winning Beginning NY*, a statewide coalition of about 200 organizations and individuals representing early care and learning programs, parents, and advocates from a range of venues. *Winning Beginning NY* focuses its efforts on children from the prenatal period to age 8. The Coalition is actively engaged in policy issues relating to early care and education in New York State. The Schuyler Center also participates in the Ready for Kindergarten, Ready for College Campaign which works to advance high-quality early learning including Universal Pre-Kindergarten (UPK) as an essential component of the cradle to career pathway for success in life. I am also a member of the Governor's Early Childhood Advisory Council (ECAC). The ECAC is charged with developing policy and programs for young children.

Thank you for this opportunity to submit testimony.

Overview

Poverty and inequality threaten the State's economic vitality and strain New York's public systems including health, education and public safety. One in five households have income below \$20,000 per year and the gap between those at the top and those at the bottom has increased dramatically in recent decades. Household income among that bottom fifth has not changed since the 1970s.

After several years of recession and a slow recovery, poverty rates remain high, particularly for our children and for those who live in urban areas. The effects of living in poverty, even for a short period of time, have been well documented. Poverty in childhood is strongly associated with cognitive, behavioral, social and emotional difficulties, and with the lifetime effects of compromised educational and employment attainment. The implications are significant, lifelong and societal.

Far too many people in New York State still struggle to put food on the table and to adequately provide for their children. The Schuyler Center for Analysis and Advocacy urges the State to put children and families who live in poverty at the center of public discourse and renew the State's commitment to fight poverty by expanding opportunity.

Investments in human services are critical to New York's future. The last several years of growing need and flat or reduced funding have taken their toll on the human services system that families depend upon. But years of program cuts and deferred COLAs have weakened the human services network. This sector should be prioritized for reinvestments to strengthen the State's infrastructure.

Early Care and Learning

It is widely recognized that the earliest years of a child's life are extremely important for health, development and learning that can last a lifetime. A strong early start is a major predictor of future success and is particularly important to mitigate disparities in health, education and other long-term outcomes.

Invest an additional \$182 million for child care subsidies in the 2014-15 Budget

The Governor's Executive Budget includes an additional \$21 million to support child care subsidies. Although this sounds like an impressive investment, it is insignificant for a child care system in crisis. The Governor did not put forward a multi-year initiative to strengthen, improve and expand access to high-quality child care as he did for both pre-kindergarten and after-school. Schuyler Center recommends the Legislature increase child care subsidies by \$182 million to allow 25,000 additional low-income children access to child care. In addition, we propose that this \$182 million be part of a five-year commitment to the expansion of subsidies to reach \$2.2 billion annually to help an estimated 305,000 low-income children to access child care.

New York's child care subsidies are \$80 million less today than in 2010-11, when New York benefitted from stimulus funds. An estimated 600,000 children are eligible for subsidies but only 22%, fewer than 130,000 children ages 0 to 13, are served by a subsidy at any given time. Child care funds may be used to support families up to 200% of the federal poverty level (FPL), but with severely limited funds, many counties only serve families up to 150% of the FPL or below. Even counties that go up to 200% of FPL have exhausted existing resources and have stopped accepting applications. The Governor's proposed budget does not adequately support the significant statewide need among low-income families for access to child care.

High-quality child care is not merely a safe place for children to be when parents are at work, but can result in better future academic outcomes. Quality child care during the critical first years of life provide a foundation for literacy, learning, and social-emotional skills.

The Schuyler Center urges the Legislature's support for an additional investment of \$182 million in child care funding in the 2014-15 State Budget to provide child care services for approximately 25,000 eligible children who need services now but are going without, due to lack of available funding.

Invest \$5 million in Quality Rating and Improvement

The Governor's budget neglects to invest in improving child care quality. New York State regulates child care programs for safety, but does not have standards in place to monitor or improve quality. Research has shown that high-quality early learning programs have long-lasting positive effects on children's futures. It is simply irresponsible to continue to ignore the need to invest in quality for our youngest New Yorkers in child care.

Three years ago, the New York State Education Department (SED) invested \$4 million in Race to the Top funds toward QUALITYstarsNY, New York's quality rating and improvement system (QRIS), a cogent and tested framework for ensuring quality and improving school success in early learning programs. This funding expires in 2014.

New York is long overdue in making a commitment to quality assurance that includes certified teachers, quality learning environments and effective teaching in early care and learning settings. QUALITYstarsNY is a system that lays out expectations, helps create a blueprint for improvement, improves accountability, ensures that early childhood program staff understand their achievable goals in the context of the plan, and gives parents information about the early learning programs available for their children. The State needs to commit to funding QUALITYstarsNY in a meaningful and ongoing way.

Most states have invested in statewide technical assistance, guidance to localities, and solid professional development opportunities. New York State has yet to make this targeted and ongoing investment, to ensure that programs have the supports they need to operate and will succeed in promoting school readiness for the most at-risk children.

The Schuyler Center urges the Legislature to make a \$5 million investment in quality rating and improvement in the 2014-15 Budget.

Provide \$26.8 million for Healthy Families New York and \$2.5 million for the Nurse-Family Partnership Program

Maternal, infant and early childhood home visiting has emerged across the nation as a promising way to engage new and expecting parents and their children with services that support the family and lead to positive health and other outcomes – and public cost savings – in the short-, medium- and long-term.

In fiscal year 2007-08, New York State's budget included \$25.2 million for the Healthy Families New York (HFNY) Home Visiting Program. In 2008-09, the financial crisis led to an 8% reduction for HFNY to \$23.3 million. Funding has been held at \$23.3 million for six years and the Executive Budget continues that funding level for a seventh year. A survey of programs completed in 2013 by Prevent Child Abuse New York found that this continued flat funding has led to an erosion of services and staff reductions at home visiting programs that have either not been able to keep up with cost increases or have suffered because of funding instability. Continued flat-funding will chip away at the number of families served and the intensity and quality of services.

Last year, the Legislature added \$2 million to help support the sustainability of the Nurse-Family Partnership (NFP) home visiting program; the Executive Budget did not continue this funding. Nurse-Family Partnership is an evidence-based home visiting program serving parts of New York City, Monroe and Onondaga counties, and more recently Chautauqua County. It is an evidence-based program that gets results: stronger, healthier moms, healthier kids and long-term savings to the locality and the State in health, social service and even criminal justice costs.

Schuyler Center urges the Legislature to support home visiting programs and infrastructure by:

- *Adding \$3.5 million to restore Healthy Families New York to the 2007-08 funding level and provide for inflation.*
- *Restore \$2 million and add \$500,000 to NFP funding.*

Child Welfare

The child welfare system serves some of the most vulnerable children and their families, striving to keep children safe from harm and helping to strengthen family members' ability to better care for their children. The system includes the Statewide Central Register, child protective services, foster care, adoption and post-adoption. The expectations on the child welfare system are enormous, and adequate resources are required if the system is to reach those expectations.

Restore the state share for essential child welfare services from 62% in the Executive Budget to 65% in current statute and ensure that it remains open-ended

The Governor's proposed budget maintains funding for preventive, protective, adoption, independent living and after-care services at 62% state share with an allocation of \$635,073,000, as did the enacted 2013-14 Budget. Localities use these funds to provide essential services to families and their children who become involved with the child welfare system with the aim of keeping children safe, preventing foster care placements, and preventing re-reporting and re-entry. The direct and indirect costs resulting from our country's failure to prevent children's maltreatment is staggering. The costs grow significantly as maltreated children become adults. This funding is absolutely critical for the State in terms of reducing expenditures associated with Medicaid, unemployment, homelessness, and public benefits.

The research on the prevention of child abuse and neglect provides a clear pathway to the prevention of child maltreatment through policies that nurture children, strengthen families, and build caring and responsive communities. More evidence-based and evidence-informed services are needed to address the root causes of child maltreatment—social isolation, poverty, substance abuse, maternal depression and illness, domestic violence and lack of parenting skills. With close to one in four of the State's children living in poverty, assistance obtaining concrete supports and benefits can help put families back into the workforce and ameliorate the impacts of poverty on children. A large number of the reports that come into the SCR have to do with neglect that are poverty related. The Family Assessment Response (FAR) is particularly effective for these cases.

Uncapped preventive funding is the core component of the State's strategy to reduce foster care placements, by increasing services to families in their communities and homes, strengthening and supporting their ability to care for their children. In 2003, the foster care population totaled 37,232; by 2012 this number had dropped to 20,631, a 45% decline over ten years. But localities cannot afford the 38% local share required for these programs when they struggle to meet other demands on their budgets.

Schuyler Center urges the Legislature to re-assume the 65% state share, as provided in statute, so localities can serve more families. It is absolutely critical that this funding remain open-ended.

Support \$5 million to Transition Foster Care Children and Youth to Medicaid Managed Care

The Governor's proposed budget allocates \$5 million in Medicaid funds for voluntary foster care agencies to support a transition in the financing and delivery of health care for children and youth in foster care to managed care. Additional funding is proposed for 2015-16. In the coming year, the Department of Health will cease to provide Medicaid funding to foster care agencies via their

foster care rates and will instead engage in contracts with managed care organizations. Voluntary foster care agencies are responsible for assuring children and youth in their care receive medical, dental and behavioral health services, and the transition to Medicaid managed care requires substantial systemic changes.

There are over 20,000 children and youth in foster care in New York State and about 30,000 children and youth touch the foster care system each year. Foster care youth have diverse and complicated health needs; specifically behavioral health. The transition to managed care must assure that children and youth have access to medical, dental and behavioral health services and robust care coordination and management.

Foster care agencies' rates have been frozen for several years. While some foster care agencies provide health care services and have developed significant health expertise, agencies have program not had to bill for services, negotiate contracts with managed care plans or service providers, or use and maintain health information technology (IT) systems. Resources are needed to purchase health infrastructure, including systems that support electronic health records, assess readiness infrastructure and staff training. Work will also need to be done to collect service utilization patterns and determine payment models that will support the comprehensive medical, dental and behavioral health services children and youth need. It will be important for the State to assure that this funding is used by foster care agencies to develop the infrastructure needed so that children and youth in foster care experience minimal disruption of health services and that their systems and staff are prepared to truly manage the complex needs of this vulnerable and often ignored population.

Schuyler Center urges the Legislature to support this funding to ensure that the transition of foster care children and youth into Medicaid managed care enhances care and services.

Fund Kinship Guardianship Assistance (KinGAP) as an additional permanency option with funds outside of the Foster Care Block Grant

The Executive Budget calls for the Kinship Guardianship Assistance Program (KinGAP) to be paid using funding from the Foster Care Block Grant. In 2011, New York implemented KinGAP using funds from the Foster Care Block Grant (FCBG). The intent was to use the FCBG for a period of just one year, but KinGAP remains funded through the block grant. Although the number of children in foster care has declined, the health and service needs of the children who are placed into care are quite significant and costly. The FCBG must be used to meet their needs.

With KinGAP, relatives in approved or certified foster care settings can apply for KinGAP when both adoption and family reunification are ruled out. Many of these families need financial assistance to continue caring for a foster child in their home. With this option, kin families can exit the foster care system and continue to receive financial support while still caring for the relative child.

Between January 1, 2013 and December 12, 2013, 242 children left foster care and entered KinGAP arrangements. A total of 339 children have entered KinGAP arrangements since the start of KinGAP in April 2011. We anticipate the number of approved KinGAP and guardianship arrangements to continue to increase in 2014. KinGAP should be funded as a permanency option

in the same manner as adoption subsidies outside of the block grant. The pressures on the Foster Care Block Grant continue as the children who are placed in foster care have considerable service and treatment needs which must be met. The Foster Care Block Grant is fully utilized for these children, leaving localities to pick up 100% of the costs for KinGAP.

The Schuyler Center urges the Legislature to fund the Kinship Guardianship Assistance Program (KinGAP), which helps relatives care for children, as an uncapped permanency option and not through the Foster Care Block Grant.

Restore funding for Kinship Caregiver Services and the Kinship Navigator Program to \$3 million

Once funded at \$2,750,000 in the 2009-10 Budget, funding for relative kincare programs decreased to \$338,750 in the 2011-12 Budget and remains at that level in the 2014-15 Executive Budget.

Kinship Caregiver programs offer important supports and services to kin, a majority of whom are grandparents, who care for their relatives' children in their household outside of the formal foster care program. The programs provide information about family members' rights, support to meet children's education and health care needs, and assistance with obtaining health and social service benefits. For as little as \$466 per child per year, these programs are far less costly than foster care placement. There are approximately 153,000 children, or 3% of all children in New York State living with relatives or close family friends in private or public kinship care arrangements. There were once 21 multi-county programs; now only eight programs remain covering 11 counties. These programs require secure, stable, and sufficient funding to support kin caregivers.

The Schuyler Center requests the Legislature to restore funding for Kinship Caregiver programs to \$3 million.

Increase the number of Family Court Judges by twenty (20)

New York's Family Court system is overburdened and under resourced to handle the over 700,000 yearly filings with only 153 judges. The result is children stay in foster care too long and delays in other types of court cases, such as domestic violence cases. This backlog is costly to the State due to adjournments and court delays. More importantly, families experience delays in support payments, children experience additional trauma and instability, and domestic violence victims experience increased fear and uncertainty. New York routinely ranks near the bottom of states in terms of time spent in foster care, partially due to delays in court proceedings.

The Schuyler Center urges the Legislature to support the Judiciary's request for twenty (20) additional family court judges needed to address current delays in court proceedings.

Post-Adoption Services

The State's responsibility to children in foster care and families should not end if a child is adopted. Many foster care children and youth have significant emotional, mental and behavioral health issues due to childhood trauma. Adoptive parents who are unable to find the appropriate

support and services their child and family needs may be forced to dissolve their family and place their child in foster care, which hurts families and is more costly to the State.

New York State has funded post-adoption programs and services through TANF funds since 2000, funding upwards of a dozen programs. Due to funding reductions, only two programs remain—both in New York City. Their funding is due to expire in 2014 unless the Legislature adds funds. The Executive Budget does not provide any funding this year.

The Schuyler Center urges the Legislature to add \$10 million for post-adoption services.

Juvenile Justice

Raise the jurisdictional age for juvenile justice to age 18 and raise the lower age to 12 for all children

The Governor proposes a Commission on Youth, Public Safety and Justice whose purpose will be to make recommendations on how best to raise the age of juvenile jurisdiction, improve outcomes for youth, and promote community safety. Currently, New York is one of two states, North Carolina the other, that prosecute 16- and 17-year-olds as adults in the criminal justice system.

New York's Family Court Act set the juvenile justice jurisdictional age of 7 to 15 in 1962 as a temporary measure for further study. That temporary agreement has now been in effect for over 50 years. The research is clear that the outcomes for youth sent to adult prisons is poor, and youth are at greater risk for harm in adult prisons. Youth sent to adult prisons have higher recidivism rates, re-offend sooner, and reoffend in more significant ways than youth treated within the juvenile justice system for the same offense.

We urge the commission to make recommendations that make New York a leader in juvenile justice including recommendations to:

- 1. Ensure that all youth are treated appropriately for their age in the court system, regardless of the crime charged.**
- 2. Adjudicate all youth under the Family Court Act.**
- 3. Guarantee that no youth are housed in adult jails and prisons.**
- 4. Reduce detention and placement in juvenile facilities.**
- 5. Increase the ability to divert cases from court and at arrest.**
- 6. Tailor services to individual needs and combat racial disparities.**

The commission should be time-limited, with a requirement to report to the State by December 31, 2014 so that the Governor and Legislature can incorporate the recommendations into the SFY 2015-16 Budget.

The Schuyler Center urges the Legislature to support and fund this commission. We urge New York to raise the age for juvenile justice, both the lower age and upper age, to ensure that all youth are treated appropriately in the courts and justice systems.

Youth

Invest \$9 million in quality infrastructure for after-school programs in 2014-15

The Governor proposes an increased commitment of \$720 million over five years, starting in SFY 2015-16 with \$160 million, to expand after-school programs, but does not propose new after-school funding in this year's budget. This promised amount represents a significant new investment in programs. To prepare for this substantial new investment, it is important to commit state dollars this year toward the needed ramp-up in enrichment opportunities for students.

After-school programs are an important part of the continuum to build a comprehensive high-quality system that supports children's learning and development and meets the needs of families. Lack of access to high-quality after-school and summer learning opportunities contributes to the achievement gap that children face through their school years. Research has found that high-quality programs can significantly narrow the gap at each stage of a child's life, and that children need consistent access to such programs to continue making these gains. Creating a system that takes children from birth through high school, assuring access to high-quality programs that support children's development while keeping them safe, will put all our children on a path towards success in college, career and life. This investment will expand in years 2 through 5 to reach \$825 million annually, providing access to half of the estimated 1.1 million children in need of programs.

After-school is one component of our education continuum. It is critical that New York also ensure adequate funding for a strong P-12 school infrastructure.

The Schuylker Center urges the Legislature's support for \$9 million to provide needed staff and planning in preparation for the planned five-year investment in after-school programs.

Other

Increase funding for Summer Youth Employment by an additional \$7.5 million to total \$35 million

The Governor's proposed budget increases TANF funding for Summer Youth Employment programs by \$2.5 million for a total of \$27,500,000. While the increase is welcomed, it is not enough to maintain current job levels for youth due to the increase in the minimum wage from \$7.25 to \$8.00 per hour. At the level proposed within the Executive Budget, New York City alone will lose roughly 2,700 job slots.

Increase funding for Youth Delinquency and Development Programs to \$15,407,244

The Governor's proposed budget decreases Youth Development and Delinquency Programs by \$1,285,544 as compared to the enacted 2013-14 Budget. Last year, the Legislature added this amount in budget negotiations.

Support the proposed two-year EITC extension for non-custodial parents

In 2006, New York became the first state in the nation to enact a noncustodial parent EITC. The refundable credit encourages low-income noncustodial parents to work and stay current with their child support payments. In 2011, more than 7,600 noncustodial parents claimed \$3.5 million in NCP EITC for an average refund of more than \$460. Schuyler Center has long supported the EITC as a way to make work pay for low-income New Yorkers.

New York – An Opportunity State

As New York's economy improves, the state – the government and its people – should set a goal of reducing poverty and income inequality, and improving well-being that includes measurable benchmarks toward attaining that goal. The work needs to focus on investing early and sufficiently and documenting results across the spectrum of issues and policy areas that affect the lives of children and families.

We urge the Legislature to place a special focus on programs designed to keep families and children from falling through the cracks, by supporting the recommendations in this testimony as a step toward realizing opportunities for New York's vulnerable citizens that will yield significant cost savings down the road.

Thank you. We appreciate the opportunity to submit testimony and look forward to continuing to work with you to build a strong New York.

Kate Breslin
President and CEO
Schuyler Center for Analysis and Advocacy
518-463-1896 / kbreslin@scaany.org
www.scaany.org