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Good morning. I am Louise Feld, the Policy Associate for Food and Income Security at Citizens' Committee for Children of New York, Inc. (CCC). CCC is a 68-year old independent child advocacy organization dedicated to ensuring that every child in New York is healthy, housed, educated and safe.

I would like to thank Senators Gallivan and Savino for convening this roundtable discussion on the current and future issues and concerns in human services. While the economic downturn has led to an increasing demand for these services, there have been a series of budget cuts to these programs that help support families. This dialogue is very timely as we approach the State Fiscal Year 2012-2013 Budget process.

The recent release of the 2010 Census lays bare the challenges faced by communities throughout New York State. Poverty, and child poverty in particular, has increased as we have continued to be mired in the economic downturn. According to the 2010 Census, New York State's poverty rate has increased from 13.7% in 2007 to 14.9% in 2010. New York City's poverty rate has increased from 18.5% in 2007 to 20.1% in 2010. And most striking, child poverty is now 21.2% in New York State and 30% in New York City-- meaning that more than 1 out of every 5 New York children is living in poverty and almost 1 out of every 3 New York City children is living in poverty.

Given the staggering number of New York City families that have faced increased poverty, it is not surprising to see the increased number of families relying on food stamps, the increased number of homeless children and the increased unemployment rate.

According to the 2010 Census, New York's unemployment rate is 9.9% and New York City's rate is 11.2%. On November 18, 2011, an alarming 16,651¹ New York City children were living in homeless shelters, up from an average daily census of 14,432 just one year ago.²

Over 1.8 million New York City residents currently receive food stamp benefits from the Supplemental Nutrition Assistance Program ("SNAP") – a growth of almost 600,000 people since the summer of 2008 – and the share of New York City families, with children, who receive food stamps has grown more than 50% since 2007, now standing at about 30 percent.³ With so many New Yorkers struggling to make ends meet and put food on the table, and one out of every three New York City children living in poverty, it is no surprise that soup kitchens and food pantries in all five boroughs have reported a "great" increase in the number of families with children who "used their services."⁴

While the economic data, particularly for New York's children, is sobering, there is some hope when we look at the Supplemental Poverty Measure (SPM), the results of which were released in early November. The SPM takes into account benefits that help improve

¹ New York City Department of Homeless Services Daily Report, November 18, 2011.

² New York City Department of Homeless Services Critical Activities Report Fiscal Year 2011.

³ U.S. Census Bureau, American Community Survey 1-Year Estimates, 2010.

⁴ "Hungry New Yorkers Barely Hang On: 2010 Annual Hunger Survey Report." The New York City Coalition Against Hunger, November 2010.

the economic situation of the poor, such as the Earned Income Tax Credit (EITC), Women, Infants and Children (WIC), housing subsidies, school lunch programs, SNAP food stamp benefits and energy assistance programs such as HEAP. According to the Shriver Center, almost 7 million more people would have lived in poverty in 2009 and 2010 absent government programs such as these.⁵

While New York State may be facing a budget challenge, cutting the programs that are keeping families out of poverty would only deepen the State's economic challenges. In addition, cutting programs such as child abuse prevention services, home visiting, child care and after school programs, which play a fundamental role in parental employment stability, school preparedness, and have been proven to prevent more costly interventions such as foster care or juvenile justice placements, would also compound the economic problems faced by families and the State.

CCC believes that a key component to addressing the State's financial problems is to take a more balanced approach that combines progressive tax increases with prudent public investments. CCC appreciates the Social Service and Children and Families Committees for holding this roundtable discussion to learn more about these prudent investments, the issues facing human services and any legislative issues that could help the sector. We urge the Committees to work with the Assembly and the Governor to enact legislation that raises revenue needed to balance the budget and protect services for children and families. Specifically, New York State could raise \$5 billion annually by extending the current income tax surcharge on wealthy New Yorkers, which is due to expire on December 31, 2011.

Child Care:

The State's subsidized child care system has been in crisis for some time now. The minimal amount of state general fund support, 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 child care providers, and the increased costs of providing quality care for children, have left the system desperately short of resources.

It is important for the State Legislature to understand that localities have been unable to maintain their child care subsidies, particularly for low-income working parents. In times of economic hardship, supporting low-income working families seeking to become self-sufficient is critical to stabilizing the state and county's troubled economies; without child care many of these families will not be able to participate in the work force. Furthermore, the children will suffer as quality child care has demonstrated success at preparing low income children for school achievement. Unfortunately, child care systems, like the one in New York City, are struggling to maintain subsidies.

⁵ Harris, K. *Supplemental Poverty Measure: 49.1 Million Americans Poor*. Shriver Center, November 8, 2011. <http://www.theshriverbrief.org/2011/11/articles/economic-security-and-opportun/supplemental-poverty-measure-491-million-americans-poor/>.

In fact, with the implementation of the City's new RFP for child care and the loss of funding from one-time City Council money for child care, the City is at risk of losing approximately 10,000 child care slots. This is despite the fact that according to the Administration for Children's Services, the City only serves 27% of eligible children.

CCC appreciates the interest of the Committees, particularly the Children and Families Committee, which is holding a hearing on this issue in several weeks. **It is critical that the State and the City work together to stabilize the child care system so that working parents are able to stay in the work force and young children are able to be successfully prepared for school success.**

Child Welfare:

The current child welfare financing scheme is due to expire on June 30, 2012 and therefore must be addressed as part of the State FY12-13 Budget.

Child welfare financing is comprised of three main components: 1) open-ended state reimbursement for protective, preventive, independent living and adoption administration services; 2) a capped foster care block grant that also provides funding for private juvenile justice placements and kinship guardianship subsidies (KinGAP); and 3) open-ended state reimbursement of the non-federal share for adoption subsidies.

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.⁶ 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 that much of the current funding structures should remain in place, with some rejiggering to further enhance access to preventive services and post-permanency services, strengthen accountability, incentivize innovation, and further coordination with other systems and reform efforts.

CCC believes that the extraordinary decrease in the State's reliance on foster care has been a result of the counties' ability to access funding to develop an array of preventive

⁶ 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. The New York State Legislature amended the Governor's proposal such that KinGAP is funded by the Foster Care Block Grant during the current fiscal year only and future funding will be determined when child welfare financing is reauthorized this fiscal year.

services that have enabled countless children to avoid the trauma of foster care and safely remain at home with their families. Currently, New York State Social Service Law Section 153-k provides for a 65% state reimbursement rate; however, several years of budget cuts have reduced the level of state support for these invaluable services, leaving state reimbursement for Fiscal Year 2010-2011 down to 62%.

Since the creation of the uncapped matching funding stream for preventive services in 2002, the number of children in foster care has decreased dramatically. In New York City, the number of children in foster care declined as the number of children receiving preventive services simultaneously increased. The numbers are quite dramatic. In 2002, there were over 25,000 NYC children in foster care; today there are almost half as many with 14,459 children in foster care as of June 2011. This trend is similar statewide—in 2002, there were 37,072 children in foster care and by December 2009, there were 24,522 children in care throughout the State.

It is important to note that these numbers are despite the fact that after the death of Nixzmary Brown in January 2006, there was an almost 30% increase in the number of reports of abuse or neglect in New York City and an increase in the indication rate from approximately 33% to approximately 40%. Thus, more NYC children were found to be abused or neglected; yet, there was not a corresponding increase in foster care placements. CCC believes this is because NYC child protective staff had access to a robust preventive service system that could keep children safe without removing them from their families, schools and communities. Similarly, according to the State Office of Children and Family Services, there was a 15% increase in the number of abuse and neglect reports from 2000-2009, but the number of children in foster care dropped by 43% (or 18,000 children) during that same time frame.⁷

This history is important to understand and learn from, as we look to make decisions about the future of child welfare financing. The allocations of dollars by counties together with the decreasing number of children in foster care, despite the increase in reports and the higher indication rate, are clear indications of the success of open-ended protective and preventive state reimbursement.

In addition, preventive services are also cost-effective. For example, in New York City, preventive services cost a fraction of the price of foster care with an average annual cost of \$10,000 per family for preventive services and an average annual cost \$36,000 per child for foster care. These figures do not even begin to calculate the other costs associated with foster care including the costs to other systems such as the family court and the health and mental health systems, nor the incalculable human capital costs created by the trauma of removal and growing up in multiple foster homes.

It is imperative that open-ended, uncapped reimbursement must remain the backbone of New York State's child welfare financing structure. **We urge the Senate Committees to**

⁷ Office of Children and Family Services. *The State of Child Welfare in New York: Shaping Things to Come*. http://www.ocfs.state.ny.us/ten_for_2010/OCFS_ChildWelfareFinance_Final.pdf

ensure that the open-ended funding stream is maintained and we also urge you to restore the reimbursement level to 65%.

Funded at approximately \$436 million, the Foster Care Block Grant (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. As of April 2011, the FCBG is also supposed to contribute to the State's share for KinGAP subsidies (even though this is technically a permanency arrangement and not an out-of-home placement). New York City has reported spending approximately \$70 million above their Foster Care Block Grant allocation this past year, meaning that NYC would have received an additional \$35 million from the State if there was true 50/50 reimbursement or a FCBG cap that was high enough to accommodate the City's actual spending needs.

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.

CCC has several concerns about the Foster Care Block Grant, including its current allocation level; how funds are distributed among the counties; its inflexibility; its reimbursement based on cared days; its funding of private juvenile justice placements; and its funding KinGAP subsidies. That said, CCC is aware of the current economic conditions in the State and the tremendous benefit of uncapped reimbursement for preventive and protective services. Thus, while we have some suggestions for improving the block grant (which are listed in Appendix 1), and in an ideal budget climate we might be suggesting its elimination, our highest priority is maintaining the open-ended child welfare funding stream at the highest state reimbursement level possible.

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 adoptions 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. In the State Fiscal Year 2011-2012 Budget, the state reduced its commitment and support to these children by reducing its reimbursement to 62%. This is a pure cost-shift to counties who will be continuing to pay adoptive parents the same rates. Furthermore, it could have the unintended consequence of reducing the number of adoptions in some cash-strapped counties. **CCC urges the Committees to adopt a budget that restores the state funding match to 75% for adoption subsidies.**

While adoption subsidies still have uncapped reimbursement, this is not the case for kinship guardianship subsidies (KinGAP). As with adoption subsidy, the federal government pays 50% of the subsidy for 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.

Many advocates, providers and counties believe that KinGAP should be funded by the State in the same manner as adoption subsidy, given that it is a permanency arrangement that should be incentivized over foster care. In addition, since almost all counties use their full FCBG allocation, funding the state share of KinGAP subsidies in the FCBG appears to be 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). **Thus, the state savings on adoption subsidy could be redirected to KinGAP subsidies without increasing the OCFS subsidy budget.**

Finally, to truly ensure permanency for children touched by the child welfare system, the state and localities must invest in post-permanency services, including after care for children reunified with their families, post-adoption services to children who are adopted and post-KinGAP services to children in subsidized guardianship arrangements. As these post-permanency services are in fact preventive services in that they prevent children and youth from re-entering the foster care system, CCC believes they should be funded through the uncapped child welfare services funding stream.

For CCC's full list of recommendations for Child Welfare Finance Reform, please see Appendix 1.

Juvenile Justice

CCC appreciates the efforts that the Senate, particularly the Children and Families and Social Services Committees, have made thus far to try to improve New York's deeply troubled juvenile justice system. While the Fiscal Year 2011-2012 Budget made a significant down payment on reform by reducing the system by 376 beds, temporarily eliminating the 12-month waiting period to close facilities, providing \$8 million in funding for community-based alternative to detention and incarceration programs, and creating the Supervision and Treatment Services for Juveniles program, whereby counties could use up to \$30 million of capped detention funding for alternative to detention/incarceration programs, with a 32% local match.

While these steps have triggered much progress, CCC believes that there is more reform needed and we are hopeful that the Senate Committees will be key allies in these reform

efforts. Specifically, CCC is supportive of increased investments in the programs that keep young people out of the juvenile justice system as well as community-based alternative to detention/placement programs; raising the age of criminality to 18; and the full realignment of the juvenile justice system such that New York City would be responsible for New York City's youth.

CCC believes that it is critical for juvenile justice involved youth to remain in their communities, receiving services through alternative to detention, placement and/or incarceration programs whenever possible and residential placement when the Court deems it necessary. Focusing on ensuring that youth either can remain at home or be placed in close proximity to their home community is central to the creation of a system that is not only cost-effective, but will produce better outcomes for youth and communities

As you know, over 60% of the youth in facility care come from New York City and are typically placed very far from their homes, families, communities, attorneys and schools. In addition, OCFS's own research shows that the state placement system has a recidivism rate of 81-89%, suggesting that the system fails to rehabilitate youth as required. Furthermore, the cost of state placement now averages \$266,000 annually per youth with little positive or negative impact on the youth. New York's youth deserve better and we cannot continue to sustain such an inefficient and ineffective system. Children in upstate facilities continue to suffer harm, require services that are not available and receive an education that is not adequate or transferrable once released.

A locally controlled juvenile justice system for New York City would allow greater numbers of youth to reside at home while engaging in alternative to detention and incarceration services and ensure that youth in need of placement would live in a facility that is close to their homes. It would also ensure that youth would benefit from visits and engagement with their family members, regular contact with their attorneys, and that the educational credits youth earn while in placement would transfer upon discharge. Being treated within their communities would allow for more comprehensive and meaningful re-entry.

For all the reasons above, CCC urges you to support a system that would allow New York City to have local control over its juvenile justice involved youth. CCC strongly believes that local control, particularly for New York City, would be a large step in the right direction to better meet the needs of young people.

CCC also asks you to support proposals to raise the age of criminality in New York. CCC has long supported the principle that children must be treated like children in the justice system, and thus all children should have the opportunity to have their cases heard in Family Court pursuant to the juvenile laws of the Family Court Act rather than in the adult criminal court system. The purpose of the juvenile justice system is very different from the purpose of the adult criminal justice system. Specifically, the juvenile justice system has two purposes: to protect public safety and to meet the rehabilitative or service

needs of the youth who enter the system. Notably, unlike in the criminal justice system, punishment is not one of the principles of juvenile justice.

In New York, the juvenile justice and family court systems are only serving youth who have been alleged to commit acts that would constitute crimes if they were adults between the ages of 7 and 15. Youth who are alleged to have committed such acts at ages 16 and 17 are treated as adults and are processed through the adult court and probation systems. Furthermore, youth ages 13, 14 and 15 who have committed crimes considered to be serious and violent (such as murder or rape) also have their cases heard in the adult system (unless the Supreme Court judge chooses to waive the case down to Family Court).

New York is one of only two states in the entire country that treat 16 and 17 year olds as adults. Yet anyone who has ever interacted with a 16 or 17 year old is well aware that these youth are not adults. This is not just perception—it has been proven by the science of brain development. Numerous brain studies have now proven that the adolescent brain is not fully developed. Specifically, the frontal lobe, which is the part of the brain that supports reasoning, advanced thought, and impulse control develops last, leaving the adolescent brain to rely heavily on its emotional center. This is why youth often have less self-control, are drawn to higher levels of risk and stimulation, have undeveloped decision-making abilities, and are bad predictors of consequences.

Youth Services

CCC has long advocated for quality youth services for school-age youth. Such services provide academic, social, and emotional supports for youth and also keep children safe in the afternoons and summers while school is not in session. Investments in youth services also result in significant savings to communities over time. Youth services provide critical venues for students to participate in academic enrichment programs, to develop and practice skills that support leadership and civic engagement, and to explore their creativity. Participants in quality after-school programs had a graduation rate of 63%, compared to 42% for non-participants.⁸

Furthermore, it is widely known that youth are at greatest risk for delinquency between the hours of 3-6pm⁹ and that every \$1 invested in youth services saves \$40 in future criminal justice costs.¹⁰ Moreover, youth who participate in quality summer programming are less likely to suffer from “summer learning loss,” which is a major contributor to the achievement gap. Lastly, youth services provide parents with more options in terms of their work schedules. Thus, investments in youth services support the youth participants, their families, and their communities.

⁸ Keeping Track 2010 Edition. Citizens’ Committee for Children, available at www.cccnewyork.org

⁹ Fight Crime Invest in Kids. *New York City's Out-of-School Time Choice: The Prime Time for Crime or Youth Enrichment and Achievement*, 2008. Available online: <http://www.fightcrime.org/reports/NYCAS2pager.pdf>

¹⁰ Keeping Track 2010 Edition. Citizens’ Committee for Children.

Both the City and State have made significant cuts to youth services in the past several years, jeopardizing the quality and viability of many programs. The City just released an RFP for elementary and middle Out of School Time (OST) programs. At its inception in 2005, the OST program had the capacity to serve 85,000 youth. Under the new RFP, there is sufficient funding for approximately 32,000 OST slots and the Mayor's more recently announced November modification budget cut would reduce the RFP by another 3,000 slots to 29,000. That is a devastating cut to the OST system.

On the State level, last year's budget contained significant cuts to the Advantage After-School Program, services for runaway and homeless youth, and other youth development programs. For example, the Summer Youth Employment Program (SYEP), which gives youth valuable work experience and makes it more likely they will achieve positive labor market outcomes in the future, has faced cuts from both the City and the State. In 2010, the program served 35,725 youth after receiving over 100,000 applications.¹¹ The prior year, SYEP served 52,255 youth¹².

CCC is very concerned about the upcoming budget processes and urges the Committees to ensure that youth service programs do not sustain deep cuts in this upcoming budget debate.

Food and Economic Security

At a time when so many New Yorkers are struggling with food insecurity, it is imperative that decision-makers remove all barriers to participation in vital food assistance programs. CCC therefore overwhelmingly supports the elimination of New York City's finger-imaging requirement for SNAP applicants. We urge the Committees to either pass a law banning New York City from this practice or to urge the Governor to use his discretion to instruct OTDA to end this procedure in New York City. Notably, New York City is the only local district in the State, and the only remaining jurisdiction in the country besides the State of Arizona, that still utilizes this practice. Finger imaging is estimated to deter at least 30,000 potential eligible applicants in New York City from applying for SNAP benefits.¹³ To date, finger imaging has led to the identification of negligible levels of fraud, yet its administration costs the City large amounts of money while resulting in savings only to federal funds – not City or State dollars. Simultaneously, this practice prevents the influx of federal dollars that would result from the increased use of food stamps in New York's local stores and farmers' markets, for an estimated loss to New York markets and businesses of \$54.4 million.¹⁴ Given these facts, it is no surprise that the USDA publicly recognized, in March of last year, both the

¹¹ Department of Youth and Community Development.

http://www.nyc.gov/html/dycd/html/jobs/summer_youth_employment.shtml

¹² Keeping Track 2010 Edition. Citizens' Committee for Children.

¹³ This number was cited by the New York City Council. See Council of the City of New York. "Council Speaker Christine C. Quinn, Council General Welfare Committee Chair Annabel Palma, Public Advocate Bill De Blasio, New York City Coalition Against Hunger, and Elected Officials Call on Mayor Bloomberg to End Finger Imaging Requirement for Food Stamp Applicants." (Press release, Oct. 12, 2011).

<http://council.nyc.gov/html/releases/101211imaging.shtml>.

¹⁴ "Food Works: A Vision to Improve NYC's Food System." New York City Council, Christine C. Quinn, Speaker. November 2010.

chilling effect that finger imaging has on SNAP applications, and the inefficacy and unnecessary cost of the procedure.¹⁵

CCC also asks the Committees to pass legislation that amends the State Social Services Law so that it permits public assistance recipients to fulfill their work activity requirements through their attendance at four-year college or advanced degree programs. Recent changes to the federal Temporary Assistance for Needy Families regulations now permit states to count four-year college attendance as an activity that satisfies the work requirement, and New York should seek to implement this change. Access to higher education is vital for many public assistance recipients who wish to gain skills necessary to find work through which they can ultimately sustain themselves without the help of government cash assistance programs. Further, such an amendment would provide local social services agencies with greater opportunity to tailor their work programs to the needs of the individuals they serve, thereby improving their ability to meet work participation requirements. CCC therefore asks that the State engage public assistance recipients in education and training to the fullest extent that the federal law allows.

Homelessness:

The economic downturn, high levels of unemployment, the lack of affordable housing, and the lack of rental subsidy programs has led to an unprecedented number of children, youth and families in the shelter system.

While CCC had concerns about the ability of New York City's Advantage rental subsidy program to permanently address housing stability for families, the loss of federal and state funds for the program and then the resulting loss of the program itself, has compounded the homelessness problem in New York City. Now that there is essentially no rental subsidy program, the number of families with children in homeless shelters continues to increase, as does the length of time children are living in the shelter system. This instability impacts children's education, connections to community, as well as their mental health.

While these subsidy programs may seem expensive, they are more cost-effective than shelter: the cost of shelter is \$3,000 per month¹⁶ compared to the cost of a rental subsidy which would be approximately \$1,000 per month. **CCC urges the Committees to work with the Governor's Office and New York City to support a housing subsidy program for homeless families.**

In addition, it is much more cost-effective to prevent homelessness than to support homeless families in shelters. State programs currently funded with TANF, such as the Supplemental Homeless Intervention Program, Supportive Housing and Emergency Homeless Services are critical to helping families stay housed.

¹⁵ Hagstrom, J. "USDA Criticizing Food Stamp Application Methods." *AgWeek*, 8 March 2010.

¹⁶ NYC Dept. of Homeless Services. Press release. *Federal Stimulus Funds Help Department of Homeless Services Assist More Than 100,000 Individuals*. Sept. 12, 2011. Available online: http://www.nyc.gov/html/dhs/downloads/pdf/pr_091111.pdf

Supportive housing has been proven to be a cost-effective housing solution for homeless families facing substance abuse or mental illness, as well as for youth aging out of the foster care system. Supportive housing is cheaper than shelter care¹⁷ and allows formerly homeless individuals and families the ability to receive housing and supportive care in their communities.

CCC appreciates that the state of the economy creates budgetary challenges. We are very appreciative of this roundtable and that the Committees are looking to protect needed human services during this difficult time.

¹⁷ NYC Dept. of Health and Mental Hygiene. *Mission and background*.
<http://www.nyc.gov/html/doh/html/dmh/dmh-housing.shtml>

Appendix 1: CCC's Recommendations for Child Welfare Finance Reform

Social Service Law Section 153-k will expire on June 30, 2012, meaning that the upcoming State fiscal year 2012-2013 budget will have to address how child welfare services will be paid for in the future. This provides us with an opportunity to extend the components of financing that are working well, while enhancing or changing other components that could either be improved or could benefit from change due to system's changes that have occurred over time. Below are CCC's recommendations for consideration.

- 1) **Maintain uncapped state reimbursement for child welfare services (protective, preventive, independent living and adoption administration).**
- 2) **Restore the state match for child welfare services to its statutory level of 65%.**
- 3) **Expand county access to child welfare services funding for post-permanency services (after care; post-adoption services and post-KinGAP services).**
- 4) **Develop a funding stream that enables counties to provide preventive services (through the uncapped child welfare funding stream) without having to open a full preventive services case for the family so that in cases such as PINS or Alternatives to Detention/Incarceration, the program can focus on just the at-risk child and not the siblings when this is appropriate and safe. (This could be similar to COPS).**
- 5) **Consider creating an open-ended funding stream (with a mandated local MOE) dedicated to serving youth so as to prevent youth from aging out of foster care and achieving poor outcomes such as becoming disconnected, unemployed, or homeless.**
- 6) **Fund the Foster Care Block Grant at a level that ensures the state is providing for all children in foster care.**
- 7) **Consider creating flexibility within the FCBG that enables counties to be innovative in their approach to foster care such that their funding is not entirely based on the number of care days.**
- 8) **Consider foster care caseworker caseload reduction funds or incentives to lower caseloads.**
- 9) **Fund KinGAP in the same manner as adoption subsidy (uncapped state match outside the foster care block grant.)**
- 10) **Restore the state match for adoption subsidy (and thus KinGAP) to 75%.**

- 11) **Consider combining funding for child welfare and county-administered juvenile justice programs into 3 funding streams and allow county flexibility to use block grant savings:**
 - a) Open-ended/uncapped state reimbursement for all services that keep children safe and prevent out-of-home placements (e.g. protective, child welfare preventive, PINS preventive, alternative to detention/incarceration, and perhaps probation services.)
 - b) Open-ended/uncapped state reimbursement for permanency subsidies (adoption and KinGAP)
 - c) Block grant for out-of-home placements (e.g. foster care, private juvenile justice placements, detention, and any other locally administered juvenile justice system such as non-secure or limited secure should the NYC realignment proposal be approved). Counties could then use any savings from the block grant to enhance services or develop more preventive models.

- 12) **Consider enacting a law that would allow counties to opt-in or opt-out of local control of non-secure and/or limited secure juvenile justice systems so that youth could be served close to home and localities could develop local continuums of care for these young people. County savings could then be reinvested in more preventive programs.**

- 13) **Consider the creation of an allocation of funds that would support innovative practices at the county level. This funding could be competitive amongst counties (like Race to the Top) or allocations to counties. It would need to include an evaluation component so that in 3-5 years successful models could be brought to scale.**

- 14) **Be mindful of the impact Medicaid Redesign and the creation of Behavioral Health Organizations (BHOs) will have on the child welfare system, particularly foster children who are not currently in a Medicaid managed care plan, but receive Medicaid fee-for-service while their providers receive a per diem. Consider having child welfare financing laws sunset in three years when foster children are possibly going to transition from Medicaid fee for service to Medicaid managed care to ensure that foster care rates, the MSAR and the FCBG are sufficient to meet the needs of foster children after Medicaid Redesign.**

- 15) **Pass legislation that increases the number of Family Court Judges in NYC and in New York State so that children are not spending unnecessary time in more-expensive foster care than in permanent families through reunification, adoption or KinGAP.**

- 16) **Consider revamping the manner in which Committee on Special Education (CSE) placements are paid for in a way that incentivizes school districts to maintain children in their districts, keep children in state and bring children in CSE placements back into their school districts.**