



Testimony of

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Finance Committee

Regarding the New York City
Executive Budget for FY11

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Good afternoon. My name is Stephanie Gendell and I am the Associate Executive Director for Policy and Public Affairs at Citizens' Committee for Children of New York (CCC). CCC is a 66-year old privately supported, independent, multi-issue child advocacy organization whose mission is to ensure New York City's children are healthy, housed, educated and safe. I would like to thank Chairman Recchia and members of the Finance Committee for providing CCC with this opportunity to testify about the Mayor's Executive Budget proposals for City Fiscal Year 2011.

While we appreciate the severity of the City's budget crisis as well as the uncertainty and increased budget shortfalls created by the late State Budget that proposes to shift costs to New York City, we do not believe that the Executive Budget goes far enough to protect New York City's children from shouldering a disproportionate burden. During economic downturns, like the one we are in the midst of, it is more important than ever that core services for children and families be protected and supported.

CCC believes that many of the proposed budget cuts to services for children, youth and families are penny-wise and pound foolish, as they propose to cut the cost-effective preventive services that have been shown to produce good outcomes. Child abuse prevention services, after school programs, child care, and children's health and mental health services are critical to promoting the well-being of children and their families and to preventing more costly interventions. If the budget cuts to these programs are adopted, New York City's children, families and taxpayers will be paying the price for decades to come as more expensive mandated services such as foster care, incarceration and homelessness will surely increase.

To protect children in this budget, CCC urges the City Council and the Mayor to consider additional revenue options, particularly those that are the least regressive. Without much needed revenue, over \$170 million in troublesome reductions to essential children's services¹ may stand, jeopardizing child safety and threatening child well-being. While NYC must show restraint in its expenditures, it is paramount that the proposed reductions that would weaken an already fragile social infrastructure, cause unimaginable strain on the neediest children, and jeopardize the safety and well-being of children, be reconsidered.

The Administration for Children's Services (ACS): Child Welfare

Regardless of the state and city budget deficits and economic outlooks, New York City must maintain its commitment to ensuring its children are safe. While CCC is grateful that the Executive Budget does not include additional child welfare budget cuts for CFY11, we remain deeply concerned about the budget proposals that stem from the January Plan and the new Child Welfare RFP Awards.

ACS is the City's emergency responder for children and thus it seems logical that ACS would be held to the same lower budgetary cutting standards as the Uniformed Agencies (Police, Fire, Corrections and Sanitation). But from January 2008 through the FY2011 January Financial Plan, ACS has already had to reduce its budget by over \$280 million (\$234 million CTL). While difficult budget times require agency efficiencies and prudent spending of tax dollars, child safety must never be jeopardized. Sadly, this City already knows the tragedies that happen when child welfare services are not properly funded.

The proposed reductions to child welfare services are deeply troubling. If enacted, these reductions will impede the City from keeping children safe in their homes or in foster care.

¹ The full list of proposed reductions can be found on page X of this testimony.

The Preliminary Budget proposes to cut funding for the programs the City invested in after the death of Nixzmary Brown—specifically child protection and preventive services. The Mayor’s proposed budget reduces the number of child protective workers by 202. Prior to the death of Nixzmary Brown, there were approximately 1,000 child protective workers at ACS and today there are approximately 1,300—so this cut would mean there would be approximately 1,100 CPS workers. While ACS has said that CPS caseloads would remain under 12 (on average), CCC is very concerned because prior to Nixzmary Brown’s death (when caseloads were significantly higher than 12) ACS investigated an average of 55,000 reports annually, but now investigates close to 65,000. CCC suggests that instead of removing these 202 positions from ACS’s baseline, ACS could save the same amount of money by instituting a hiring freeze for these positions—that could then be lifted if caseloads started to increase and Commissioner Mattingly believed it prudent to hire more caseworkers.

CCC is deeply troubled by ACS’s cuts to Preventive Services. The Executive Budget fails to fund the \$3.7 million that the City Council has dedicated to preventive services² and institutes an additional \$3.6 million cut. ACS’s contract awards, plus the 600 slots that serve as a portion of the \$3.6 million cut, reduce the preventive service system’s capacity by **3,000 slots, which represents 25% of the system**. CCC and other advocates have estimated that it would cost \$11 million to restore the 3,000 preventive service slots (which would generate \$30 million due to the state’s uncapped 63.7% match). Restoring all of the proposed cuts to prevention would require \$12.8 million.³

This proposed cuts to preventive services are alarming. Preventive services enable ACS to strengthen and support families so that children are safe in their homes and do not need to come into foster care. Given the economic downturn and the continued high level of abuse and neglect reporting, ACS needs to preserve (and probably increase) its capacity to serve families through preventive services. In addition, if there is insufficient preventive service capacity, then it is likely that more children will have to come into foster care—which is must more expensive to the city (as well as more disruptive to children and families). And finally, reducing the preventive service system by 25% jeopardizes the safety of New York City’s children, as the City tries to shed 2,500 families from its current system while still being able to serve new families needing services. There is no way that this will be possible without denying preventive services to families in need throughout New York City. A spreadsheet showing the reduction by Community Districts is attached to this testimony.

Finally, the Executive Budget fails to fund the 100 ACS child welfare workers restored by the City Council last year, and proposes to delay a foster care agency rate increase (which had been included in ACS’s RFP) and to collect child support from non-PA parents whose children enter foster care. Foster care caseloads are already much higher than national and state recommended standards. It is critical that the agencies have the resources needed to provide services to the

² The City Council’s \$3.7 million Child Safety Initiative had been used to lower caseloads at preventive service programs. ACS’s new RFP incorporates the lower caseload of 12 to 1 by setting 12 to 1 as the standard. ACS has said that funding the lower caseload standard required that they reduce the number of slots. The Beacon Preventive Programs are not part of this RFP, but had been receiving City Council caseload reduction funding. The Beacon Programs need \$424,000 CTL to maintain caseloads of 12 to 1. The remainder of the funding is no longer needed to reduce caseload size, but is needed to maintain slots to serve families.

³ The cuts to prevention include: \$11 million for 3,000 slots (2400 from the contract awards and 600 which represents \$2.2 million of the \$3.6 million cut; \$424,000 to reduce caseload ratios at Beacon Preventive Service Programs; and the remaining \$1.4 million from the \$3.6 million proposed cut (to fund PINS preventive services, FT/R rates and homemaking services.)

children in the custody of the Commissioner and to make efforts to address the delays in permanency documented in the recent Children's Rights, Inc. report, which are intended to be addressed through ACS's "One-Year Home" initiative.

While difficult budget times require agency efficiencies and budget cuts, child safety must never be jeopardized, as sadly this City already knows the tragedies that happen when child welfare services are not properly funded. In 1996, after the death of Elisa Izquierdo, ACS received additional resources to strengthen the child welfare system. Starting in 2002, after the budget deficits created by September 11th, ACS lost many of those resources. In 2006, after the death of Nixzmary Brown, ACS got these resources back to strengthen the system. And now, here we are just four years later facing more budget cuts on top of the large cuts to child welfare in the FY10 Adopted Budget. We know what will happen if ACS's resources are severely limited—we do not want to wait for another senseless tragedy to restore resources to ACS. CCC appreciates the City Council's longstanding history and commitment to supporting preventive services CCC urges the City Council to negotiate a budget with the Mayor that restores \$12.8 million for preventive services, as well as funding for child protective and foster care services.

The Administration for Children's Services- Child Care and Head Start:

As we unfortunately all know, New York City's child care system is facing tremendous fiscal challenges, including an anticipated reduction of \$30 million in state funds. In addition, ACS is facing a burgeoning number of mandated families (families on or transitioning off of public assistance) who generally receive child care vouchers, without any additional funding for this increased need. Thus, while OTDA and HRA have received cash assistance re-estimates to meet the increased need, ACS has not received a corresponding increase in funding for child care.

In addition to the mandated families, thousands of low-income, working parents depend on the city's subsidized child care system so that they can work. While during this difficult economic time it is more important than ever that low-income working parents have safe, affordable child care, the City's child care system is struggling to remain stable and the Mayor's Budget proposes to reduce the system's capacity by almost 6,000 children.

The anticipated reductions to child care are close to \$44 million. Specifically, the Executive Budget proposes to eliminate 1,212 slots by closing 16 child care centers and to eliminate 31 additional classrooms by failing to fund last year's City Council Initiative/Restoration. (These 31 classrooms previously served kindergarteners but have been aged down to serve three and four year olds.) In addition, ACS has stated that given the reduction in state funds and increase in mandated families, ACS will not have the funding for the 93 classrooms that had been funded with stimulus dollars this current fiscal year. In total, the proposed budget would eliminate 2,178 Priority 7 vouchers, 1,212 slots in the 16 direct lease child care centers, and 2,480 slots in the 124 classrooms now serving 3s and 4-year olds (that had previously served 5-year olds.)

CCC urges the City to take measures to preserve the child care system's capacity. CCC understands that the 16 child care centers slated for closure are in city-leased sites, some of which we have heard are inefficient in terms of the cost of the lease and the use of the space. CCC also understands that ACS is working with some City Council members and some centers on alternatives that could save the capacity through relocation, negotiating new leases or center consolidation. CCC does not have enough information to know whether this is the case for all 16 centers, but urges the City to continue working with the centers so that this critical capacity is not lost, even if the actual sites for these 16 centers (or a portion of the 16 centers) are not feasible in this economic climate.

CCC remains concerned about the long-term stability of the City's early care and education system, particularly given that this is the final year of federal stimulus funding and the upcoming EarlyLearn RFP will also reduce the system's capacity. CCC remains committed to working with the federal, state and city governments to stabilize the early care and education system, maintain capacity and quality, and ensure that greater numbers of the City's young children have access to early education services. CCC urges the Mayor and the City Council to negotiate a budget that significantly restores child care capacity.

The Department of Homeless Services (DHS):

As we move deeper into the economic downturn, more families are homeless than ever before. On any given night in New York City, approximately 9,000 families with 16,000 children are living in the City's homeless shelter system. In addition, the city's homelessness problem has been compounded by the Section 8 voucher freeze and the termination of almost 3,000 vouchers. In addition, CCC is extremely concerned about the recently approved increases in the personal contribution for Work Advantage and the elimination of the Children's Advantage subsidy.

Furthermore, the Mayor's Executive Budget proposes cuts that we believe will increase the likelihood that families will become homeless or remain in the shelter system. Specifically, the budget proposes to cut \$859,000 from the Furnish a Future Contracts, \$100,000 for Hospital Audiences Programs (entertainment for children in shelter), and \$1.1 million for the Relocation and Employment Assistance Program. Implementing a housing subsidy program that is contingent on work during a time when city joblessness is at an all-time high and HRA and DHS are both cutting the funds for job assistance programs is especially concerning to CCC.

In addition, the Executive Budget fails to fund City Council Initiatives aimed at reducing homelessness such as anti-eviction legal services, the Citywide Homelessness Prevention Fund and Community Based Consultants through HPD. It is estimated that the city saves \$4 in shelter costs for every \$1 spent on anti-eviction legal services.⁴

We urge the Council to negotiate a budget that restores funding for the initiatives that keep families housed including:

- \$1.4 million in anti-eviction legal services (that pass through HPD's budget);
- \$250,000 for the Citywide Homelessness Prevention Fund that serves nearly 500 families annually;
- \$500,000 for the Citywide Task Force on Housing Court that provides on site assistance in Housing Court to tenants, small building landlords, and administers a hotline of Housing Court procedures; and
- \$830,000 for Community Based consultants, which provide information on housing rights and available affordable housing assistance.

Human Resources Administration

For many families, the economic downturn will mean turning to HRA for the assistance that will help them get by financially and ensure that their children are clothed, housed and fed. As more and more families lose their homes and jobs, we urge HRA to continuously monitor its staffing

⁴Testimony of Steven B. Telzak, Interim Project Director, Legal Services of New York, before the Bronx Borough President regarding the Mayor's Preliminary Budget for FY 2004.

levels to ensure they have enough staff to expeditiously process food stamp, public assistance and child support applications.

In light of the increased hardship among so many households, we asks the Council to restore funding for the following City Council Initiatives:

- **\$2 million for Emergency food programs** – these resources support community based feeding programs – pantries and soup kitchens - across the 5 boroughs and ensure that singles and families using emergency feeding programs can apply for food stamps at feeding program sites. The Food Bank December 2008 report documented that 3.1 million New Yorkers are experiencing difficulty affording food.
- **\$270,000 for food stamps at Farmer’s Markets** – this initiative has permitted low income working families to have greater access to nutritious, high quality produce and it should continue.
- **\$4.8 million for Miscellaneous Legal Services (in addition to \$2.3 million for anti-eviction legal services mentioned above).** The Executive Budget proposes to eliminate funds for Council Initiatives that support a wide range of civil legal services for the indigent. These services are critical for families. For example, \$300,000 for Legal Services NYC – Keeping Families Together Initiative ensures that parents with children at risk of foster care placement have appropriate information in Family Court and \$1.3 million for the UI/SSI Initiative ensures that parents and youth who are improperly denied Supplemental Security Income or Unemployment Insurance benefits will have access to legal assistance to challenge the applications rejection. At a time of increased economic insecurity we are concerned that the elimination of such civic legal supports may negatively impact the ability of poor and working poor New Yorkers who struggle to navigate very complex systems – Family Court, Housing Court, Unemployment and SSI among others.

In addition, CCC has grave concerns about HRA’s proposal to eliminate all of their funding of the Teen Relationship Abuse Prevention Program (Teen RAPP), which is currently providing teen relationship violence training programs in 62 city schools. While HRA has contended that this program is not part of its core mission, educating today’s youth about dating violence is critical to their well-being.

We also strongly support the elimination of the finger-imaging requirement for food stamp applicants, which would remove a barrier that discourages many eligible working families from applying for and receiving food stamps. New York is the only local district in the state that maintains this requirement and eliminating it would produce significant cost savings. Even the United States Department of Agriculture (USDA) has questions this practice and is currently engaged in a review to determine whether this practice can be stopped by the federal government.

Department of Youth and Community Development (DYCD): Youth Services

Ensuring New York City’s youth are engaged in positive activities is critical to their development and the future of this City. Opportunities to work, learn, and have positive social interactions are essential to adolescents’ transition to adulthood. In addition, for those young people who are homeless, disconnected, or struggling, the City must maintain its commitment to providing these youth with the services that will tend to their needs and put them on the path to success. CCC is very concerned about the numerous proposed cuts to these services—which will have a very detrimental impact on the City’s youth especially when combined with the State’s proposed cuts.

CCC appreciates the efforts that the City Council (particularly Council Member Fidler), the Mayor’s Office, Senator Schumer and many other New York City Representatives have made to try to ensure the federal government passes a JOBS bill with Summer Youth Employment

Funding and that the State restore its proposed \$25 million cut to SYEP. CCC is also grateful that the Mayor's proposed budget restores city funds to pre-stimulus levels. That said, CCC is concerned that as of today, NYC only has Mayor's proposed \$35.7 million to support 24,292 SYEP jobs even though last year there were 52,255 SYEP jobs and over 150,000 youth have applied for these jobs.

In addition, the Executive Budget proposes to cut funding for Out-of-School Time Programs (OST), Beacon programs, the Runaway and Homeless Youth program and many critical City Council Youth Initiatives. CCC urges the City Council and the Mayor to restore the following critical services for youth:

- **Out-of-School Time (OST) (\$12.2 million):** OST programs keep young people engaged in a broad range of positive activities including arts, education, youth leadership, sports and recreation programming during the out-of-school hours. The Mayor's Executive Budget proposes to eliminate 33 school-year only OST programs currently serving 4,110 elementary and middle school students (\$6.2 million). In addition, the Executive Budget fails to fund \$6.2 million for OST Option II (the \$4.6 million that the Council restored last year and \$1.6 million AARA funds used for OST Option II), which would lead to an additional reduction of 10,750 after school slots.
- **Beacons:** There are 80 Beacons city-wide that serve approximately 180,000 youth. Funding for this nationally recognized youth development program has remained relatively flat (\$400,000 per Beacon) since its inception in 1991 despite increased service targets and mandates. CCC urges the Council to restore funds so that Beacons can maintain the same level of service and better utilize and direct scarce funding towards delivering high quality program services rather than for inter-agency administrative costs such as the school opening fees.

Finally, CCC commends the Council for its historic support of local youth programs that provide youth with a broad array of neighborhood-based supports. We urge the City Council to continue to be steadfast in its support of Council youth initiatives and restore the following proposed cuts:

- ❖ **City Council Youth Initiatives:**
 - **\$6 million for Shelter Beds for At-Risk Homeless Youth**
 - **\$5.1 million for Cultural After School Adventure (CASA)**
 - **\$1 million for Street Outreach/Youth Alliance**
 - **\$3.8 million for The After-Three Program**
 - **\$500,000 for YMCA After-School Program**
 - **\$1.2 million for Sports and Arts in the School Foundation**

Department of Health and Mental Health (DOHMH) and Health and Hospitals Corporation (HHC): Children's Health and Mental Health

CCC is deeply troubled by the proposed cuts to programs that support children's health and mental health—often preventing long-term, more costly interventions. Notably, CCC is especially concerned to the proposed cuts to school nurses, obesity prevention programs, infant mortality programs, child health clinics, asthma control and mental health services for children under five.

CCC urges the City Council to negotiate a budget with the Mayor that restores the following critical initiatives and programs for children and their families:

- **School Health Nurse Coverage in elementary schools with less than 300 students (\$3.1 million):** The City Administrative Code, 17–187, requires nurses for primary schools with more than 200 students upon request from the school. It was a school nurse, the front line medical professional in schools, who first identified the H1N1 virus in New York City, thus preventing the international pandemic from worsening in New York City. School nurses can see about 48 children or more a day, making their services essential for young children. It is crucial that funding for this mandated and necessary service be restored.
- **Child Health Clinics (\$5.2 million):** The Executive Budget proposes to reduce DOHMH’s funding for Child Health Clinics by \$216,000 and fails to fund the \$5 million Child Health Clinic City Council Initiative. Child Health Clinics provide primary care for children ages 0 to 19. Located in low-income neighborhoods, these clinics provide children with primary health care in their communities. At a time when the economy is suffering, parents are losing jobs (and thus health insurance) and there are increases in the Medicaid and Child Health Plus rolls, continued funding of these public health clinics for children is imperative.
- **Infant Mortality Initiative (\$3.5 million):** Citywide, the rate of infant mortality for all children is 5.1 infant deaths per 1,000 live births. The rate of infant mortality for black children is far higher, a rate of 9 infant deaths per 1,000 live births. In light of the citywide infant mortality rate and the great disparity among black children, it is essential that funding for this critical service remain intact to support home visiting and provide critical supports and guidance to new mothers.
- **Obesity Prevention (\$2.5 million) and Hip Hop Healthy Eating & Living in Schools Initiative (\$400,000; formerly called Podiatric Screening Initiative):** At a time when the City’s CEO initiatives are focused on improving access to healthy foods, it is counterintuitive to cut funding for Obesity Prevention Initiative (including the NYU Body Project, SPARK and Health Corps.) and the Hip Hop Healthy Eating & Living in Schools Initiative. DOHMH data suggests that nearly 40 percent of New York City school children are overweight or obese (NYC Fitnessgram Reports 2007-2008 school year). Research also suggests that children who are overweight or obese are less likely to be engaged in school, more likely to repeat a grade, and more likely to miss more than two weeks of school in a school year (C. Bethall, L. Simpson, S. Stumbo, A.C. Carle, N. Gombojav. *National, State and Local Disparities in Childhood Obesity*, March 2010 29:3 Health Affairs).
- **Asthma Training (\$724,000) and Asthma Control Initiative (\$545,000):** According to DOHMH’s Youth Risk Behavior Survey, among public high school students who suffer from asthma, 34.7 percent of students 14 or younger have had an asthma attack in the past year, and nearly 31 percent of children 15 to 17 years of age and 24 percent of children 18 years of age or older have had an asthma attack in the past year. The Journal of Epidemiology and Community Health reported in May 2009 that asthma is the leading cause of admission to hospital among children under 15 in New York City, and SPARCS data confirm that asthma is the leading cause of hospitalization for children under 17 years of age. Restoring this funding is essential as it helps to combat pests in high need areas that lead to asthma (such as cockroaches), provides prevention and screening at Pre-

K and Head Start programs, and ensures those who work with children have a better understanding of asthma.

- **Mental Health Treatment for Children Under Five (\$1.6 million):** Since 2004, this initiative has enabled eight providers to offer consultation, treatment, training and supervision for the mental health needs of these young children. Unmet mental health needs can impact children's relationships, school readiness and school progress. This program is cost effective because mental health needs are addressed very early, preventing more serious and costly interventions later, such as special education and psychiatric hospitalizations.
- **Autism Awareness Initiative (\$1.5 million):** The Autism Awareness Initiative provides families with autistic children support and intangible benefits that defray long-term costs. Specifically, this initiative provides autistic children and their families with wraparound services when school is not in session (after school, summer and school closings). In addition, it funds organizations to provide informational forums, parent support groups and training seminars, advising their communities of this epidemic and how to handle it.

In conclusion, we understand that these very difficult times require difficult decisions on both sides of the budget ledger – revenue and expense. New York City's budget deficit demands a thoughtful response that includes progressive tax increases and government spending reductions that do not impact core services for children and families. It is critical that the actions the City Council takes with the Mayor protect the city's ability to ensure that our children remain healthy, housed, educated and safe.

Thank you for this opportunity to testify.