



Testimony of

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Finance Committee

Regarding the New York City
November 2010 Financial Plan

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Good morning. 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 67-year old privately supported, independent, multi-issue child advocacy organization dedicated to ensuring New York City's children are healthy, housed, educated and safe. I would like to thank Chairman Recchia and the members of the City Council Finance Committee for holding today's hearing on the Mayor's November 2010 Financial Plan, which reduces agency expenditures for the current Fiscal Year 2011 by \$585 million and by \$1 billion in Fiscal Year 2012.

While we appreciate the severity of the budget crisis and the need for fiscal restraint, we are very concerned that the November Financial Plan does not protect New York City's children from shouldering a disproportionate burden of the economic downturn. During economic downturns, like the unprecedented one we are in the midst of, it is more important than ever that the core services for children and families be protected and supported. Child abuse prevention services, child protection, foster care, after school programs and youth services, child care, services for runaway and homeless youth, homeless services, and children's health and mental health services are, and will continue to be, critical to promoting the well-being of NYC's children and their families. Furthermore, preserving these services and programs will save NYC taxpayers in the long run.

As many close to budget negotiations are aware, this November Plan is the ninth round of budget gap closing actions this City has faced in the past few years. The agencies that protect and nurture children have already eliminated any duplicative or non-essential service; therefore, very concerned that this round of budget cuts goes too far and will result have a profound negative impact on children.

CCC is especially concerned about the impact budgets cuts have already had on the Administration for Children's Services (ACS) and the impact that new cuts will have on child safety. CCC continues to stand firmly by the position that the ACS is the City's first responder for children and as such should have always been held to the same budget cutting standards as the City's uniform agencies (Police, Fire, Corrections and Sanitation). Given that this has not occurred, ACS has already lost a significant amount of staff and resources and this November Financial Plan only makes matters worse. And as the City Council is aware, 25% of the City's Preventive Service System (2,900 slots) is currently being maintained by City Council funding that is due to be lost effective June 30, 2011.

The November Financial Plan seeks to cut ACS's budget by \$24.5 million in FY11 and \$36.9 million in FY12. While we are grateful that these totals are lower than the 5.6% PEG target for non-uniform agencies, we are very concerned about a number of the proposed reductions. Notably, ACS would lose an additional 257 staff (106 through attrition and 151 through layoffs) in critical areas including the Division of Child Protection (as well as an additional 27 layoffs in the Department of Juvenile Justice, which officially merged with ACS after the release of the November Financial Plan.) In addition, ACS is planning to restructure their homemaking program "to serve more families and operate a short-term crisis intervention model." While this new model may have benefits, the current model has also been an effective way to have both an extra set of hands and eyes in the homes of at-risk families and CCC worries about the impact of changing this program (which was also already cut in the FY2011 Adopted Budget.)

In 2006 (FY07), after the death of Nixzmary Brown, the City acknowledged that ACS needed additional resources and staff to be able to keep children safe and support families. There was then an influx of resources, much of which have now been cut or reduced. But ACS is no less busy during the economic downturn. The number of reports of abuse or neglect investigated by ACS is at an all-time high and the indication rate remains high, meaning that ACS is continuing

to find families where they believe there has been abuse or neglect. On the other hand, fewer children are receiving preventive services and fewer children are in foster care—meaning that many more children and families coming into contact with ACS are not receiving services through ACS. The charts below quantify the impact the 9 rounds of budget cuts have had on ACS and show that ACS has almost 1,000 fewer staff (without the November actions) since staff was added to address the shortfalls found after Nixzmary Brown died.

Budget Trends Related to ACS:

All Data: As Reported by OMB in their Budget Function Analyses :

	Agency Budget	FTE Staff
FY 2007 Actual	\$2.76 billion	6,885
FY 2008 Actual	\$2.85 billion	7,081
FY 2009 Actual	\$2.84 billion	6,700
FY 2010 Plan (as of FY11 Adopted Budget)	\$2.88 billion	6,262
FY 2011 Plan (as of FY11 Budget Adoption)	\$2.6 billion	6,174

Data Trends Related to NYC Key Child Welfare Indicators: FY2005-2010

All Data: As Reported by ACS

	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010
Abuse and/or neglect reports	50,309	62,585	64,190	64,572	64,748	65,114
Indication/Substantiation Rate	32.6%	36.7%	39.8%	39.9%	42.1%	41.1%
Children Receiving contracted preventive services (average daily number)	28,781	27,304	29,506	31,872	31,752	29,945
Number of children entering foster care	4,813	6,402	7,072	7,401	7,406	7,086
Children in Foster care (average daily number)	18,042	16,659	16,854	16,701	16,439	15,895

In addition to the impact that the November Financial Plan is due to have on ACS's ability to keep children safe, CCC is concerned about the ramifications that additional proposals will have on the well-being of the City's children in need of essential services—notably child care, youth services, health and mental health services, homeless services, and quality education. The proposed cuts of most concern to CCC are described below.

The November Plan proposes to:

- **Increase child care co-payments (minimum will increase from \$5 to \$15 and maximum payment levels will rise from 12% to 17% of adjusted family income):** While CCC appreciates that this budget closing action will not result in fewer families having child care services, at a time when it is critical that parents be able to remain in the workplace, CCC appreciates how difficult it will be for low income families to pay more money for child care during this difficult economic time.

- **Significantly cut the Department of Youth and Community Development (DYCD) totaling \$12.5 million for critical services in FY11 and \$13.6 million in FY12 by**
 - Eliminating approximately **2,140 SYEP slots** in the summer of 2011
 - Reducing **OST Option 1 School Holiday Availability and NYCHA Cornerstone Programs Holiday Service**
 - Reducing funding to **5 drop-in centers for runaway and homeless youth**, and eliminating City funds for **street outreach contracts**.
 - Reducing funding by 10% for the **66 City funded Beacon Center** program
 - Reducing funding by **5.4% for City Council discretionary programs**

- **Reduce Health and Mental Health Services for Children by**
 - Eliminating **2 School Based Health Centers**
 - Reducing funding for **child health clinics**
 - Reducing **mental hygiene contracts** for alcohol/substance abuse outpatient programs and eliminating city funds for mental retardation/developmental disabilities clinics.
 - Reducing funding for the **City Council's HHC initiatives**.

- **Reduce services for Homeless Families by**
 - Creating efficiencies in **family shelter** by housing small families with children in **shared, apartment style units**.
 - **Reducing security** posts in directly operated family shelters.
 - Reducing **broker's fees** in the **Advantage program**.

- **Reduce teachers in the city's public schools (4,278 teachers through layoffs and 1,500 through attrition.)**

To protect children, CCC urges the City Council and the Mayor to consider additional revenue options, particularly those that are the least regressive, and to reconsider these proposed cuts as they target core services to children, particularly the most vulnerable children.

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.

Thank you for this opportunity to testify.