



Family of Agencies

Written Testimony Submitted By:
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At the Joint Hearing of the
New York State Assembly Committee on Ways & Means
&
New York State Senate Committee on Finance
On the Executive Proposed Human Service Budget

February 4, 2014

Thank you for giving Hillside Family of Agencies the opportunity to present testimony regarding this year's human service budget.

Hillside Family of Agencies is a 177-year-old non-profit agency based in Rochester, New York serving more than 10,000 families each year with over 2,500 New York employees. We have over 120 programs in 45 locations serving 62 counties across New York State. Hillside is a leading provider of an integrated system of care delivering proven and effective services in child welfare, mental health, youth development, juvenile justice, adoption, education and more. At Hillside, we recognize the need to ensure that every donor and taxpayer dollar is invested wisely and has the deepest impact possible. This is why Hillside's strategic intent is to be a leader in translating research into effective practice solutions for children and families.

Hillside applauds the Governor and the Legislature for the tireless work over the last several years to stabilize the financial situation in New York State. A stable New York is crucial to Hillside and the children and families we serve. As we look to the 2014-15 Executive Budget there is much to support. I would like to draw your attention to the following recommendations regarding the 2014-15 Executive Budget on behalf of Hillside Family of Agencies.

1. PAY FOR SUCCESS

The Governor's budget includes \$125 million for social impact bonds, known as the Pay for Success Program.

Hillside has been a proponent of the innovative Pay for Success Program since it was introduced by the Governor in last year's Executive Budget. Hillside advocated for this program throughout budget negotiations and was very pleased to see funding included in the 2013-14 enacted budget, although the final budget appropriation (\$30 million) was significantly less than the proposed budget (\$100 million). Funding was authorized to improve program outcomes in the areas of early childhood development and child welfare, health care or public safety.

This program incentivizes private investors to pay for effective programs with their return based on achievement of positive outcomes and state budget savings. This innovative program design explicitly links state payments to state savings thus achieving a trifecta of benefits: evidence based services, private investment and limited risk of state funds.

The Division of the Budget issued a request for proposals for this program in August 2013 (winners have yet to be announced). Hillside Family of Agencies submitted two proposals: one related to juvenile justice and the other to improve permanency and family connections. Pay for Success is a tremendous opportunity that provides a new funding mechanism to focus on areas the state has not yet been able to invest and take proven programs to scale that will guarantee positive outcomes. By continuing and expanding the Pay for Success Program, New York State will be able to make smart investments into critical and effective services that will benefit vulnerable children and families across the state.

Hillside urges the Legislature to maintain funding for the Pay for Success Program at the proposed level of \$125 million for 2014-15, a \$95 million increase from last year.

2. COMMUNITY REINVESTMENT

The Governor's budget does not include funding for the Community Reinvestment Program.

In SFY 2009, \$5 million was included in the enacted budget to fund services to prevent Family Court placements for youth by increasing programming and community support for youth and their families in seven counties with the highest rate of court-ordered placements of youth into juvenile justice facilities. This program was designed as a five year pilot to re-invest in our local communities as the state was downsizing its state run juvenile justice facilities.

Funding for the following programs and services were announced in 2011: Hillside Family of Agencies (Monroe); Berkshire Farm Center & Services for Youth (Nassau); Hope for Youth (Suffolk); Center for Court Innovation (Queens); Center for Alternative Sentencing (Manhattan); Good Shepherd Services (Brooklyn & Bronx). Contracts were entered into and service delivery began in 2011.

Since then the Executive has not funded this program. In both the 2012-13 and 2013-14 budgets, the Legislature was able to restore \$1.75 million. Luckily, with the help of counties, programs were able to piecemeal funding to keep the programs operating. Yet this temporary funding is not sustainable.

In Rochester, this program is referred to as Reinvesting in Youth (RIY). RIY supports effective community based alternatives to detention for youth within targeted neighborhoods in Rochester. It is a short-term, 3 to 5 month program designed to assist youth who otherwise might be placed in detention due to formal juvenile justice delinquency charges. Components of the program include: a case manager, a community asset navigator, an education specialist, pregnancy prevention, tutoring, skill building, life management solutions, and overnight respite. When fully funded, RIY has the capacity to serve 90 youth per year. Our success rate has averaged over 80% over the past three years, based on OCFS outcome measures.

Hillside needs support from the State to continue the success of this program and to build on what we have started. We urge the Governor and the Legislature to restore funding for this program in order to enable the pilot program to continue find ways to prevent Family Court placements for youth.

Hillside urges the Legislature to add \$5 million for the Community Reinvestment Program.

3. TRANSITION FUNDING FOR MEDICAID MANAGED CARE

The Governor's budget includes \$5 million (\$2.5 million state/\$2.5 million federal) to facilitate the transition of foster care children into managed care. Funding would assist foster care agencies with managed care readiness and to obtain encounter data in order to inform premium and rate setting for Managed Care, Health Homes and Foster Care per diems.

As you know, part of the Medicaid Redesign Team's recommendations is to expand enrollment of the State's voluntary foster care agencies into Medicaid Managed Care. Foster care agencies desperately need additional funding to make investments in infrastructure and technology to make the transition to managed care successful, especially when five years of stagnant rates and increased costs have resulted in agencies delaying such investments.

Historically, when children enter foster care they are automatically enrolled in Medicaid if they were not previously Medicaid recipients. Therefore all the children in foster care will become eligible for managed care as Medicaid enrollees by January 2016. Managed care will assure access to comprehensive assessments for these children, will eliminate duplication of services, and assure that children's medical, dental and behavioral health needs are addressed.

For the State to be able to achieve Managed Care's potential for these children and youth, foster care providers need to be able to make the transition from being outside New York's health system to having a major role within it. And of course, we know that will come with a cost. As stated previously, these agencies are currently in a terrible position to take on new costs as five years of stagnant rates, increased costs, and increased mandates such as the justice center and EO 38 have crippled us financially. This proposed funding will be critical to making a successful transition.

Hillside urges the Legislature to maintain the \$5 million appropriation in the proposed budget to enable foster care agencies to prepare and transition to Medicaid Managed Care.

4. NY YOUTH WORKS PROGRAM

Hillside has been committed to helping at-risk youth living in poverty stay in school, graduate from high school, and continue on to post-secondary education or employment through our very successful Hillside Work-Scholarship Connection (HW-SC). Two very important facets of this program include our Youth Employment and Training Academy (YETA) and the Jobs Institute Program. HW-SC is a nationally recognized youth development program and has been operating for 26 years with very positive outcomes.

The Governor's budget includes increased funding from \$4 million to \$10 million for tax credits tied to the NY Youth Works Program and provides an additional year of tax credits to employers who employ youth. In addition, \$300,000 is re-appropriated to provide funding for job training through community colleges that offer a specialized certification under the Job Linkage Program. Further, the Governor's budget codifies in tax law a change made during last session to the Labor Law that would allow employers to claim the tax credit for certain employees who work ten hours per week if the employee is enrolled in high school full time.

In 2011, \$2 million was made available via the NY Youth Works Grant Program to facilitate the availability of work ready certified youth for employment. This funding targeted the following cities: Albany, Buffalo, New York, Rochester, Schenectady, Syracuse, Mount Vernon, New Rochelle, Utica and Yonkers. While the Governor's budget provides support to community colleges for job training, it does not include funding for this grant program. Many of these programs were provided by community based organizations in the first year. Programs provided not only job training but matched youth to jobs in the local area that were certified for the tax credit.

Hillside was selected as a training and job placement provider. While there were implementation issues with the program, it was a critical component to the success of the NY Youth Work Program. At-risk youth need assistance in finding employment and more importantly need training and assistance to be ready for employment. Our previous work in youth employment has proven that job training is a critical part to successfully employing at-risk youth and we believe funding for training and job placement is critical to the success of the NY Youth Works Program.

Hillside strongly supports the continuation and increased funding for the NY Youth Works Tax Credit and recommends that additional funding be provided in the budget to support the NY Youth Works Grant Program that will provide job training and placement for at-risk youth.

5. ADDITIONAL BUDGET PROPOSALS HILLSIDE SUPPORTS

Community Optional Prevent Services (COPS)

The Governor's budget maintains level funding for this program at \$12.1 million. Of this amount, up to \$1 million may be used to provide additional funding to eligible programs with evaluation results that show program effectiveness and demonstrate private monetary support.

Since 2005 Hillside and Monroe County have benefited from COPS funding by providing support to at-risk Rochester City School District students. Each year, private fundraising is provided to the county that enables the county to leverage funding. The Hillside Work Scholarship Program is one of the many programs in Monroe County that have benefited. In addition to the regular allocated to Monroe County, Hillside Work Scholarship Connection has been able to access additional funding through the \$1 million set aside for effective programs that have private monetary support.

Hillside supports the maintenance of funding for COPS and believes this is a model program that leverages private philanthropy.

Public/Private Partnership Pilot Program

The Governor's budget includes \$3.4 million for this program, an increase of \$1.4 million from SFY 2013-14.

Created in 2012, this program tests the viability of incentivizing private funding investment for public/private programs that enhance the well-being and development of youth of New York State. Last April, Hillside was awarded \$500,000 to serve an additional 210 at-risk children through our Hillside Work Scholarship Connection program in Rochester. The Public/Private Partnership Pilot Program will attract new private funding while offering expanded services to New York State children and families.

Hillside supports the proposed increased of funding for public/private partnerships.

On behalf of Hillside Family of Agencies, our over 2,5000 employees and the more than 10,000 families we serve, thank you for the opportunity to testify on these important issues. We look forward to working with you and the administration to ensure the welfare of children and families across New York State.