

TESTIMONY
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ST. CATHERINE'S CENTER FOR CHILDREN
PRESENTED TO THE
NEW YORK STATE SENATE FINANCE COMMITTEE
AND
NEW YORK STATE ASSEMBLY COMMITTEE ON WAYS AND MEANS
REGARDING THE
NEW YORK STATE EXECUTIVE BUDGET PROPOSALS FOR
HUMAN SERVICES
STATE FISCAL YEAR 2014-2015
FEBRUARY 4, 2014



Good afternoon. My name is William Gettman and I am the Executive Director of St. Catherine's Center for Children. Founded as an orphanage in Albany in 1886, St. Catherine's has a long and rich history in the Capital Region. From the start, St. Catherine's has prided itself on the ability to create new programs and services to meet the changing needs of the community. We've grown from a home for sick orphans to a multi-service agency offering residential services, a special education elementary school, therapeutic foster care, homeless family services, and community-based prevention programs. Today, St. Catherine's is a leading regional provider of human services in the Capital District servicing 15 counties.

I would like to thank Chairman Farrell and Chairman DeFrancisco and members of the Assembly Ways and Means and Senate Finance Committees for this opportunity to testify on the Governor's Executive Budget for State Fiscal Year 2014-2015. Governor Cuomo's \$132.2 billion Executive Budget in conjunction with prior enacted budgets closes structural billion dollar deficits, while aiming to strengthen our State's education system, increase county and education efficiency and better protect our state from unpredicted disasters such as Super Storm Sandy. St. Catherine's Center is grateful for many of the measures the Governor and the Legislature have taken over the past few years to stabilize the State's economy and help to build a better New York.

We all understand the challenges we face today. Economic challenges are forcing critical conversations and new approaches to innovation at the state, local, and not-for-profit sector level. These conversations and innovative approaches can help us meet the complex needs of families and children and achieve improved outcomes.

The Governor's Executive Budget takes some notable steps to improve the lives of children such as maintaining preventive services funding for at risk families, expanding Homeless Housing programs, investing in Pre-K education on a statewide basis, implementing managed care for adults and continuing to reform the juvenile justice system.

Below please find specific recommendations in regard to the proposed budget.

Not-for-Profit Workforce and Program Stability Investment Needed

There have been many challenges to New York's families in the past five years-- the down economy, joblessness, homelessness, substance abuse, and violence in already plagued communities – but this past year was unique in the damage wrought by Irene and Super Storm Sandy. Despite dedicated effort and around the clock intervention, coupled with Leadership from NYS, communities remain in crisis from the devastation to homes, schools, and community centers. When families are in crisis and children are at risk, New York's network of not-for-profit children and family services providers are on the job.

Throughout the state, not-for-profit human services and child welfare agencies are responding to family crises around the clock. And our workers are not immune from the trauma that affects victims. They too are under stress. The expectations are unrelenting. We must support these front line workers who play critical first responder type roles when a family is in crisis.

Today not-for-profit workers represent 13% of the total workforce in NYS. The not-for-profit sector is an economic engine that is nimble and responsive to emerging needs and crisis is. The success of many state and local programs is based on the not-for-profit sector. We must support this relationship and ensure that the front line staff are prepared and supported.

Over the past several years, not-for-profit agencies have worked with government on countless new initiatives to reduce costs, focus on outcomes, use of evidence based practices, and improve quality services. These efforts come in a climate where the rates and contracts our agencies receive are frozen, or lower. These staff, who we expect to do such vital work, are facing staff cutbacks, frozen salaries, reduced health benefits, and little or no contributions to their pensions. Not-for-profit agencies have always raised private dollars to supplement government resources.

There have been no Cost of Living Adjustments (COLA) to cover required cost increases including health insurance, pension obligations, food, gasoline, etc. for workers for 4 and, in some areas, 5 years. The proposed budget includes increases and incentives for school and local government for consolidation and shared services, but does not provide similar options for



innovative not-for-profit solutions. In addition, the proposed budget delays the human service COLA for child welfare agencies, or for the 853 schools that teach the youth who cannot be maintained in their neighborhood schools due to their special needs or behavior issues. The loss of COLA's also means that there have been almost no salary adjustments for our front line workers which create greater difficulty for agencies to retain qualified staff.

We support the Governor's proposal to improve teaching and continued achievement for school age students. The incentives and the Master teacher system are valuable tools that should be extended to the not-for-profit sector. Not-for-profit teachers teach and support some of the most challenging students. It is just and needed. It is clear that the problems resulting from the lack of financial support for agencies cannot continue without further eroding the caliber of the workforce at a time when qualifications, skill, and experience are most needed to meet the challenges of working with the most at-risk, most troubled, and most damaged children and youth - children and youth who previously were placed in other systems and higher levels of care and treatment.

We recommend full funding of the Human Services COLA in FY 14-15

Continue Juvenile Justice Reform

St. Catherine's Center for Children appreciates the Governor and the Legislature's continued commitment to improving New York's Juvenile Justice System. The past few Executive Budgets have eliminated costly and empty beds; enabled youth placed in non-secure facilities to be placed close to home; created a statutory funding mechanism for alternatives to detention and placement programs, and led to the expansion of these more cost-effective and more effective alternatives to detention and incarceration/placement. St. Catherine's Center for Children was pleased to see that the Executive Budget continues the State's efforts to close excess bed capacity in the system.

The Governor proposes a Commission on Youth, Public Safety and Justice. The purpose of the commission 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 that prosecute 16- and 17-year-olds as adults in the criminal justice system.

We recommend continued innovation and reform of the State's juvenile justice system. We also recommend timely completion of the Raise the Age plan and detailed analysis to support the development of a plan to treat young people in a manner that promotes long-term youth development and public safety.

Support Foster Care Transition to Managed Care:

The Governor's proposed budget allocates \$5 million to support voluntary foster care agencies in their efforts to transition foster care youth from Medicaid fee-for-service to managed care. The money will support training and consulting services for voluntary agencies to prepare for the transition of foster care youth into Medicaid managed care, including the ability to use health information technology, and authorize a pilot program initiative with the Office of Children and Family Services and Department of Health to develop rates for health care services for this population. Additional language requires that users of the funds must document effectiveness.

Given the importance of ensuring a smooth transition to improve the outcomes for vulnerable children, we recommend passage of this critical investment!

Expand Pre-Kindergarten and After School Programming:

The Governor's Executive budget proposes \$100 million for 2014-15, as part of what the Governor envisions as a 5-year plan to expand universal pre-kindergarten in New York State with an additional \$100 million per year (\$1.5 billion over five years). As stated by Governor Cuomo, "We need more early education. Every expert will tell you that early education makes a difference and it makes the difference for life. The statistics are overwhelming. Children who receive early education perform 25% better on math by the second grade, 20% better on English, 30% are more likely to graduate from high school and 32% are less likely to be arrested as a juvenile." St. Catherine's Center for Children was grateful that the Executive Budget proposes



to support full-day Universal Prekindergarten (UPK) by both supporting the policy of full day UPK (as opposed to merely half-day) and allocating \$100 million towards this effort.

The Governor proposes an increased commitment of \$720 million over 5 years, starting in 2015-16, to expand after-school programs, but does not propose new after-school funding in this year's budget.

Given the value and need for young persons to lead our State in the future, we recommend passage of the funding and recommendations contained in the proposed budget for educational reform

Implement Regional Centers of Excellence:

The Governor proposes using \$25 million in savings resulting from psychiatric bed and hospital closures to expand community-based services. In an effort to reduce New York's over reliance on extended inpatient hospitalization for mental illness, the Office of Mental Health (OMH) will begin the process of creating 15 Regional Centers of Excellence across the state for the diagnosis and treatment of complex behavioral health illnesses. This is critical in terms of the transition to behavioral managed care and ensuring access for our families and children. Again, the devil is in the details of the eventual design.

We recommend continued developed of the RCE plans as well as the continued need for community re-investment

Promoting Housing and the Reduction of Homelessness:

The Executive Budget proposes significant increases to deal with the homeless housing crisis, including the essential programs that prevent homelessness and provide shelter for homeless youth and families. In light of the increased poverty and housing instability among youth and families caused by the economic downturn, St. Catherine's Center for Children believes it is necessary for the State to aggressively implement these initiatives.

We recommend passage of the funding request to reduce homeless housing!



Conclusion:

In closing, we urge the Legislature to negotiate a budget with the Governor that ensures that the state remains committed to the programs that produce positive outcomes for children, and ultimately saves the state money on more expensive interventions such as foster care, medical care, homeless shelters, and the juvenile justice system. We also strongly encourage the Legislature to support COLA payments to ensure a stable and effective not-for-profit workforce. While we appreciate that very difficult choices about investments, revenue increases and expense reductions need to be made, we urge you to protect the services that will ultimately be less costly to the children of today and the taxpayers of tomorrow.

Thank you for the opportunity to testify.

