Testimony of

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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 2017-2018

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Good afternoon. My name is Stephanie Gendell and I am the Associate Executive Director for Policy and Advocacy at Citizens' Committee for Children (CCC). CCC is a 73-year-old privately supported, independent, multi-issue child advocacy organization dedicated to ensuring every New York child is healthy, housed, educated and safe.

CCC does not accept or receive public resources, provide direct services, nor represent a sector or workforce. For 73 years, CCC has undertaken public policy research, community education and advocacy efforts to draw attention to children and their needs so that we can advance budget, legislative and policy priorities that produce good outcomes for our youngest New Yorkers.

I would like to thank Chairman Farrell and Chairwoman Young and all the members of the Assembly Ways and Means and Senate Finance Committees for holding today’s hearing on the Human Services-related proposals in the Governor’s Executive Budget for State Fiscal Year 2017-2018.

CCC appreciates the Governor’s efforts to alleviate burdens on the middle class and invest in programs and services that benefit children and families. Notably, we appreciate the Governor’s proposals to raise the age of criminal responsibility, expand after-school programs and pre-kindergarten, re-introduce the Dream Act, and develop a plan for tuition-free college for middle class students. We also appreciate the Executive Budget proposing to extend the millionaire’s tax as this revenue is clearly needed to maintain programs and services for children and their families.

On the other hand, the Executive Budget proposes numerous cuts to vulnerable New Yorkers, which concerns us greatly. For example, the Executive Budget proposes to cut funding for foster care, special education placement reimbursement, the Foster Youth Success initiative which supports foster youth in college, Title XX social service-funded programs, and school-based health services in New York City. Furthermore, the Executive Budget does not increase funding or create a new rental assistance program to help homeless families, does not increase funding for home visiting programs, and does not increase funding to ensure child care programs can implement new federal rules without decreasing access. Many of these cuts are specifically focused on cost-shifts to New York City.

In addition, CCC is especially concerned that the Executive Budget includes contingency language all throughout, which would authorize the Budget Director to reduce funding to localities if funding from the federal government is reduced- without approval from the legislature.

Given the need for New Yorkers to rely on their State and Local governments, more than ever, we urge the Legislature to negotiate a budget with the Governor that eliminates cost shifts and contingencies, and invests significantly more in the programs and services that will produce good outcomes for the children and families throughout New York.

Turning to the Executive Budget proposals related specifically to Human Services:
CHILD WELFARE

CCC was deeply disappointed in the Executive Budget proposals as they relate to child welfare. The child welfare system includes child protective service investigations to determine if children are safe; preventive services to support so families can remain safely in their homes; and foster care services for those children who must be removed from the custody of their parents and placed into the custody of the government. For years, we have been testifying at this annual budget hearing that the State needs to make additional investments in the child welfare system. We had hoped to see some investments this year given that child welfare financing sunsets in June; therefore, we were shocked to see the Executive Budget propose such significant cuts.

Meanwhile, this past year child welfare has been relentlessly covered in the news. The state agency (OCFS) that oversees the city’s child welfare agency (ACS) recently appointed a monitor due to concerns the state had over case practice. And this past month, the federal government issued its final report stemming for its review and found a number of areas where the systems throughout the state were not in substantial conformity with federal standards.

Given how critical this system is to some of the most vulnerable children in the state and how much work is needed to strengthen it, the proposed cuts are unacceptable. The reauthorization of child welfare financing provided the state with the opportunity for the state to restore the 3% cut to preventive, protective, adoption administration and independent living services funding, which has been in place since 2008. It also gave the state the opportunity to finally remove the funding for KinGAP (subsidized guardianship for relatives for children who were in foster care) to be removed from the foster care block grant so this permanency option would have its own funding stream and not divert money away from foster children.

Instead the State’s proposed budget not only fails to address these issues, it significantly cuts child welfare and foster care funding, particularly for New York City. Specifically, the Executive Budget proposes to:

- Cut the Foster Care Block Grant by $62 million
  - $23 million is targeted solely at NYC, eliminating state reimbursement for tuition costs for foster children and children in Close to Home facilities.
  - $39 million is statewide (including NYC) and is a reduction in the state’s share for foster care
- Cut the State’s share to 0% ($19 million) for New York City’s children in Committee on Special Education Placements (CSE). Note by law the City’s child welfare agency receives this cut.
- Continue to use the Foster Care Block Grant for the state’s share of the subsidy payments for children who left foster care to permanency through KinGAP (subsidized guardianship with relatives).

For New York City, this total cut to the child welfare agency, ACS, is approximately $62 million.
We urge the legislature to reject all of these cuts to the child welfare system and take the following actions to strengthen the system:

- **Reject cuts to the Foster Care Block Grant** and the City’s child welfare system (including CSE reimbursement.) (Restore $62 million to the Foster Care Block Grant and $19 million for CSE placements.)
- **Remove KinGAP subsidy funding from the foster care block grant** and fund it in the same manner as adoption subsidy.
- **Maintain open-ended reimbursement** for protective, preventive, independent living and adoption administration services.
- **Restore the State’s share for Preventive Services** back to the statutory 65% and reinvest the 3% (about $30 million) in primary prevention. These services would not require counties to open cases, but would instead enable them to target services to high-risk families BEFORE there abuse or neglect ever occurred.
- **Prevent homelessness** by improving the child welfare housing subsidy to prevent homelessness by increasing the monthly amount from $300 to $600, enabling youth to receive it until age 24, and ensuring youth can have roommates. A bill to do this is currently pending in both Houses of the Legislature: A259/S1291.
- **Support three cohorts (total of $4.5 million)** in the Foster Youth Success Initiative, which provides comprehensive college supports for foster youth attending colleges and universities, including help with expenses and supportive services while enrolled. Last year, the administration supported one cohort ($1.5 million) and the Legislature supported one cohort ($1.5 million), for a total of $3 million. The Executive proposes only $1.5 million for SFY 17-18, which only supports 1 cohort. We urge the legislature to restore $1.5 million so all youth currently in the program can remain and add $1.5 million to add a third cohort.
- **Improve the KinGAP program by:**
  - Providing the subsidy until age 21 regardless of the age at which KinGAP is finalized (like foster care and adoption subsidy)
  - Using the same definition of “kin” as is used in foster care so that half-siblings are treated as a sibling unit.
  - Expanding KinGAP to fictive kin, meaning those who are like relatives but not related by blood (e.g. close family friends, godparents, etc.)
- Amend the appropriation language for post-adoption services to ensure $7 million is in fact ear-marked for these services.
- **Increase funding for home visiting programs by $9.5 million.** Despite Nurse-Family Partnership and Healthy Families New York having been proven to strengthen families, prevent poor outcomes, and have a tremendous return on the investment to the state, funding levels remained constant at $26.3 million.
- **Restore critical legislative supports** including $2.2 million for child advocacy centers; $3 million for safe harbor services for sexually exploited youth; and $1.9 million for Kinship Navigator Services.
- Support Article VII legislation that will enable voluntary foster care agencies that provide health-related services to foster children after they transition into Medicaid managed care to get a **license through DOH** so that the agencies can be reimbursed for providing the health-related services.
CHILD CARE

Early childhood education is critical for leveling the playing field for low-income children, and enables parents to work and bring income stability to their families. Access to quality child care is important to a child’s safety, growth, and social and academic development, especially for low-income children. It is also a critical component of economic growth in the state. Not only are parents able to work, but the early childhood field employs thousands of providers, many of whom operate small businesses out of their homes. Despite the cost-effectiveness of child care, statewide only 17% of the income eligible children ages 0-5 are able to be enrolled. In New York City, only 14% of income eligible infants and toddlers receive child care.

Despite the tremendous unmet need, as well as new federal regulations that are costly but aimed at increasing child safety, the Executive Budget fails to increase funding for child care and actually proposes to REDUCE the state’s support.

First, the Executive Budget proposes to swap out $27 million of state general fund support for child care and replace it with $27 million of Title XX social services funding that counties have been using to support other services, including senior centers. This funding swap results in cuts to social service programs and a reduction in state support for child care. We urge the legislature to reject replacing state general fund support for child care with Title XX federal funds.

Second, the federal Child Care Development Block Grant (CCDBG) was reauthorized in 2014 and included several new requirements, many of which are focused on child safety, such as background checks and training for informal child care providers. Last year, the state estimated this cost to be about $90 million and sought a three-year federal waiver to delay implementation. The State received a one-year waiver for most of its requests. This waiver is due to expire this fiscal year and the State is now estimating a cost of $56 million. We urge the legislature to negotiate a budget that enables the state to implement new federal block grant requirements without passing costs onto providers and/or cutting subsidies.

And finally, the State must expand capacity to serve more low-income children in subsidized child care programs. Currently, the State is only serving a small fraction of those who are eligible. We urge the legislature to negotiate a budget that invests an additional $100 million to expand access to quality child care.

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FAMILY HOMELESSNESS

CCC is grateful that Governor Cuomo’s State of the State Address acknowledged the record number of homeless families throughout the State and in New York City. Today in NYC, over 13,000 families with nearly 24,000 children are living in homeless shelters. Addressing family homelessness in New York City will require the State and the City to be partners.

While there are several Executive Budget proposals CCC supports that are aimed at preventing homelessness, making homeless shelters safer, and helping homeless families secure permanent housing, we were disappointed that the Budget did not go further.

First, while we were pleased to see that the Executive Budget continues last year’s $20 billion 5-year investment in affordable and supportive housing, the development of these units cannot begin until the Governor and the Legislature sign the MOU to release the funds. It is crucially important that the State Legislature and the Governor come to an agreement on the use of these funds so that they may be released and housing development can begin.

The Executive Budget and proposed Article VII bills also contain important legislation to align New York law with amended Federal McKinney Vento law to better ensure homeless children have access to school (including prekindergarten), transportation, and enrollment supports, even in the absence of certain documents. This law, and the additional $2.3 million provided for school transportation costs, are critically important supports for homeless children. We urge the legislature to support this investment and the Article VII bill aimed at helping homeless school children.

Notably, however, the Executive budget does not propose any additional funds for the maintenance or repair of existing homeless shelters, nor the development of additional shelter capacity. Appropriating additional funds for the repair and maintenance of homeless shelters is necessary to provide the basic living standards to which families are entitled.

Most importantly, despite acknowledging the continuing homelessness crisis, the Executive proposal fails to invest any additional resources to better support or expand existing rental assistance programs (such as LINC) nor new programs which could help families secure housing. CCC supports Assembly member Hevesi’s Home Stability Support proposal, which would replace existing state and local rent subsidies with a more effective payment system that promises to save millions of dollars in shelter costs. CCC strongly urges the Governor and the Legislature to include Home Stability Support in the adopted budget.

In addition to not including Home Stability Support, the Executive budget did not include any additional funding for rental assistance programs nor an increase in the shelter allowance. Should the Executive and the State Legislature not come to an agreement on the Home Stability Support, then additional funding should be made available for families at risk of homelessness or attempting to exist shelter through an increase in the shelter allowance or additional funding for rental assistance programs.

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Finally, the Executive proposal includes Article VII legislation for a renewed residential construction tax abatement program. As it is currently proposed, the tax abatement program would not efficiently incentivize the development of affordable housing. For example, the tax abatement could be used to fund the construction of high-value residential condos. Similar tax expenditures under the previous 421-a abatement have been found to be an expensive and inefficient way to fund affordable housing.\(^3\) CCC strongly urges the Legislature to negotiate a more effective and targeted tax abatement program that produces a higher number of affordable units.

**FOOD AND ECONOMIC SECURITY**

CCC appreciates the Governor’s recognition that income inequality is a tremendous issue throughout the State and it must be addressed. In New York State, 21.7% of children live in poverty.\(^4\) Millions of low wage workers are forced to choose between paying rent and buying food for their families. This includes nearly one-third of the children in New York City and approximately half of children in Binghamton, Buffalo, Rochester, and Syracuse.

Despite this persistent and growing need, this year’s budget does not provide any increase in funding for the Hunger Prevention and Nutrition Assistance Program (HPNAP). An increase in funding for HPNAP would help fill the food banks and soup kitchens that many New Yorkers rely upon to keep hunger at bay. **We urge the state to increase support for HPNAP by $15 million (for a total of $51 million).**

This past year, the Legislature passed, and the Governor signed, important legislation that will enable New York State tax filers to split their state tax refund at tax time and direct a portion into a 529-college savings account. This is a tremendous win for families throughout the State. This new law has the potential to be tremendously beneficial to all families and to low-income working families in particular as tax time is a moment when refunds give households disposable income, making tax time a critical opportunity for savings. **We urge the Legislature to amend Section 131-n of the Social Services Law to exempt 529 college savings from the asset limit test for public assistance.**

Finally, the Executive Budget proposes Article VII legislation authorizing the state to recoup 100% of lottery winnings from people who may have received public assistance in the past 10 years. We feel that this is an unnecessary and onerous burden on low-income families. **CCC urges the State Legislature to reject this proposal.** If the Legislature accepts this proposal, we urge the Legislature to ensure that there is a public awareness campaign that alerts anyone who has received public assistance of this law change so that these people will know not to buy lottery tickets.

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\(^4\) American Community Survey, Percent of Related Children Under 18 Years Below Poverty Level in the Past 12 Months. (available at [https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_15_1YR_GCT1702_ST50&prodType=table](https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_15_1YR_GCT1702_ST50&prodType=table)).
JUVENILE JUSTICE

CCC is extremely pleased that Governor Cuomo has once again proposed a comprehensive plan to raise the age of criminal responsibility in the Executive Budget. As one of only two states in the country that prosecutes all 16 and 17-year olds as adults regardless of the crime, these changes are long past due.

Notably, raising the age will not only produce better outcomes for youth but will also do a better job of protecting public safety. In fact, the Commission the Governor appointed two years ago found that implementing the range of evidence-based services for youth 16 and 17-year old would eliminate between 1,500 and 2,400 crime victimizations every five years due to the reduction in recidivism.

In New York, when a youth ages 16 or 17 is arrested, there is no parental notification, youth can waive their Miranda Rights on their own, they are housed in adult jails where they are more likely to face physical and mental abuse and commit suicide, and according to research comparing states, they are more likely to re-offend than youth of the same age who receive age-appropriate services and consequences.

Aside from New York’s statute being out of line with the rest of the country, it contradicts the brain science research about adolescents and actually jeopardizes, rather than protects, public safety. Science has proven that brains are not fully developed until young adults are 25-years old. Since it is the frontal lobe to develop last, adolescents are likely to act more impulsively and also to be more receptive to rehabilitative services. Alternatively, prosecuting children as adults has been shown to increase recidivism—thereby jeopardizing public safety while also depriving the young person of the services proven to turn young lives around.

It cannot be understated that it is critical for New York to raise the age of criminal responsibility- NOW. There are children locked up on Rikers Island while adults like us are negotiating a law to get them out. These youth are not receiving services to turn their lives around but are instead learning how to survive in a criminalized environment- like Kalief Browder who spent 3 years at Rikers for allegedly stealing a backpack before he committed suicide. There are 16 and 17 year olds arrested every day for misdemeanors who will end up with these crimes on their permanent records, which will impact their ability to be educated, get a job and secure housing for the rest of their lives. Tonight there will be a 16 or 17 year old arrested, who will not come home, and whose parents will be frantic and worried having no idea that their child is at the police station.

Youth have been waiting over 50 years- since the Family Court Act was created- for adults in New York to resolve this issue. In 1962, when the Family Court Act was passed, to create the Family Courts, New York’s Constitutional Convention decided to defer the decision about Family Court jurisdiction for 16 and 17 year olds. In the official legislative committee comment to the original Family Court Act, it reads, “This section follows existing law in limiting juvenile delinquency to persons under sixteen years of age. This decision is tentative and subject to change upon completion of a study... The Joint Legislative Committee on Court Reorganizations
plans to complete this study and submit legislation in 1963." While the study was completed in 1963, it did not come to a firm decision. Over 50 years later, the Governor of New York established a Commission to finally develop a plan to raise the age and we now stand on the precipice of finally addressing this critical issue.

CCC is a lead member of the Raise the Age NY Campaign. We believe that there are 7 core components that constitute comprehensive Raise the Age reform. We urge the Legislature to negotiate a budget with the Governor that includes the following 7 principles:

- Raise the overall age of juvenile jurisdiction to 18, which is consistent with other states.
- Ensure no youth who is 16 or 17 years old is placed in an adult jail or prison.
- Amend the law to ensure parental notification upon the arrest of a 16 or 17 year old and ensure 16 and 17 year olds are interviewed using practices employed for youth, including parental involvement prior to waiving Miranda rights.
- Better address the collateral consequences of court involvement and help youth become successful adults by sealing records and expanding YO status to age 21 and to additional non-violent crimes.
- Increase investments in the front-end diversion services that keep youth in their communities rather than incarceration. These alternative to detention, placement and incarceration services are less expensive and more effective at reducing recidivism.
- Originate as many cases of 16 and 17 year olds in Family court as possible; create Youth Parts in adult court for remaining cases, and apply the Family Court Act to as many as possible, regardless of which courthouse in which the case is heard.
- Raise the lower age of juvenile delinquency from age 7 to age 12 (except for homicide offenses, which should be raised to 10).

Passing Raise the Age legislation in this budget is critical for the youth, families and communities throughout New York State. We understand that there are no costs to the localities in the upcoming fiscal year because of the phase-in of the legislation and that the budget includes $110 million for the capital needs. We urge the Governor and the Legislature to adopt a budget that includes comprehensive raise the age legislation and ensures that both the state and the localities will have the resources necessary to effectively raise the age of criminal responsibility.

In addition to passing comprehensive legislation to raise the age of criminal responsibility, we urge the legislature to once restore $700,00 for community reinvestment (alternative to detention programs.)

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YOUTH SERVICES

Youth service programs are critical to ensuring the success of the next generation of New Yorkers. We urge the legislature to negotiate a budget that invests more in youth services.

After-school

High-quality after-school programs have been shown to increase student engagement, increase attendance, improve test scores, support students’ social-emotional development, improve physical well-being and reduce negative behaviors. Access to summer programming is equally important for youth as students lose two months of grade level equivalency over the summer months and this situation is more severe for low income students. Over half of the achievement gap between low and high income youth can be explained by unequal access to summer learning opportunities. In 2014, the RAND Corporation found that children who participated in summer programs gained, on average, between 17% and 21% of a year’s learning in math.

We are extremely pleased that the Executive Budget proposes to add $35.0 million to create 22,000 new after-school program slots in the Empire State After-School Program. These slots will be targeted at the 16 Empire State Poverty Reduction Initiative communities and are vitally needed. High quality after-school care provides constructive supervision, education, and pro-social development that boosts children’s possibility and strengthens a community’s foundation. We commend the inclusion of this new program and ask the Legislature to support this initiative.

Unfortunately, the Executive Budget did not maintain level funding for the Advantage After-school program because it did not restore the $5.0 million the Legislature added last year. Without this restoration, approximately 35 programs will lose funding and more than 3,200 students will lose access to after-school programming that provides critical constructive development. We also ask that the budget include an additional $10.5 million to return to the 2007-2008 level when Advantage served 20,000 students and to increase the rate from $1,375 per child to $1,600 (the rate used for other programs such as the new Empire State After-School program.) We urge the Legislature to negotiate a budget that increases the proposed funding for Advantage from $17.2 million to $32.8 million by restoring $5.0 million and adding $10.5 million.

CCC also urges the Legislature to negotiate a budget that restores $1.698 million for the Youth Development Program.

Summer Youth Employment Program

The Summer Youth Employment Program (SYEP) SYEP is a win-win for youth, their families, communities and the State’s economy. SYEP is an invaluable program that provides youth with summer work experience, training, income and lessons in financial literacy. Wages earned help

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to supplement family income, youth learn about budgeting and saving, and much of the earned income is spent in the local economy.

The Executive Budget proposes $36 million for SYEP, which includes a $5 million increase aimed at addressing the January 2016 minimum wage increase and serving the same number of youth. SYEP provides a uniquely positive opportunity for students to learn about and develop their careers.

The demand for SYEP far outstrips supply and there is an urgent need to expand the number of youth served. For example, last year in NYC, 139,619 youth applied for jobs through SYEP, yet only approximately 67,000 participants were able to get an SYEP job. That means over 70,000 youth in NYC were unable to win the lottery to participate in SYEP. The demand throughout the state was similarly much greater than the supply. We urge the legislature to negotiate a budget that includes a total of $44.86 million, which would require maintaining the Executive Budget proposal to add $5 million to address the minimum wage increase and investing an additional $8.6 million to enable 5,000 more young people to participate this summer.

**Runaway and Homeless Youth (RHY)**

Runaway and homeless youth services not only provide a critical safety net, they enable vulnerable youth to be safely re-united with their families, divert hundreds of youth from costly placement through the courts, keep minors in school, and provide older homeless youth the opportunity to continue their education and achieve self-sufficiency.

The Executive Budget proposes to maintain $4.8 million flat funding for Runaway and Homeless Youth, while also giving counties the option to enable youth to stay in RHY shelter facilities for longer amounts of time and to increase the age of eligibility from 21 to 24. While CCC supports the need to better serve homeless youth, including young adults up to age 24 who are not served well in the adult singles shelter system, we are concerned that these proposed system changes will clearly increase the numbers of youth eligible for RHY services without creating any additional services or beds to meet the demand/need.

First, CCC supports the Executive’s proposed Article VII legislation, which would allow municipalities to extend the time period youth can stay in RHY crisis shelters from 60 to 120 days, and in RHY transitional shelters from 18 to 24 months. Extending the length of stay will minimize the unnecessary disruption that many youths experienced when they were prematurely discharged under the previous time limits.

Without shelter beds, runaway and homeless youth must often sleep on the streets or in unsafe situations, which puts them at risk of poor mental and physical health, violence, sexual exploitation and/or human trafficking. A study by Covenant House and Fordham University demonstrates the close relationship between sex trafficking and the need for housing, finding that among the runaway and homeless youth surveyed who reported engaging in commercial sex activity, 48% indicated that a lack of a safe place to sleep was a main reason for their initial entry into prostitution or other commercial sex.¹⁰

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¹⁰ Homelessness, Survival Sex and Human Trafficking: As Experienced by the Youth of Covenant House New York City.
CCC is particularly concerned that the executive’s proposed Article VII legislation that would give counties the option to extend RHY services to young adults aged 21-24 does not include any additional funding. The existing funding is currently inadequate to meet the statewide need for RHY services for youths aged 16-21. **We urge the legislature to negotiate a budget that increases the age of eligibility for RHY services, but also includes $3.016 million for beds and services, as well as an additional $15 million over the next 3 years for capital funding for new RHY facilities.**

In addition, we have some technical changes to the Article VII legislation that we would suggest including:

- The proposed Article VII legislation conflates “runaway youth” with “homeless youth.” “Runaway” should refer to young people up to age 18 and “homeless youth” should refer to young people ages 18-21 or 18-24.
- The Article VII legislation appears to lower the age of eligibility from 16 to 14. We urge the legislature to maintain 16 as the youngest children in the RHY system.
- The Article VII legislation makes expansion to age 24 optional for counties, yet there are places in the statute that uses terms such as “shall” and “are required to.” These should be edited to say “may.”
- The legislation is internally inconsistent with regard to the length of stay in crisis shelters. The length of stay for runaway youth should remain 20 days with a possible extension. For homeless youth, the proposed 120 days is ideal.
- The proposed legislation adds additional lawyers of decision-making and circumstances to justify extensions. We urge the legislature to remove this language as it is unnecessary and unduly burdensome.

**THE HUMAN SERVICE SECTOR**

The human service sector is a critical component of the fabric of New York. Children and families throughout the state rely on these services; yet, many of these programs are struggling themselves due to years of under-investment. We urge the legislature to work with the Governor to ensure the human service sector can remain strong in these uncertain times, have the resources needed to provide high-quality services, and have the funding to increase the minimum wage.

Finally, we are deeply concerned that there is contingency language throughout the Executive Budget indicating that if there are reductions in Federal Aid, the state Budget Director can reduce local assistance payments. This would remove the Legislature from decision-making about potential budget cuts and leaves localities and providers with an uncertain future. It is critical that New Yorkers know they can rely on the New York government, regardless of what happens at the federal level. We urge the legislature to reject this language in all areas of the budget.

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Thank you for this opportunity to testify.