



**New York State
Office of Children & Family Services**

**Commissioner Gladys Carrión, Esq.
Testimony to the New York State Legislature's Joint Budget Committee
Wednesday, February 10, 2010**

Thank you Chairmen Kruger and Farrell and distinguished members of the Legislature for providing me with this opportunity today to speak with you about the Office of Children and Family Services' 2010-11 Executive Budget and its impact on the programs and services we provide. I would also like to use this opportunity to update you on significant upcoming challenges.

In the face of an \$8.2 billion budget deficit, and long term structural challenges, the 2010-11 Executive Budget contains some very difficult choices in each and every program area. Governor Paterson's leadership in addressing the State's financial problems head on and putting the State on the road to fiscal and economic recovery is consistent with the outstanding leadership he has demonstrated since he became Governor. The proposed Executive Budget recommends statutory mandate relief proposals for providers and local government, structural budget changes, and the maximization of federal funds. Despite the worst economic period since the Great Depression, the proposed budget provides needed support for core services.

The OCFS budget will: continue uncapped and uncut support for critical child welfare services and functions, provide funding to address serious problems, authorize an important new kinship/guardianship program, provide new mandate relief for our local partners and authorize utilization of technology to deliver benefits and services more efficiently. Finally, there are significant difficult decisions especially to those programs previously supported with Federal TANF funding.

As you are likely all aware I have been championing a juvenile justice reform agenda since my arrival at OCFS to transform our system from a correctional to a therapeutic model. The type of youth in our system with serious mental health and other treatment complexities has increased dramatically in the past few years and greatly challenges the existing facility treatment program. The Governor's Juvenile Justice Task Force chaired by President Jeremy Travis of John Jay College reviewed our residential and community based system and recommended a series of reforms be undertaken which are consistent with many of my professional judgments. In addition, after spending time visiting, reviewing records, interviewing staff and youth and monitoring four selected facilities, the United States Department of Justice issued a findings letter in August 2009 which mandates the State to reform and enhance services for youngsters in State operated residential facilities. The letter requires swift and urgent actions by the agency with regard to protection from harm, provision of mental health services, independent investigation, and safety issues.

Based on the recommendations of the Task Force as well as what we believe will be necessary to address issues related to the Department of Justice investigation, coupled with a profound recognition of a need to improve our care and treatment, the 2010-11 Executive Budget includes a critical investment

of an additional \$18.2 million in the system to include 169 new permanent positions for the juvenile justice division. This includes funds for 13 community re-entry positions. The agency is developing a multi year strategic plan to undertake significant improvement efforts by adding resources to phase in a new comprehensive strength-based, treatment model entitled the New York Model. The plan also boosts critical direct care staffing and provides for the retraining of existing staff and supports changes in the operation of our residential system. All of this is, of course, subject to DoJ approval.

We continue to experience a reduction in the number of youth placed in OCFS facilities by family court judges. This is due in large part to the successful efforts by local social services districts and juvenile probation departments, including NYC, Onondaga, Seneca and Westchester counties, in utilizing alternatives to residential care that divert youth to community-based programs and to Family Court judges relying less on placement in OCFS facilities.

In addition, the Executive Budget, consistent with the Juvenile Justice Task Force recommendations, continues the rightsizing of residential facilities to reduce unneeded bed capacity by eliminating 180 beds and 251 permanent positions. The reduction of Lansing Residential Center from 50 to 25 beds, the combination of the Annsville and Taberg residential facilities into one 25 bed program and the reduction of the Tryon Boys program will save more than \$14.6 million when fully annualized in 2011-12. As statutorily required, the staff at these three facilities will have one full year to be placed in other OCFS or other state facilities. OCFS will make every effort to place all impacted staff in alternative jobs and minimize the potential for layoffs. Even with the reduction of these beds the State youth residential program will be at approximately 75% of capacity and still retain the ability to expand if necessary. These rightsizing efforts will not impact program or community safety.

There are a number of extremely important and large resource commitments in the area of child welfare services. Child welfare services financing will continue to provide open-ended entitlement funding to support preventive and child protective services at the reimbursement rate of 63.7% state share projected to total \$701.9 million, an increase of \$77.2 million. This is a critical investment in making essential services provided by our local social service districts and private not for profit organizations, available.

The Foster Care Block Grant is recommended to remain at the \$436 million level and will continue to provide counties with a clear incentive for reducing the number of children in foster care while better meeting the needs of children in care. Under the Block Grant, as in the past, any savings realized may be reinvested the following year in locally designed child welfare and foster care prevention and aftercare services.

An important new initiative included in the Executive Budget is the inclusion of legislation for a new kinship guardianship assistance program. The funding for this program will be supported by the Foster Care Block Grant. Consistent with recently enacted Federal legislation, our proposal would provide a new permanency option for children who have been in foster care with a relative guardian. Elements of the plan include:

- Requirement that the child be in foster care at least six months with the prospective relative guardian;
- Determination by the local social services district that kinship guardianship is in the best interest of the child.
- Return home and adoption are not appropriate goals for the child;

- Child demonstrates a strong attachment to the prospective guardian and the guardian has a long term commitment to the child;
- Written agreements entered into with Local Social Services District; and
- New kinship guardianship assistance payments at the same level as adoption subsidy level

National research has demonstrated that the implementation of the new kinship guardianship program and permanency option can yield cost savings and promote long term family stability in contrast to out of home placement. In the design of this legislation, we have consulted with national experts. I look forward to having a more complete discussion of this important new option with you and your staffs during the upcoming Legislative review process.

A continuing challenge to all New Yorkers is the ability to adequately provide adoption services so that vulnerable children may be able to secure the permanency in families that they so richly deserve. To that end, Governor Paterson has recommended \$210.1 million for adoption subsidies, an increase of \$4.1 million to support the current growth of the adoption subsidy caseload.

The Executive Budget recommends \$72.49 million, an increase of more than \$41 million, to provide Medicaid services for the neediest children in foster care. The Bridges to Health Program (B2H) improves the foster care system's capacity to meet the children's mental health, developmental and medical needs in order to keep more children in family-based care rather than higher level institutional programs. For 2010-11, the program will continue expansion to its full operating level of 3,305 slots. The last year of the program's phase-in will allow OCFS, along with its partners the Health Care Integration Agencies and local social services districts, to expand the program to currently unserved regions of the State.

With your concurrence and ongoing support, we have made serious progress in reforming CONNECTIONS. As a former user, I know first-hand its impacts upon the front-line caseworker. I am pleased to report that the CONNECTIONS transformation effort has made major steps forward in the past year. We have utilized the previously enacted bond funding to purchase and begin replacement of aging hardware infrastructure. Our business and technical teams have implemented changes and continue to work on and devise important improvements to the existing CONNECTIONS software geared to enhance the caseworker experience. In addition, we are rapidly proceeding toward the next transformational component, a web-style system.

The Executive Budget provides an additional \$19 million in bond financed funds to continue the needed support of our activities related to the ongoing modernization of the system. CONNECTIONS is vital to delivering child welfare services to the children and families of our state. With these funds, we will build upon the transformation successes and will provide an application that is easier to navigate; will be more efficient to use; and will provide information exchange capability with external partners, such as the courts and medical providers. By promoting continued improvement in the efficiency of child welfare case management, local caseworker staff will have more time to spend with children and families in need of assistance.

Turning to child care, total funding to support child care subsidies and quality activities has been recommended at last year's level of \$901.2 million. State support reflects an increase of \$1.8 million to offset a similar decrease in federal support. Significantly, the Executive Budget "lines out" support for child cares TANF at last year's level rather than including funding in the Flexible Fund for Family Services.

Last year, New York State received an ARRA funding allocation which added more than \$48 million in quality activities and subsidies for each of two Federal fiscal years and permitted the State to stabilize funding to local Social Services Districts. We are currently working with the Governor's DC Office to support President Obama's recent call for another increase in Federal child care funds. The President proposed an additional \$1.6 billion in child care funds effective October 1, 2011.

As you may remember, there is an Executive Order authorizing union representation of home-based child care providers in New York State. After discussions with union representatives from the United Federation of Teachers (UFT) and the Civil Service Employees Association (CSEA) to implement the provisions in the Executive Order, we are pleased to announce that an agreement has been reached with each of these two unions. This budget includes specific appropriations to support these agreements. In addition, legislation is being recommended to authorize the unions representing home based child care providers to collect fair share payments from providers who choose not to join.

OCFS is continuing to develop QUALITYstarsNY, a comprehensive initiative to ensure that our young children – the 1.5 million New Yorkers under age six – have the opportunity for high quality early learning experiences. This progress was made thanks to the unprecedented collaboration with the diverse stakeholders in the system of early care and education. Child care providers, advocacy groups, child care resource and referral agencies, union representatives from CSEA and UFT, the NYS Education Department and the Council on Children and Families – all contributed to the creation of standards that define levels of quality for this new initiative. Pilot work is beginning to be implemented in this area.

In addition, OCFS has recently released a Request for Proposal which will start the process for the development of a statewide time and attendance tracking system. Funded utilizing ARRA support, the new system will provide greater effectiveness, consistency, fraud prevention and efficiency in overseeing child care service across the State. We anticipate having created the new system and expending the funds by the Federal deadline of September 30, 2011.

The Governor's Executive Budget also proposes a series of mandate relief and technology initiatives that were developed with the input of local social services districts and represent many initiatives to operate government more effectively and efficiently. Included in the Article VII proposals are:

- Permit county planning activities to be better synchronized and streamlined;
- Reform the current process of court ordered investigations that impacts how local social services are able to prioritize investigatory efforts;
- Authorizes the use of electronic benefits for adoption and foster care payments reducing monthly mailing out of checks; and
- Provides authorization for courts to allow electronic testimony of youth, witnesses and respondents in certain family court proceedings assuming family court agreement; thereby reducing travel time and costs.

In addition to these efforts, we will be exploring a series of regulatory changes including efforts to:

- Reduce duplicative day care regulations;
- Allow municipalities to reorganize youth bureaus where desirable;
- Ease caseworker contact requirements by allowing parent advocate contact to count toward regulatory contacts; and

- Permit districts to send back to the Statewide Central Register cases incorrectly assigned to them.

The Budget also contains extremely difficult choices regarding elimination of Federal TANF funding for various services and programs. While the affected programs are of value, the reductions are necessary due to the increased use of TANF funds to support the growth of the temporary assistance caseload. In addition, there were a series of other recommendations for elimination or reduction. These decisions were difficult, but necessary in order to preserve funding for our most central obligations. The 2010-11 Executive Budget also provides increases for detention, youth services, and targeted prevention programs.

OCFS continues to decrease its use of temporary staff. We are keenly aware of costs associated with temp staff. We utilize medical temp staff, including nurses and physician's assistants, when necessary to provide for the safety and physical well being of the youth we serve.

Let me focus on the rights and accomplishments of our young people. I would be remiss if I did not share with you today some of the successes that have been achieved by youth in our care and other system-wide changes that will impact the quality of life of New York's children and families.

The Office of the Ombudsman continues to dedicate its staff resources to better improve services to youth. Staff has been strategically deployed throughout the state in Rensselaer, New Windsor, New York City, Buffalo and Syracuse. This regional placement enables ombudsmen to gain familiarity with the residents in a specific facility, as well as the issues raised by the youth in residential care. OCFS has been proactive in its interaction with residents, making over 233 facility visits in 2009. The total number of new cases opened in 2009 was 5,675 as compared to 4,630 in 2008. The Office of the Ombudsman has also established an informational web page that provides quarterly statistics and contact information.

In recognition of the importance of continuing education and how it can assist youth in making a successful transition into adulthood and the workplace, OCFS has collaborated with various community colleges and post-secondary institutions to provide our youth opportunities to take college courses and earn credits toward a college degree. The college coursework is designed so that the offerings meet the requirements of State University of New York institutions, which require academically rigorous and comprehensive standards. In 2009 98 youth were enrolled in 6 different courses. Fifty-five % of the grades were A's and B's. Four young men have already earned 12 college credits. This initiative is predicated upon our strong belief that post-secondary education provides youth more opportunities to enter the workforce with marketable skills. We will continue to pursue educational improvements including working with the State Education Department to remove barriers to academic success. We appreciate your help and advocacy on these issues.

In addition, we made effective use of federal summer youth stimulus funds to create job training opportunities for our youth in residential and community based care during the past summer. We provided skills based jobs for over 400 OCFS youth and 556 foster care youth in the summer of 2009. This partnership with the State Department of Labor was a major breakthrough. These programs provided valuable job preparation and training skills for our future workforce.

Despite the difficult economic times, I want to update you on the status of several innovations we are undertaking in the agency to support improved local practice.

We have been working very closely with the Administration for Children's Services (ACS) on Improved Outcomes for Children (IOC) initiative for several years. IOC is an innovative approach to working with families utilizing the nationally recognized family team conference technique; thereby speeding decision-making and ensuring families are engaged and actively participating in their child's future. It has been clear to all involved that the practice changes that were being proposed have the potential to significantly improve families' lives if implemented well.

In 2007, legislation was enacted that put NYS on par with 30 other states in allowing for an alternative Child Protective Service response, called the Family Assessment Response Program, which utilizes a non investigatory decision-making and engagement approach to working with reported families. It is a promising technique for addressing certain alleged child protective reports in a more family-engaging and service oriented manner. Family Assessment Response focuses on assessing families' needs and providing supports and does not require a determination as in a traditional CPS investigation. New York State has joined over 30 states in implementing an alternative, non-investigatory response. Also known as dual track or differential response, the focus is on assessing families' needs and providing supports and does not require a determination as in a traditional child protective service investigation. Fourteen counties (Onondaga, Westchester, Tompkins, Orange, Chautauqua, Erie, Suffolk, Washington, Essex, St. Regis, Columbia, Chemung, Cattaraugus and Allegany) have begun working with families in this way. Five additional counties will begin training and implementation in 2010. While the initiative is still in the early phase of implementation, reports from the counties are very positive. Caseworkers indicate that families have been very receptive to the alternative approach and that they, as caseworkers, are experiencing a real sense of satisfaction in engaging families in this manner.

Also, OCFS is replicating an innovative human services casework model used in Massachusetts called the Teaming-Model, whereby case decisions are made through a group supervision process. The goal is to lessen caseworker isolation and burnout, enhance the quality of decision-making and increase responsiveness of services to families. To date, seventeen counties are receiving training in this model, with a plan to expand the training to additional counties. Despite the difficult economic times, we are still supporting innovation.

I am also pleased to report that the Commission for the Blind and Visually Handicapped (CBVH) staff and its community partners who provide vision rehabilitation services, supported over 330 state residents, who are legally blind, to find or maintain employment. Commission consumers have found meaningful employment opportunities as social workers, nurses, ministers, attorneys, customer service representatives and custodians. The continuing economic challenges we confront have not deterred the Commission from setting even higher goals for this year, including a thirteen percent increase in employment for those on the Commission's caseloads. The Commission received three American Recovery and Reinvestment Act (ARRA) grant awards totaling \$6.5M, which will help us meet that goal. We are confident that, with exciting new plans, including expansion of services into minority and underserved communities and federal stimulus funding projected to develop as many as 160 new employment opportunities over the next two years. The Commission and its consumers will continue to have even more opportunities for gainful employment and independence this year.

In closing, I appreciate the opportunity to speak with you today. The times are difficult. I welcome, however, the opportunity to work with you and your staff to discuss the specifics of the proposed budget and mandate relief actions. Working together, despite the tough fiscal times, we can make improvements on behalf of all children, families, and vulnerable adults. Thank you.