



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

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Testimony to the New York State Legislature's Joint Budget Committee
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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' 2009-10 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 accomplishments over the past year.

In the face of arguably one of the worst economic crises in recent times, I am pleased to say that the 2009-10 Executive Budget continues our juvenile justice reform agenda and includes Article VII Legislation which extends Child Welfare Services Financing for three years through June 30, 2012. This program includes a state share increase of \$17million for a total of \$1.3 billion. The Article VII language would extend Child Welfare Services, open-ended entitlement funding, the Foster Care Block Grant, and the Child Welfare Enhancement Fund. 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.

However, in order to preserve critical and vital child welfare services, including child protective and mandated preventive services, the budget recommends the elimination of \$34 million in reimbursement for Community Optional Preventive Services (COPS) currently funding services in 34 counties. Community Optional Preventive Services projects will need to be redesigned to meet mandated preventive program requirements, merged with other programs, or transitioned to local or private funding streams. The child welfare extension will still allow COPS programs to operate at local option without having to meet uniform case record reporting requirements.

The Foster Care Block Grant is recommended at \$434 million 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.

I am pleased to report that we have continued to sustain reductions in the number of children in foster care. Currently, there are approximately 26,199 children (as of December 31, 2008) in foster care compared to 26,896 on December 31, 2007. We are closely monitoring trends in foster care and child protective services based on the economic conditions. Our goal is to place children in the most integrated and least restrictive setting and to continue to work towards timely permanency. Efforts are also directed at preventing the removal of children from their homes by providing services that support the family in keeping children safe and meeting their needs. In this regard, we have several innovative programs such as Family Assessment Response, Improved Outcomes for Children, and Bridges to

Health to support improved outcomes that will continue in the next fiscal year. I will discuss these initiatives later in my testimony.

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 \$228 million for adoption subsidies, an increase of \$5.7 million to support the current growth of the adoption subsidy caseload.

In our continuing efforts to enhance federal revenue streams, Article VII legislation has been introduced to allow local district eligibility specialists to access the Department of Taxation and Finance's wage reporting system to assist in Title IV-E eligibility determinations for foster care and adoption assistance. The information will not be used for non-eligibility purposes.

The availability of this income data will allow local districts to increase their receipt of federal revenues by having additional cases that become federally eligible and by expediting the timeframes for determining eligibility. Accessing additional federal revenues will reduce the state and local shares for foster care and adoption assistance, which in turn should result in the availability of greater resources to serve children. The availability of wage reporting data for foster and adoptive children is projected to generate approximately \$6-7 million in additional federal revenue on an annual basis.

The Executive Budget proposal continues our commitment to providing 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. Today, 307 children are receiving B2H Medicaid Waiver Services and by March 31, 2009 there will be 610 children receiving these critical services. These services are initiated while the child is in foster care but can be continued once the child returns home, or is adopted, to facilitate continuity of care. For 2009-10, the 610 Medicaid Waiver slots will be continued at the same level. By 2011-12, the program will resume expansion to its full operating level of 3,305 slots. The delay in the phase-in will allow OCFS, along with its partners at the Health Care Integration Agencies and in local social services districts, to focus more intensively on program quality factors.

Last year I shared our plans to fix 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 continues in the next fiscal year with a continued focus on the caseworker as the customer. Significant progress has been made toward that goal in the current year in partnership with the counties and voluntary agencies. Our business and technical teams implemented approximately 300 changes and improvements to the CONNECTIONS software geared to enhance the caseworker experience. In addition, technical design work has been completed to specify the new hardware and systems software necessary for the next transformational component, a web-style system.

A web-style Proof of Concept demonstration has been successfully completed and a mock-up of a web-style interface has been presented to 15 local districts, voluntary agencies, and other stakeholders. The positive feedback from those sessions has provided me with the grass roots confirmation of my direction which I sought when I told you last year CONNECTIONS was going to be fixed. We would be glad to share the Proof of Concept with you and your staff.

We are approaching the final stages of activities related to the bond funds you authorized in the 2008-09 Budget. These monies will be used to purchase the hardware, software and services necessary

for our caseworkers to have a web-like CONNECTIONS experience in fiscal year 2009-10. Your continued support is vital in delivering child welfare services to the children and families of our state.

Turning to child care, state funding to support child care subsidies and quality activities has been recommended at last year's level. In contrast, the federal government has not kept pace with our needs. Over the past three years, the federal government has reduced child care funding to New York State by a total of \$14 million. Also, last year's resources included some one-time only funds of approximately \$14 million. We need our state and federal partners to help bring additional federal funds to New York State so we can continue and potentially expand child subsidies to families transitioning from public assistance and low income families.

To support the provision of subsidized child care, we are working with the Governor's DC Office to advocate for the inclusion of child care funds in the potential stimulus program under development by the new administration. We are looking to form a unified child care coalition with local county governments, unions, providers, and families to seek additional funds for low income families. We would appreciate your support and advocacy in these efforts.

As you may remember, there is an Executive Order authorizing union representation of home-based child care providers in New York State. In February of 2008, we began meeting 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 a great deal of progress has been made through our ongoing discussions with these two unions. Some immediate improvements include making our website more user-friendly; refining the process of conducting inspections; reviewing our child care regulation to propose revisions in the near future; understanding child care providers' needs and issues around insurance; and bringing more distanced learning opportunities for training to child care providers. We expect to reach agreement in the next few months on those items that have no fiscal impact on the State or the counties.

In 2008, OCFS made significant progress in developing 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.

The 2009-10 Executive Budget also implements significant change in the way that local detention and juvenile delinquency prevention programs are funded. The budget establishes the Youth Programs Block Grant, which consolidates six separate funding streams including Secure/Non-Secure Detention Programs, Youth Development and Delinquency Programs, Special Delinquency Prevention Programs, Runaway and Homeless Youth Programs, Alternatives to Detention Programs, and Alternatives to Residential Placement Programs. This block grant is intended to provide localities with greater flexibility in funding youth programs based on local priorities and needs. Funding of \$90 million is recommended for the creation of this new block grant.

The block grant provisions eliminate the previous local matching requirement that existed in some of these programs and also eliminates the open-ended funding for detention services. Despite the difficult, but necessary reduction in overall funding, it provides for local level flexibility in responding to the highest areas of need and promotes administrative efficiency. Chief elected officials at the local level will be able to craft short and long term strategies to respond to the safety needs of troubled youth

and invest in those prevention and development activities determined by local governments to be most needed by the young people in their counties.

The transformation of New York State's juvenile justice system remains a major priority. In September 2008, Governor Paterson announced the creation of a Task Force to Transform Juvenile Justice, which is comprised of national, state and local experts who will guide and inform our critical work to redesign our juvenile justice system. The Task Force work has already begun focusing on:

- o Early interventions at initial arrest
- o Alternatives to Detention and residential care
- o Re-entry to the community and return home
- o Disproportionate minority contact
- o The intersection of the child welfare and juvenile justice systems

Our juvenile correctional model is failing too many young people involved in the juvenile justice system. It is time for us to rethink our approach to addressing delinquent behavior. We need to provide rehabilitation and developmentally appropriate services in settings that are closer to their homes. Our goal is to implement real changes in the juvenile justice system that will positively impact the lives of young people and their families for years to come. The Governor's Task Force will play a leadership role in designing a blueprint for the transformation of the juvenile justice system so that it provides our most vulnerable children with the help they need.

This year's budget reflects your support for right-sizing five of OCFS's underutilized residential programs generating a savings of \$5.5 million in 2009-10. We have completed an orderly close-down process and have been working with Empire State Development Corporation, Office of General Services, and local communities to support the re-use of the facilities. The closures allowed reinvestment into educational and aftercare services.

Despite the reduction in beds, 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. Just last week, we experienced an all time low of approximately 1,000 youth in OCFS facilities.

In an effort to continue to right-size the system to reflect this low utilization rate, the Executive Budget proposes closing the Cattaraugus, Great Valley and Adirondack Residential facilities, as well as the three evening reporting centers located in Albany, Buffalo and Syracuse. In addition, Tryon Residential Center in Johnstown and Allen Residential Center in S. Kortright will be down-sized by 50 beds and 15 beds respectively. The Pyramid Reception Center function will be moved to the Ella McQueen site in Brooklyn. We also will close the Syracuse and Rochester group homes. These proposed closings and reductions will result in a cutback of 255 full-time equivalent positions and yield a decrease of 204 beds and 30 slots in our evening reporting centers.

These actions, in conjunction with the down-sizings and closings completed in the current fiscal year, will assist in addressing the large number of vacant beds in the OCFS residential care system where we are operating at only 67% of capacity. This low utilization translates to additional costs to the local districts which pay 50% of the costs of residential care. The proposed closings and down-sizings will result in \$12.4 million in savings in 2009-10, growing to \$17.8 million annually in 2010-11. As I

have said before, we must focus our efforts on reforming the residential care system and stop funding outdated and unnecessary residential programs that take youth away from their families and the communities where they will eventually return. I appreciate your support and candid and constructive conversations on the issues.

Let me focus on the rights of our young people. 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. The office has been proactive in its interaction with residents, making over 300 facility visits in 2008. The total number of new cases opened in 2008 was 4,622. The Office of the Ombudsman has also established an informational web page that provides quarterly statistics and contact information. In 2008, services provided by the Office of the Ombudsman were expanded to OCFS residents in voluntary agencies. Finally, the Independent Review Board (IRB) was reconstituted and currently has 26 members. It held six regular meetings since October 2007, and the next full meeting is scheduled for January 15, 2009. The ongoing oversight of agency operations by members of the community provides an important vehicle for outside input.

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.

This past Election Day was a significant day for kids in OCFS facilities since 58 youth in care who were 18 years of age, voted for the first time, in the presidential and statewide elections.

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. So far, 80 grades have been earned by 51 different youth and 75% of the grades earned have been a B- or better and four young men have already earned 12 college credits. For this spring semester, over 30 youth are registered to participate in classes. 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.

It is these perilous economic times that force us to make choices that are extremely difficult. Accordingly, several contract programs that provide non-mandated services sponsored by OCFS are being reduced or eliminated. Given the state's fiscal challenges, these actions are necessary to preserve funding for core mandated programs.

The Advantage After-School Program, Home Visiting, Hoyt Children and Family Trust Fund programs are recommended for funding at the seventy-five percent level. The Kinship program is funded at fifty percent of the prior year level. Despite these cuts, these important contract programs will continue to provide much needed high quality services to support children and families in their communities, although at a reduced funding level.

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. Since our initial discussions with ACS, it has been clear to all involved that the practice changes that were being proposed had the potential to significantly improve families' lives if implemented well.

ACS has implemented the first phase of the initiative. All of the Phase I agencies report positive improvements associated with the changes in practice and decision-making authority. While there are concerns about financing for the future, ACS and the provider agencies are uniform in their desire to move forward with Phase II.

In 2007, legislation was enacted that allowed 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. New York State has joined over 30 states in implementing an alternative, non-investigatory response to certain Child Protective Services reports. 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 CPS investigation. Four counties (Onondaga, Westchester, Tompkins and Orange) have begun working with families in this way with Chautauqua and Erie counties scheduled to implement the initiative in the first quarter of 2009. Eight additional counties (Suffolk, Washington, Essex, St. Regis, Columbia, Chemung, Cattaraugus and Allegany) have expressed interest in implementing FAR. While the initiative is in an 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, eight counties have received training in this model, with a plan to expand the training to additional counties in 2009. Despite the difficult economic times, innovation can be supported.

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 402 legally blind state residents to find or maintain employment. This increase of more than three percent from the year before represents the third consecutive year that the Commission has bolstered its productivity in this key result area while continuing its compliance with federal standards and indicators. The types of meaningful employment opportunities found by Commission consumers are varied and include 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 three percent increase in employment for those on the Commission's caseloads. We are confident that, with exciting new plans, including expansion of

services into minority and underserved communities, the Commission and its consumers will continue to see even more opportunities for gainful employment and independence this year.

As you know, the Office of National and Community Service is supported with state and federal funds to initiate, improve or expand volunteer services as a strategy for addressing national and community needs. Funding has been increased by \$500,000 to expand the capacity of existing Regional Volunteer Centers and to create up to three new centers across the state where service gaps exist. In this difficult economic period, we all need to give back to our communities.

In closing, I appreciate the opportunity to speak with you today. The times are difficult; however, we cannot waste the opportunity of an economic crisis to achieve change and better improvements. I look forward to working closely with you and answering all of your questions. Thank you.