6

COFCCA

Leadership, Voice and Vision for Child Welfare in New York State

Council of Family and Child Caring Agencies

Testimony Presented by

James F. Purcell, CEO

Before the

Assembly Ways and Means and Senate Finance Committees

Joint Legislative Hearing

February 4, 2015

Good afternoon, my name is Jim Purcell and I am the CEO of the Council of Family and Child Caring Agencies (COFCCA). We represent over 100 not-for-profit organizations providing foster care, adoption, family preservation, juvenile justice, and special education services in New York State. On behalf of our member agencies, the nearly 51,000 employees that they employ all across New York State, and the tens of thousands of children and families that our agencies serve, we thank Chairmen DeFrancisco and Farrell for the opportunity to testify before you today.

In the fall, COFCCA held eight regional advocacy roundtables, which many of your colleagues in the Assembly and in the Senate attended, focused on children in foster care. Our goal was and continues to be raising awareness about the children in our foster care system and the voluntary not-for-profit agencies that care for them.

Every year, I come and testify on behalf of the COFCCA agencies and encourage the Legislature to support or restore funding for critical programs and services. While all of these programs and services are extremely important, I have been remiss in not focusing on funding for foster care which is established via an administrative process between the OCFS and the Division of Budget. Foster care rates have been flat for six years. As I will discuss in greater detail, the foster care system cannot continue to exist under flat rates. The Governor and the Division of Budget have essentially turned off our ability to access any new funding which is resulting in our agencies not only being fiscally stressed but requiring more from the dedicated employees who care for children in foster care.

This year, COFCCA advocated for a 3% increase in foster care rates, which would cost the state approximately $20 million. We asked the Governor's office and the Division of Budget to include this funding in the Executive Budget and also advocated that the local share be fully funded. As we anticipated, the Executive Budget did not include additional funding for foster care and I am here today with the hopes COFCCA can partner with members of the

Legislature to raise awareness of the issues facing the foster care system but, more importantly, to find a way to financially support the care provided to children in the foster care system.

COFCCACares4Kids

Our advocacy agenda for 2015-16, COFCCA Cares 4 Kids, is a result of the regional roundtables we held during the fall, and includes a set of recommendations for improving and strengthening safety, permanency, and well-being outcomes, as well as service delivery and provision for the children and families we serve in the foster care system.

First, we thank the Legislature for your support last year in achieving a Human Services Cost of Living Adjustment, or COLA, for direct care workers. We welcome last year's and this year's proposed COLA as a first step in beginning to fund more realistic wages for our front line staff—wages on which they can reasonably support their own families, pay their student loans, and see a future in their careers helping these children and their families. While we support funding for the COLA, we will continue to focus and advocate for a longer term solution which involves increased funding through the foster care rate system. An annual COLA is appreciated and has provided relief but it does not resolve the operational issues created after 6 years of flat rates.

We support and welcome the Governor's commitment to raising the age of criminal responsibility in our state to 18 with a multi-year phase in process, which we hope will allow for a smooth transition. This will be a very complicated and nuanced process which, as the Final Report of the Governor's Commission on Youth, Public Safety, and Justice outlines, will require significant changes in the courts, in the delivery of community services, and changes for those youths who will require some sort of residential placement. It is too early for us to assess the impacts on the nonprofit agencies, but we look forward to working with our state agency partners and with the legislature in this effort and please think of us as a resource as you examine the Executive's budget proposal.

Current Child Welfare Concerns

Supporting Children in the Foster Care System

The nonprofit agencies on which the state and counties depend to provide foster care to about 85% of the children in care are broke. They have stretched themselves to survive years of flat funding; however, years of operating in a constrained fiscal environment has forced them to make many difficult decisions—decisions which affect the dedicated and hard-working professionals providing services: reductions to wages and/or fringe benefits, delayed capital investments, and higher caseloads, to name a few. Indeed last year the average starting salary for our child care workers was $24, 314, and for caseworkers with bachelor degrees it was $33, 225. With these very low salaries and average fringe benefits ratios to salaries in our not-for-profit child welfare agencies of 26 percent (as compared to a ratio of over 50 percent on state and county employees) it should come as no surprise that our workforce **has a turnover rate over 30%.** The effect that this high turnover rate has on children and families needing the support of their workers is devastating; to children who experience the loss of their worker to another job that will pay more or offer increased benefits, it feels like one more adult who has abandoned them in their lives. When a new worker takes on a case after a staff turnover has occurred, it takes the worker some time to reestablish trust and confidence with the youth and their family. It is in the best interests of the children and families that we serve to stabilize this workforce by injecting necessary funding into the system.

Consistent with our original request to the Governor, we recommend an investment of $20 million for Workforce Investment, Infrastructure, and Quality Assurance in child welfare agencies. While our long-term solution is an increase to the foster care rates, we hope the Legislature will support this recommendation and provide some relief after 6 years with no funding increases. During this time period, the costs of doing business have increased, of course, along with the overall CPI. Food, heating fuel, health insurance of staff, and virtually all costs have gone up. Without any support for these increased costs, agencies have been forced to make critical decisions: they have not raised salaries in most instances, have increased the employee costs of health insurance, reduced staffing, trimmed administrative costs, and deferred maintenance, including in the living units of the children in residential facilities and in all agency buildings.

We recently had an NYU faculty member who did our 2006-2010 landmark analysis of all the nonprofit child welfare agencies update the report for 2012. It clearly reflects the very grim financial status of these agencies. Out of our 100+ member agencies:

- Only five of them have endowments that could be called "significant" (over $5 million), while 32 percent do not have endowments at all.
- Most are operating at deficits.
- Over the past 6 years, these agencies have subsidized their government contracts by $330 million above what the state and counties pay to support these children - who are in your legal custody.

The cupboard is empty. This gap that exists between available funding and the funding actually required to provide state-mandated services simply cannot continue without threatening the very existence of these agencies. If government agencies were to take on this work, the costs would be very much higher, as reflected in the costs of operating facilities and programs in state agencies versus the rates paid to private agencies.

While this year's 2% COLA is a welcome investment in our human services workforce, we see this as only a first step in beginning to fund the sector again. The COLA will not fix the structural problems outlined above. It is simply not enough to undo the damage of multiple years of funding freezes. This infusion of funds would at least allow each agency to address its most pressing concerns related to the safety and well-being of the children in their care.

Nonprofit Capital Investment

We are encouraged by the Governor's recognition of the nonprofit sector's need to invest in capital projects, including technology improvements and renovations to the physical plant for direct program services. Because the nonprofit sector has lived through so many years without an injection of new funding while at the same time the demand for services has only increased, we strongly recommend that this funding be expanded. **We urge the legislature to fund the $550 million proposal the nonprofit provider community has proposed to the Governor.** These would be one-time expenses funded from the $5.2 Billion in banking settlements and would support nonprofit infrastructure, technology, and business investments, as well as capitalizing the existing State loan fund for nonprofits.

Transitioning Children in Foster Care to Medicaid Managed Care

As the state prepares to transition children in foster care to Medicaid Managed Care as of January 2016, our sector sees the opportunity to improve children's access to quality medical and behavioral health care. The agencies supporting our children and youths in foster care, however, must invest in critical components in order to make a smooth transition into Medicaid Managed Care, including investments in technology and electronic health records which will be necessary in this new environment. **The Governor has recommended $15 million in SFY 15-16 be available for foster care agencies to assist in the transition. We support this funding commitment and we look forward to continuing to partner with the state agencies to ensure that children in foster care benefit from the transition to Medicaid Managed Care.**

Post-Adoption Services

We are concerned at the lack of consistent access to post-adoption services in the state for families who have navigated the adoption process. Approximately two-thirds of adoptions come from the foster care system. We know that many families may adopt children at a young age and struggle with their adopted children's transition through adolescence, when many issues resulting from trauma manifest including behavioral difficulties. We strongly recommend that the state invest in post-adoption services—including but not limited to support groups, respite, and counseling—as a way to support families in preserving adoptions.

"Rehoming" has received quite a bit of attention in national news coverage within the past year; it is an informal transfer of physical custody process by which "unwanted" adopted children are sent to live with new guardians found informally by the adoptive parents in Internet forums, without any screening or intervention performed by official channels. Rehoming is unfortunately a reflection of the worst possible outcome that can happen if we do not provide post-adoption support: families become frustrated, desperate, and children are placed at extreme risk. Approximately 3/5 of states provide devoted annual post-adoption services budgets, while New York State does not. New York State has funded post-adoption programs and services through TANF funds first added to the budget by the legislature since 2000. These funds have been gradually reduced and now there are only three small programs continuing. Even with the available funds, these services never covered all of the counties in the state. There is no funding in the Governor's budget for them this year. **We recommend that the state invest $5 million in statewide post-adoption services and we recommend that this funding not be limited to TANF dollars, as there is a wide need for families to access these supports regardless of their income levels.**

Other Initiatives COFCCA Supports

Improving Outcomes for Youths in Foster Care

Youth in foster care historically have very low enrollment and even lower completion rates in college. Indeed, only 18-24% of college-age foster youths enroll in college in New York State, as compared to 60% of college-age students statewide overall. On a national level, studies find that only between 2-7% of foster youths successfully complete a two- or a four-year degree. New York State has a very real opportunity to improve the outcomes of youths formerly in foster care by supporting their post-secondary educational goals. These youth require support beyond simply the cost of their tuition and housing; a summer transitional program for their transition into college, ongoing academic assistance and tutoring, strong advisement programs, and year-round housing are some of the interventions that have been shown to assist foster youths in other states to remain on course academically. We support the Fostering Youth Success Alliance in urging the State to support college success for foster youths.

Safe Harbor: Services for Sexually Exploited Children and Youths

The Safe Harbor program, last year funded at $3 million thanks to the support of the Legislature, provides vital services to children and youths who are sexually exploited, and ensures that they are treated as child victims. New federal legislation passed in September 2014, "The Preventing Sex Trafficking and Strengthening Families Act," makes an explicit recognition that youth in foster care are at increased risk of becoming victims of sex trafficking. We urge the State to continue funding of direct services to victims of trafficking, including but not limited to street outreach, trauma-informed, holistic community based care and counseling, safe houses, and continued funding to counties performing important services for this population such as case management and coordination and health services and counseling.

We welcome the opportunity to continue the conversation with you on these issues and of course to be helpful to you; we are available for any assistance that you need.

2015-16 RECOMMENDATIONS:

The Council of Family and Child Caring Agencies supports:

- A $20 million investment into the foster care system through the creation of a Workforce Investment, Infrastructure, and Quality Assurance Fund.

- Expansion of the Governor's proposed $50 million investment in capital projects for nonprofit organizations.

- The recommendation in the Executive Budget allowing for $15 million to assist foster care agencies in readiness for the transition to Medicaid Managed Care.

- A strengthened commitment to funding necessary post-adoption services at $5 million for statewide coverage.

- Raising the age of criminal responsibility: we seek to be part of the effort to implement this change in the best interest of the youth, their families, and their communities.

- $2.9 million in funding to assist youths formerly in foster care in pursuing higher education. This is a request put forth by the Fostering Youth Success Alliance, of which we are proud to be a steering member.

- The continuation and expansion of funding for services devoted to supporting sexually exploited children and youths (Safe Harbor) and the continuation of the Community Reinvestment in Juvenile Justice Services