



Testimony of

Stephanie Gendell
Associate Executive Director for
Policy and Government Relations

Citizens' Committee for Children of New York, Inc.

Presented to the
New York State Senate Finance Committee and
New York State Assembly Committee on Ways and Means

Regarding the
New York State Executive Budget Proposals for
Human Services
State Fiscal Year 2016-2017

February 9, 2016

Good afternoon. My name is Stephanie Gendell and I am the Associate Executive Director for Policy and Government Relations at Citizens' Committee for Children (CCC). CCC is a 72-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 72 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 2016-2017.

CCC supports many of the Governor's new proposed investments, such as \$100 million for community schools, creating 18,000 units of supportive housing over the next 15 years, expanding prekindergarten to more 3-year olds, and creating six new mental health services for children. We were also extremely pleased to see that the Governor's budget maintains funding levels established by the legislature for runaway and homeless youth services and the Foster Youth Success Initiative.

We applaud the Governor for once again including a comprehensive and fully-funded plan to raise the age of criminal responsibility in New York. As you know, New York remains one of only two states that prosecutes all 16 and 17- year olds as adults, despite the research proving that this is detrimental both to public safety and to the young people. We urge the Legislature to negotiate a budget with the Governor that includes Raise the Age this year.

We were also pleased to see that the Governor's Executive budget includes a number of proposals that will help all New Yorkers, and particularly the low-income New Yorkers in every part of the state. Specifically we support raising the minimum wage to \$15 an hour, creating a Paid Family Leave program, and increasing poverty initiatives upstate.

On the other hand, the \$143.5 billion Executive Budget limits spending growth to 1.7%, below Governor Cuomo's own 2% threshold. While CCC believes in fiscal prudence, New York has seen recent economic growth, and this artificial cap limits the ability of the state agencies to sufficiently meet the needs of many children and their families.

CCC is disappointed that the Executive Budget fails to include funding for critical programs and services for children. For example, the budget does not include enough funding for the \$190 million child care budget hole created by new federal rules that must be implemented nor funding for contracted non-profit programs to implement the proposed minimum wage increase. Furthermore, the budget fails to include funding to expand the programs proven to produce good outcomes, such as prekindergarten for 4-year olds, , after-school programs and home-visiting programs such as Healthy Families New York and Nurse-Family Partnership. Finally, the budget

also fails to make new investments in areas that CCC has been advocating for such as creating a funding stream for primary preventive services and increasing the child welfare housing subsidy.

CCC is extremely concerned that the way that the Governor seems able to create new state-funded programs while remaining at 1.7% growth (which due to inflation translates into cuts), is by shifting nearly \$1 billion in costs to New York City. This is not fair or equitable to the residents of New York City, notably the nearly 2 million children, 1/3 of whom are living in poverty. Requiring New York City to pay for its Medicaid increases, which no other county is responsible for, and shifting 30% of the costs of CUNY to the City, is unacceptable. To accommodate these huge costs, New York City would be forced to cut programming for its residents. In recent days, the Governor has seemed to indicate that the Medicaid and CUNY proposals would not cost the City money; we hope this is true and look forward to seeing the details.

Given the state's positive budget outlook and the fact that the State's Budget needs to accommodate the needs of every county in the state, CCC urges the Legislature to negotiate a budget with the Governor that eliminates these cost shifts and invests significantly more in the programs and services that will produce good outcomes for the children and families throughout New York.

Specifically as it relates to Human Services, please consider the below as you negotiate the budget:

CHILD WELFARE

Having been alleged to be and sometimes found to be abused or neglected by their parents, children touched by the child welfare system are some of the most vulnerable children in the State. For those children who are found to be at imminent risk of harm at home with their families, a court removes them from their home and places them in the care and custody of the state and localities, making them the legal responsibility of the government. In the most recent federal Child and Family Services Review, New York was found to be in the bottom five states in performance in almost every area related to the safety, permanency and well-being of the children in the child welfare system.¹

Given how critical this system is, how much work is needed to strengthen it, and the improving economy, CCC was shocked to see that the Executive Budget makes almost no additional investments in the child welfare system, maintains reductions in the state's share for critical services, and fails to fund many of the investments made by the legislature last year. We urge the Legislature to negotiate a budget with the Governor that makes the much-needed investments needed to strengthen the child welfare system.

¹ <http://www.ocfs.state.ny.us/main/cfsr/>

Below are more details related to the steps the legislature and the Governor should take this year to strengthen the State's child welfare system:

- Restore the State's share for child welfare services back to 65% as opposed to cutting it to 62% again.
- Invest in primary preventive services (perhaps with the 3% currently cut by the Executive Budget).
- Make statutory fixes to enhance KinGAP (subsidized kinship guardianship for foster children).
- Improve 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. (A7756)
- Increase the appropriation for the Foster Youth Success Initiative to \$4.5 million, which will support more foster youth going to college.
- Amend the appropriation language for post-adoption services to ensure \$5 million is in fact ear-marked for these services.
- Increase funding for home visiting programs.
- Pass Article VII bill that implements the Preventing Sex Trafficking and Strengthening Families Act.
- Restore critical legislative supports.

Restore the State's Share for Child Welfare Services and/or Invest the 3% into Primary Preventive Services:

The backbone of New York's child welfare financing structure is open-ended state reimbursement for the services the state wants to incentivize and a capped block grant for those services the state wants to reduce county reliance on. Thus, the state provides open-ended reimbursement for services that keep children safe, prevent foster care, and signify permanency. Alternatively, there is a block grant for foster care.²

While the statute, New York State Social Service Law Section 153-k, provides for a 65% state share for the open-ended services, the state's commitment to these services has been cut to 62% since 2008-2009. Specifically, this is the state's share for prevention, protection, adoption, and independent living services.

CCC was extremely disappointed to see that the Executive Budget once again proposes to reimburse counties at 62% for child welfare services, rather than the statutory 65% level. **We urge the legislature to enact a budget that restores the state match to 65%.**

We also urge the legislature to negotiate this 3% restoration in a manner that would **require the counties to invest the additional funds in strengthening services.** Specifically, we suggest that the 3% be used to fund primary preventive services.

² The exception to this fiscal incentive arrangement is New York's new Kinship Guardianship Assistance Program (KinGAP), in which the subsidies for this permanency arrangement are currently funded by the Foster Care Block Grant and not open-ended reimbursement. As discussed in more detail, the Executive Budget proposes to again fund KinGAP through the FCBG.

Currently, to access the existing funding stream for preventive services, localities need to document that a child is at risk of entering foster care and then open up a case in the family's name. For many at-risk families, the stigma and fear associated with child protection agencies results in their disinterest in these voluntary services. Alternatively, the state and localities could invest in services targeted at high-risk families, which would not require opening a case for the family. If the state's investment was the 3% (about \$30-\$40 million), the state could be sure that the restoration was not just a cost-shift and counties could invest in the services that prevent abuse or neglect from ever occurring in the first place.

Make statutory fixes to enhance KinGAP

The Executive Budget once again proposes to fund the Kinship Guardianship Assistance Program (KinGAP or subsidized relative guardianship) through the capped Foster Care Block Grant (FCBG). The FCBG is intended to fund the State's share for children in out-of-home placements, including foster homes, kinship foster homes, and residential foster care placements.

Kinship guardianship is a permanency arrangement for children living with relatives who are not going to be reunified or adopted for reasons deemed to be in the child's best interest by both the local social service district and the Family Court. The goal of KinGAP is to provide these children with permanency outside of the foster care system, with a subsidy. As with adoption subsidy, the federal government pays 50% of the KinGAP subsidy and the counties and state split the other 50%. Given that almost all counties use their full FCBG allocation for foster care, funding the state share of KinGAP subsidies in the FCBG is a pure cost-shift. **CCC urges the Legislature to adopt a budget that removes KinGAP from the Foster Block Grant and funds the state share in the same manner as adoption subsidy.**

In addition, the Social Service Law needs to be amended to ensure counties and families are able to avail themselves of KinGAP in appropriate cases. We respectfully recommend the legislature make the following amends to the Social Service Law:

- Amend SSL Section 458-b so that the subsidy is paid until age 21, regardless of the age of the KinGAP finalization (like foster care and adoption). The statute currently provides subsidy until age 21 if the finalization occurred after age 16 and up to age 18 if the finalization was before the child's 16th birthday. This is inconsistent with other NY law and results in delays in permanency
- Amend Social Service Law Section 459-a to make the definition of "kin" the same for foster care and for KinGAP, which would ensure that half-siblings could be treated as a sibling group in cases of KinGAP (where only one child is blood-related to the relative).
- Amend Social Service Law 458-a to make the definition of kin include fictive kin so that close family friends and godparents can avail themselves of KinGAP.

Strengthen the Housing Subsidy Program/Pass A7756

The housing subsidy program is a preventive service, pursuant to State Social Service law and corresponding regulations.³ Since 1988, state law has authorized local social service districts to provide a housing subsidy to prevent homelessness for families receiving preventive services to

³ Social Service Law Section 409-a(5)(c); 18 NYCRR 423.3(b)(ii); 18NYCRR 423.4(l).

prevent children from coming into foster care, to help families reunify from foster care, and to assist youth ages 18-21 who are aging out of foster care.

Since 1988, the law has authorized that this housing subsidy be up to \$300 per month for up to 3 years. For youth, aging out of foster care, they are eligible to receive the subsidy from ages 18-21.

Given that the \$300 monthly limit has not increased since 1988, has not been adjusted for inflation, and does not reflect the Fair Market Rent in New York City (or almost any county in New York), we believe that the \$300 housing subsidy is no longer a significant enough rental assistance mechanism to secure and stabilize housing for families or youth aging out of foster care. At a minimum, the housing subsidy should be adjusted for inflation. According to the United States Department of Labor Consumer Price Index (CPI) inflations calculator, \$300 in 1988 has the same buying power as \$601.06 in 2015.⁴

To ensure the housing subsidy program is better able to address housing instability for families and youth aging out of foster care, CCC respectfully requests that the State make the following changes, which are also included in A7756, introduced by Assembly member Hevesi:

- At a minimum, increase the monthly limit to \$600 (from \$300). Increase the upper age limit of subsidy eligibility from 21 to 24 so that youth who age out of foster care from ages 18-21 can avail themselves of the subsidy for up to 3 years
Allow those receiving the housing subsidy to live with unrelated roommates.

Ensure access to college and college supports for foster youth:

CCC was pleased to see that the Executive Budget maintains the \$1.5 million that the legislature invested in the creation in the Fostering Youth Success Initiative last year. This initiative provides comprehensive supports to New York's foster children attending college. CCC urges the legislature to negotiate a budget that adds \$3 million (total of \$4.5 million) to ensure more foster youth can participate in the program in the second year.

Post-adoption/Post-Permanency Services (Preventive Services):

Federal law requires states to reinvest 20% of the savings generated by the federal government delinking Title IV-E from adoption subsidy into post-adoption services. Historically, New York State has not done this and the only funds available for post-adoption services were the \$1 million the legislature restored each year. CCC appreciates the legislature's ongoing support for these services, which are critical for addressing the needs and trauma of children who had been in foster care and were then adopted. They are also cost-effective because they prevent these children from returning to the foster care system.

CCC was pleased that in the Governor's budget announcement and in the briefing book, he says the state will invest \$5 million of federal savings into post-adoption services. This is incredible news and will help hundreds of families throughout the state.

⁴ U.S. Department of Labor, Bureau of Labor Statistics. *CPI Inflation Calculator*. http://www.bls.gov/data/inflation_calculator.htm. Visited 2/2/16.

Unfortunately, the appropriation language is too vague as it reads, “For services and expenditures to be made in accordance with 42 U.S.C. 673(a)(8)(D). Notwithstanding any inconsistent provision of law, the amount herein may be transferred to any other appropriation within the office of children and family services and may be increased or decreased by interchange with any other appropriation...” This language reads as though the \$5 million could ultimately be decreased to any lower amount and used to fund any other program in OCFS. We urge the legislature to negotiate the language of this appropriation so that it is clear that the \$5 million is to be spent on post-adoption services.

While we understand that this investment is based on the required reinvestment of federal savings and the exact amount is not currently known, we urge the legislature to ensure the appropriation language is more explicit with regard to both the amount of funding, that funding be at least \$5 million, and that the funding is clearly limited to post-adoption services.

Strengthen Families by Investing in Home Visiting Programs

Home visiting programs have been proven to improve outcomes for children and families and be cost-effective. Through home visits (by nurses or other professionals depending on the model), parents learn how to better support their child’s development.

Programs such as Nurse-Family Partnership, Healthy Families New York and Parent-Child Home have been proven to prevent child abuse and neglect; enhance maternal outcomes including employment and education; improve intellectual and academic achievement of the children; lower accidents and hospitalizations for the children; and reduce later involvement in the justice system. The return on the investment has been estimated to range from \$1.80 to \$17.07 in savings for every \$1 invested.⁵ The ROI for Nurse-Family Partnership with high risk families has been demonstrated to be \$5.70 for each \$1.00 invested.⁶

New York state currently invests \$23.3 million in Healthy Families New York and \$4 million in Nurse-Family Partnership (\$1 million of which was an FY15-16 legislative add.) There is also some federal money. Healthy Families New York is currently serving 5,587 families and Nurse-Family Partnership serving 3,568 families.

It cannot be overstated how investing in these proven programs will have a lasting impact on the long-term outcomes for children and their families as well as the future economy of New York. **We urge the legislature to negotiate a budget that includes an additional \$4.5 million for Healthy Families New York (\$3.5 million of which would restore the program to its 2008 funding level). We also urge the legislature to work with the Executive to restore the \$1 million legislative add for Nurse-Family Partnership and invest an additional \$1 million.**

In addition to state and local support for home visiting programs, we support the use of federal funding through the use of NFP as one of the strategies under DSRIP as well as other methods of using Medicaid dollars for these programs.

⁵ Rand Corporation. *Proven Benefits of Early Childhood Interventions*. 2005.
http://www.rand.org/pubs/research_briefs/RB9145.html.

⁶ Rand Corporation. *Early Childhood Interventions: Proven Results, Future Promise*. 2005.
http://www.rand.org/content/dam/rand/pubs/monographs/2005/RAND_MG341.pdf.

Provisions to Implement the Federal Preventing Sex Trafficking and Strengthening Families Act

The Executive Budget includes Article VII bills to implement the Federal Sex Trafficking and Strengthening Families Act. These provisions include providing payments for non-recurring expenses of successor guardians, defining “reasonable and prudent parent,” and providing for qualified immunity for foster parents, residential care staff and agencies acting within the scope of the reasonable and prudent parent standard.

CCC urges the legislature to support this legislation.

Key restorations

Finally with regard to child welfare, CCC urges the legislature to negotiate a budget that restores the following critical programs and services historically funded by the legislature:

- \$2.75 million for Child Advocacy Centers
- \$3 million for Safe Harbor/Sexually Exploited Children
- \$1.0 million for the Kinship Care Program

CHILD CARE

As has been repeatedly acknowledged, including by the President, the Governor, Mayor de Blasio, and the Legislature, 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.⁷ 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 22% 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, CCC and our colleagues are urging the Governor and the Legislature to use the State’s Fiscal Year 2016-2017 budget to ensure that the system remains whole and prevent children from losing care and providers from going out of business.

Specifically, we are urging the Governor and the Legislature to add \$190 million to the Child Care Block Grant to maintain the current capacity of the system and ensure providers are not charged additional fees.

This \$190 million is needed because the 2014 federal reauthorization of the Child Care and Development Block Grant included a number of unfunded mandates, most of which are aimed at improving the quality of care for children and ensuring the most vulnerable children have child care. While the State Office of Children and Family Services, Department of Budget and Governor’s office are well-aware of these changes and their associated costs, the Executive

⁷ Barnett, W. S. (2008). Preschool education and its lasting effects: Research and policy implications. Boulder and Tempe: Education and the Public Interest Center & Education Policy Research Unit. <http://epicpolicy.org/publication/preschooleducation>

Budget only proposed to add \$10 million to accommodate a portion of the costs for inspections of legally-exempt providers.

This is unacceptable. The economic well-being of New York State requires our elected officials ensure that we do not take a huge step backwards with regard to child care. One estimate is that over 22,000 children could lose child care if immediate actions are not taken.

Specifically, we are urging the addition of \$190 million for the following costs:

- **\$90 million to address the new health and safety requirements in the federal law:**
 - \$28 million for required background checks (including legally exempt providers).
 - \$34 million for annual inspections, including legally-exempt providers. (Note: The Executive Budget includes \$10 million for this purpose. We have been told that the Executive feels this addition might be sufficient because the expenses will lead to so many legally-exempt providers going underground that they will not need the inspections. This is very concerning to us and flies in the face of the goals of having health and safety standards. It will likely lead to young children in unsafe care arrangements.)
 - \$28 million for training and professional development, including CPR training.

It is critical that the costs of these background checks, inspections and training not be borne by the child care providers. It is important to remember that these providers earn very little income and are often receiving government assistance themselves.

- **\$100 million to maintain the current capacity of the system:** to implement 12 month eligibility, child care for homeless children, the market rate increases and ensure the same number of children can be served/children do not lose subsidy.

The federal law now requires that children found eligible for child care be eligible for 12 months (even if their family income increases) and homeless children are not entitled to child care. In addition, the new Market Rates are due to be released imminently. These are important and valuable changes, but cost money. The State must add resources for child care to ensure that no children lose access to child care subsidies.

Finally there are two Executive Budget proposals related to early childhood education that we support and urge the Legislature to support:

- \$22 million for a grant program for pre-kindergarten for 3-year olds.
- \$2 million for QUALITYstarsNY (for a total of \$5 million).

FAMILY HOMELESSNESS

CCC is grateful that Governor Cuomo's Executive Budget and State of the State Address acknowledged and began to address the affordable housing and homelessness crisis throughout the State and notably in New York City. Today in NYC, over 23,000 children are living in homeless shelters. Addressing family homelessness in New York City will require the State and the City to be partners.

The Executive Budget includes provisions that will hopefully both prevent homelessness, make homeless shelters safer, and help homeless families secure permanent housing. Notably, the Executive Budget includes a plan to develop 18,000 supportive housing units over the next 15 years (6,000 in the next five years) and 2,000 new emergency shelter beds.

In addition, the state will partner with the Comptrollers of the State, Buffalo and New York City to review and inspect the conditions of homeless shelters and take actions including closures and sanctions if they are unsafe or unsanitary. There is no indication, however, that additional State resources will be invested in improving shelter conditions.

Furthermore, the Executive Budget proposes to amend the safety net program language so that the state will withhold funds from New York City if the state invests in social services directly. The language is vague so it is unclear if this refers to additional shelter beds, supportive housing, services for homeless families, and/or costs associated with addressing poor shelter conditions. Both the vagueness and the State's plan to take money from NYC if it invests in the homeless, is concerning.

In addition to negotiating a budget that maintains the new investment in supportive housing, we urge the legislature to negotiate a budget that makes the State and City more equal partners in addressing homelessness. Specifically we urge you to take the follow steps:

- Reject the Executive proposal to amend the safety net appropriation language.
- Invest additional resources to make the state more of a partner in NYC's efforts to provide rental assistance to families and individuals leaving the shelter system. (The state's support is currently capped at \$220 million.)
- Increase the public assistance shelter allowance to help prevent homelessness.

ECONOMIC SECURITY

CCC appreciates the Governor's recognition that income inequality is a tremendous issue throughout the State and it must be addressed. He acknowledged in his address that this past month, 560,000 families lived in poverty and millions of low wage workers were forced to choose between paying rent and buying food for their families.

In New York State, 22.6% of children live in poverty.⁸ This includes nearly one-third of the children in New York City⁹ and over half of children in Rochester.¹⁰ Thus, we were extremely pleased to see that the Executive Budget proposes to phase-in a minimum wage increase to \$15 per hour and enact Paid Family Leave.

⁸ United States Census Bureau, *American Fact Finder, September 2015*.

http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_14_1YR_S1701&prodType=table

⁹ Citizens' Committee for Children. *Keeping Track of New York City's Children 2015*.

<http://data.cccnewyork.org/data/map/96/child-poverty#96/a/2/146/20/a>

¹⁰ American Community Survey, *American Fact Finder, September 2015*,

http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_14_1YR_S1701&prodType=table

Minimum Wage Increase

Increasing the minimum wage is an essential part of a multi-pronged approach to address the overwhelming costs of living as well as the high poverty rate. Many working New Yorkers are simply not earning enough to ensure their families' financial security, or even maintain their families at the federal poverty level, thus evidencing a need for a higher minimum wage. Increasing the minimum wage would have substantial positive effects in lifting New Yorkers out of poverty. **We urge the legislature to support the proposal to phase in a state-wide minimum wage increase to \$15 in New York City by 2018 and 2021 in the rest of the state.**

Unfortunately the Executive Budget proposal to raise the minimum wage failed to include the funding needed for non-profits with contracts with the state to implement the increased minimum wage. Many human services organizations contract with State and local governments to provide services that are essential to all communities throughout the State. Unlike private sector workplaces, nonprofits cannot raise the price of their services to accommodate the wage increase. Without this funding, the minimum wage increase would be the equivalent of an unfunded mandate. It would likely lead to layoffs, increased caseloads, the curtailing of services, and could force some non-profits to close.

We urge the legislature to negotiate a budget with the Governor that includes the funds needed to increase these state contracts to account for the increased wage for all contracted human services and Medicaid-funded care employees.

Paid Family Leave

We are also very grateful for the Governor's commitment to creating a Paid Family Leave program in New York. Despite the well-known benefits to both employers and employees, New York still does not have a paid family leave program. Year after year legislation has been introduced in New York that would provide 12 weeks of paid family leave when there is a birth or adoption of a child or a loved one is ill. CCC is so pleased that the Governor has included Paid Family Leave in the budget and that the Assembly recently passed a Paid Family Leave bill.

Without Paid Family Leave, workers struggle with the stressors of work and family responsibilities. For those who cannot afford not to work, they also miss 12 weeks of critical time when they could be bonding with their newborn or newly adopted child. The data show that low-income workers and Black/Latino(a) workers are less likely to have access to Paid Family Leave.¹¹

In addition to the economic benefits of Paid Family Leave, this policy has also been found to be beneficial to children because it increases the likelihood and duration of breastfeeding.¹² In fact, a 2011 study in California showed that median breastfeeding duration doubled after CA implemented Paid Family Leave.¹³ In addition, research has shown that paid family leave reduces infant and child deaths, increases attendance at well-child visits, and increases

¹¹ A Better Balance. *Investing in Our Families: The Case for Paid Family Leave in New York and the Nation*. May 2015. <http://www.abetterbalance.org/web/images/stories/Documents/familyleave/PFL2015.pdf>.

¹² Id.

¹³ Id.

immunization rates. And finally, Paid Family Leave has a positive impact on attachments for newborns and their parents, as well as adopted children and their parents.

We urge the Legislature to include a Paid Family Leave program that includes 4 critical components:

- Twelve weeks of paid leave to care for a new child or seriously ill family member
- Job protection throughout the leave
- Coverage for all private sector workers no matter the size of the business
- A wage replacement rate of two-thirds of a worker's average weekly wage. While the Executive Budget proposed a much lower rate, we are very pleased that the Governor has agreed to amend this proposal to be two-thirds. This will provide low-wage workers with the opportunity to access more of their wages while on leave, enabling them to take the leave.

Help New Yorkers Save for College

One of the best ways, if not the best way, to lift people out of poverty, is through attaining a college degree. New Yorkers have struggled to make ends meet and to save for their children's futures, all while the cost of a college education has continued to rise. Through the implementation of policies and practices that facilitate college savings efforts, the State can provide these New Yorkers with much-needed assistance accessing savings platforms and developing college savings.

We urge you to enact S6229/A9065, which would allow the New York State tax refund to be split in to up to three accounts, including the New York State Child Savings Program Account (the 529 account) at the time of filing. This would help New Yorkers, particularly low income New Yorkers receiving the EITC, to save money for their children's college at the time when they may have the funds to do so. **In addition, we urge you to amend Social Service Law Section 131-9 to exempt 529 college savings accounts from asset limit tests for Public Assistance recipients.**

Tax time presents an excellent opportunity to help New Yorkers save. Almost 10 million tax returns are filed in New York State, and there are about 3.5 million New York State tax filers who claim dependent children. For many of these New Yorkers, especially low-income New Yorkers, tax season is the ideal – if not the only – time of year when they can put aside money for long-term savings goals as a result of tax credits such as the EITC and the CCTC.

Children from low-income families are less likely to enroll in, attend and graduate from college. A recent study reported that only 9 percent of students from low-income families obtained bachelor's degrees, compared with 54 percent of students from wealthier families.¹⁴ As stated above, having even a small amount of savings can foster a child's perception of himself as college bound. Furthermore, the amount saved does not matter. Students entering college with less than \$500 saved were 4.5 times more likely to graduate than those without a savings

¹⁴ University of Michigan, *Inequality in Postsecondary Education*, November 2011. http://www-personal.umich.edu/~baileymj/Bailey_Dynarski.pdf

account.¹⁵ Given these outcomes, the State should help remove barriers that prevent New Yorkers, especially those that are low-income, from developing college savings.

We know that income level correlates with educational attainment. In New York City, in 2013, the median income levels for adults 25 and older by educational levels were as follows: \$19,152 for those who did not graduate high school; \$27,234 for high school (or the equivalent) graduates; \$35,565 for those with some college or an associate's degree; \$54,785 for those with a bachelor's degree; and \$71,201 for those with a graduate degree.¹⁶

Benefits like public assistance provide families with a necessary safety net. Opportunities to save for the future provide a ladder out of poverty. New York families should not have to choose between the two. Counting 529 holdings as resources discourages families who receive public assistance from saving for their children's college education.

FOOD SECURITY

Unfortunately, too many New Yorkers are struggling with food insecurity. CCC appreciates that the Governor has adopted several recommendations of his Food Policy Council. Notably, raising the Gross Income Test for SNAP eligibility from 130 percent of the federal poverty level to 150 percent will help many very low-income New Yorkers feed their families.

While we are generally supportive of the Governor's Executive Budget proposals in this area, we do urge the legislature to increase funding for the Hunger Prevention and Nutrition Assistance Program (HPNAP) by \$16.5 million, which remains level at \$34.547 million, despite the increased need.

Federal government cuts to the Supplemental Nutrition Assistance Program (SNAP), which occurred in November 2013, decreased the amount of SNAP benefits that New Yorkers received.¹⁷ The average SNAP benefit in New York City declined from \$162 per person per month in December 2012 to about \$148 per person per month in September 2015.¹⁸ Increased funding will allow these EFPs to serve the New Yorkers who seek their help.

JUVENILE JUSTICE

CCC is extremely pleased that Governor Cuomo has once again included a comprehensive plan to raise the age of criminal responsibility, as well as the needed state funds to do it, 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.

¹⁵ Center for Social Development, Washington University in St. Louis, *Relationships Between College Savings and Enrollment, Graduation, and Student Loan Debt*, March 2013. <http://csd.wustl.edu/Publications/Documents/RB13-09.pdf>

¹⁶ Citizens' Committee for Children. *Keeping Track of New York City's Children 2015*, at 30.

¹⁷ A household of three lost approximately \$29 per month – more than 20 meals.

¹⁸ New York City Coalition Against Hunger. *Working But Hungry: Low Wages and Federal Cut-Backs Keep NYC Hunger Sky High*, 2015. http://nyccah.org/files/Final%20NYCCAH%20Report%202015%20small_0.pdf

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 last year 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 and currently prisons 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 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 and Sing Sing 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. 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."¹⁹ While the study was completed in 1963, it did not come to a firm decision.²⁰ 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.

¹⁹ N.Y. JOINT LEGISLATIVE COMM. ON COURT REORGANIZATION, THE FAMILY COURT ACT REPORT 110 (1962).

²⁰Sobie, Merril. "Pity the Child: The Age of Juvenile Delinquency in New York. Pace Law Review (2010), at 1073.

We cannot waste the opportunity that this budget session gives us to right this wrong. In FY 16-17, the Governor's budget includes \$110 million for OCFS facility capacity needs, \$10 million for OCFS facility capacity needs. In addition, the 5 year plan includes:

- Funding to the highest need social service districts to contract with non-profits to operate family support centers.
- 100% state reimbursement (exclusive of federal funds) for preventive, after-care, independent living and foster care services for youth 16 or older receiving these services due to Raise the Age legislation.
- 100% state reimbursement (exclusive of federal funds) for approved juvenile justice services under an approved close to home initiatives for youth 16 and older receiving these services due to the RTA legislation.
- 100% state reimbursement for probation services (such as juvenile risk intervention services, a continuum of evidence-based intervention for youth alleged to be JDs, and supervision) for expenditures for youth 16 and older receiving the services due to the RTA legislation.
- 100% of a municipality's expenses for the care, maintenance and supervision of youth 16 years of older in non-secure and secure detention facilities who are receiving these services due to the RTA legislation.

CCC is a lead member of the Raise the Age NY Campaign. As such, we believe that there are 7 core components that constitute comprehensive Raise the Age reform. We urge the Legislator 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).

In addition to passing comprehensive legislation to raise the age of criminal responsibility, CCC also urges the legislature to once again negotiate a budget that restores \$1.75 million for community reinvestment (alternative to detention programs).

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 afterschool 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.²¹ 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.²² 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.²³

CCC urges the Legislature to negotiate a budget that restores the \$2 million that the Legislature added to Advantage After-School in SFY 2015-2016 and include an additional \$49.9 million to expand programming for youth throughout NY State. This increase in funding would address critical needs including serving the same number of children as at its peak in 2007-2008, summer programming, aligning reimbursement rates with 21st Century Learning Centers, ensuring quality programming and allowing for enhanced data collection and evaluation.

In addition, the Executive Budget fails to maintain the \$1.285 million the Legislature added to the Youth Development Program and we are urging the legislature to restore this funding.

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 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 \$31 million for SYEP, which includes a \$1 million increase aimed at addressing the January 2016 minimum wage increase (\$8.75 to \$9.00) and serving the same number of youth. Unfortunately, \$1 million is not sufficient to serve the same number of youth and we need an additional \$1.23 million to serve the same number of youth.

Notably, the demand for SYEP is tremendous. Last year in NYC, 131,897 youth applied for jobs through SYEP and only 54,263 participants were able to get an SYEP job. That means almost 80,000 youth in NYC were unable to win the lottery to participate in SYEP. We are

²¹ Afterschool Alliance. 2014. Afterschool Programs Keep Kids Safe, Engage Kids in Learning and Help Working Families. Retrieved from: http://www.afterschoolalliance.org/documents/National_fact_sheet_10.07.14.pdf.

²² National Summer Learning Association. Know the facts. Retrieved from: http://www.summerlearning.org/?page=know_the_facts

²³ Afterschool Alliance. March 2015. Evaluations Backgrounder: A Summary of Formal Evaluations of Afterschool programs' Impact on Academics, Behavior, Safety and Family Life. Retrieved from: http://afterschoolalliance.org/documents/Evaluation_Backgrounder.pdf

urging the legislature to invest an additional \$15.9 million to enable 10,000 more young people to participate this summer.

In sum, we are urging the legislature to negotiate a budget that includes an additional state investment of \$17.2 million in SYEP, which would fully fund the minimum wage increase and add 10,000 slots for this summer.

Runaway and Homeless Youth (RHY)

The Executive Budget maintains the \$2.1 million the legislature added for RHY last year, for a total of \$4.48 million. We are very pleased that the Executive recognized this critical need and ended the budget dance for this funding for such a vulnerable population of children.

Unfortunately, however, this funding is still inadequate to meet the statewide need for RHY services. **We are urging the legislature to negotiate a budget with the Governor that includes an additional \$5.5 million (for a total of \$10 million) to add both beds and services (including drop-in centers) for RHY. One hundred thousand dollars of this total would be used for the state to do an assessment and develop a plan to do a statewide youth count.**

In 2008, according to the New York State Office of Children and Family Services, shelters documented 573 instances where young people were turned away for services because there were not enough beds. By 2012, the most recent year data was available, this number jumped to 5,041 instances.²⁴ 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. For example, 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.²⁵

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.

Conclusion

In conclusion, while the Executive Budget takes a number of steps to improve the lives of New York's children, we believe that there is much more than can and should be done in the upcoming year to truly begin to address income inequality and the poor outcomes too many children face. OCFS and OTDA serve the most vulnerable children and families—low income,

²⁴ State Senator Brad Hoylman, Letter to Governor Cuomo. January 16, 2015.

²⁵ Homelessness, Survival Sex and Human Trafficking: As Experienced by the Youth of Covenant House New York, 2013, at page 6. Available at: <http://www.covenanthouse.org/sites/default/files/attachments/Covenant-House-trafficking-study.pdf>

vulnerable children touched by poverty, public assistance, food stamps, child abuse and neglect, homelessness and violence. Now is the time to invest in the future of these children.

Thank you for the opportunity to testify.

