Council of Family and Child Caring Agencies

Testimony Presented by

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Before the

Assembly Ways and Means and Senate Finance Committees

Joint Legislative Hearing

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Good afternoon, my name is Kathleen Brady-Stepien and I am the President and CEO of the Council of Family and Child Caring Agencies (COFCCA). Our member agencies include 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, their more than 55,000 employees all across New York State, and, mostly on behalf of the tens of thousands of children and families that our agencies serve, we thank Chairpersons Krueger and Weinstein for the opportunity to testify before you today.

Our child welfare nonprofit agencies had their staff deemed "essential" by the state and these essential workers carried out necessary functions to support families throughout the pandemic, whether delivering supplies to families, ensuring safety of children, or providing 24/7 care in residential (or congregate) foster care programs. In this way, our nonprofit organizations were absolutely critical components of the state's COVID-19 response. I am here today to ask for the legislature's support in protecting state funding that supports thousands of families in New York State today with preventive services, and for your partnership in ensuring that we continue to support our amazing staff working in child welfare and juvenile justice programs.

Summary of 2021-22 RECOMMENDATIONS:

The Council of Family and Child Caring Agencies supports:

- Rejecting a 5% proposed cut to the open-ended Child Welfare Funding Stream currently providing 62% reimbursement to counties for vital child welfare services, including preventive, protective, independent living, adoption administration, etc.

- Rejecting the Executive Budget's proposal to merge the Community Optional Preventive Services (COPS) program and Supervision and Treatment Services for Juveniles Program (STSJP), and the proposed cut in funding from the programs by 20%.

- Rejecting the Executive Budget's proposed cut to the Foster Care Block Grant.

- Rejecting the Executive Budget briefing book statement that the state will begin to pay nonprofit providers operating Raise the Age programs based on utilization.

- The Executive Budget's inclusion of $250 million for costs associated with implementation of Raise the Age.

- Timely rates for foster care, as well as provision for salary increases, through the Maximum State Aid Rates (MSARs) that are set post-budget between the Office of Child and Family Services (OCFS) and the Division of Budget (DOB).

- Assurance that providers that applied for and received federal COVID-19 funding, such as through the Paycheck Protection Program, HHS Provider Relief Funding, etc., will be held harmless from having state aid reduced or used as off-setting revenue in future years.

- The Executive Budget's proposal to fund the NYS Child Welfare Worker Incentive Scholarship and the NYS Child Welfare Worker Loan Forgiveness Incentive Program at $50,000 each.

- The Executive Budget's proposal for funding post-adoption services at $11.8 million.

- The Executive Budget's proposed $6 million in funding to assist youth in foster care in pursuing higher education (the Foster Youth College Success Initiative).

COVID-19's Impact on Children in New York: The Time to Support Families with Vital Community-Based Services is Now

COVID-19 has had a devastating impact on our children and families in New York State. The United Hospital Fund studied the pandemic's impact on children in a recent report and found:

- During the period of March through July 2020:
    - 4,200 children in NYS experienced the loss of a parent/caregiver (57% of the caregiver/parent deaths were in the NYC area in Bronx, Brooklyn, & Queens). Black and Hispanic children were impacted much more significantly as they experienced parental/caregiver loss at twice the rate of Asian or white children.
    - 325,000 children have newly been placed into or near poverty-level conditions in NYS as a result of COVID's impact on the economy.
    (Suzanne C. Brundage, Kristina Ramos-Callan, United Hospital Fund. COVID-19 Ripple Effect: The Impact of COVID-19 on Children in New York State. Accessed from https://uhfnyc.org/publications/publication/covid-19-ripple-effect-impact-covid-19-children-new-york-state/)

Amidst this backdrop of increased child poverty, family stress and strain due to the pandemic, and the disproportionate devastation COVID-19 has caused for communities of color, New York State's child welfare system will experience incredible change this fall as our state implements the federal Family First Act. The federal law provides the opportunity to use federal funding for certain evidence-based, time limited, preventive services to promote children remaining safely at home with their families.

This compelling United Hospital Fund data shows us how deep of an impact the pandemic has had on children and families in our state. Especially for this reason, it is deeply concerning that the Executive Budget proposes to cut back on two critical preventive services funding streams.

Proposed Cut to Open Ended Child Welfare Financing Stream

Preventive services are community-based supports for families. Our nonprofit providers contract with counties to provide these services. Preventive workers work alongside families to understand supports and services they require, and they also keep a strong focus on any ongoing safety risks in the home. Staff regularly meet with families and make home visits to assess safety and to check in with families. They may provide referrals to treatment programs, including mental health or substance use disorder treatment, domestic violence services, or parenting classes. These services have been especially important throughout the pandemic, when more families have needed support with food insecurity, intimate partner violence, mental health crises, and substance use disorder.

In New York, our state's commitment to providing these preventive services has been unmatched by any other state in the country. Our state's open-ended child welfare funding stream, in place since 2002, has provided an incentive to counties for investing in preventive services, by reimbursing county funds spent on preventive services; currently, this reimbursement is provided at 62%. The funding stream also supports county funding for protective services, adoption administration, and independent living, at 62% reimbursement. This open-ended commitment to funding preventive services has been extremely effective at lowering the number of children in foster care in our state; indeed, today, according to the OCFS 3rd quarter of 2020 report, there are fewer than 16,000 children in foster care. That number is a stark reduction from the more than 26,000 children in foster care fifteen years ago.

Although it is written into statute that the reimbursement rate under this funding stream should be 65%, for the past several years the state has only funded it at 62% reimbursement. This year, the Executive Budget has proposed to again cut back this critical commitment to counties by proposing another 5% reduction to the funding that supports these vital community-based preventive services. We must partner together to reject this 5% cutback at a time when families need supports more than ever.

In addition, we note that the Foster Care Block Grant has been proposed at a reduction of $11.2 million, or 3%, in the Executive Budget. The Foster Care Block Grant provides state share to counties for the amount of spending required to fund foster care in each county. Whenever the state share is decreased, counties have to invest more local resources into paying for foster care. This cost shift from the state to the local governments puts a strain on the counties' ability to invest in community-based programs for families, such as preventive services.

We urge the Legislature to reject the proposed 5% cut to the open-ended child welfare financing stream, as well as the 3% cut to the Foster Care Block Grant, to protect vital investment in preventive services to keep children safely at home with their families.

Proposed Elimination of Community Optional Preventive Services (COPS)

The Community Optional Preventive Services, or COPS, program funds primary prevention. These are community services that can be available to families simply based on the geographic area that they live in; families can access these services without any formal level of child welfare intervention. Primary prevention reduces the risk of foster care placement and unnecessary systems intervention for families. New York City, for example, uses COPS funding to support Nurse Family Partnership, a home-visiting program for first time moms.

The Executive Budget proposes to merge COPS with the Supervision and Treatment Services for Juveniles Program (STSJP), with the funding proposed at a reduction overall of 20% for the programs. These two programs serve very different populations—COPS with primary prevention and STSJP, diversion for youth considered at risk of becoming involved in the juvenile justice system.

As our state continues to look for opportunities to advance racial justice and equity, it is extremely disappointing to see this cut proposed. Families of color are disproportionately involved in the child welfare system. Primary prevention is an intervention that strengthens neighborhoods and communities, and is aimed at providing resources equitably so as to lessen vulnerability of entry into the child welfare system. Our state should be investing in more primary prevention, not less.

We urge the Legislature to reject the Executive's proposal to consolidate and cut the STSJP and COPS programs; instead, both programs should be preserved at FY 20-21 levels.

Family First Act Implementation: ELFA Part L

Later this fall, our child welfare system in New York State will implement the federal Family First Act. The federal law implementation brings with it opportunities and challenges, and we are eager to partner with the state on preparing our system to continue to meet the needs of our children and families. We are very concerned that the fiscal challenges posed to local governments over the past many months of 20% funding withholdings has put our system's ability to maximize the federal funding opportunity for preventive services at risk. The evidence based models eligible for this federal funding require start-up investment to train workers to adhere to the model. The Family First Act additionally requires significant changes for residential foster care placements. We reviewed with interest the implementation language included to outline the state's plans for transition, which would establish an independent assessor review and a Family Court review on residential placements.

The state is clearly committed to implementing this federal law; however, the Executive Budget's proposed cuts to primary preventive and prevention services funding, as outlined above, are contrary to the goals of the Family First Act to invest in prevention efforts.

Leadership, voice and vision for child welfare in New York State

Raise the Age: Executive Proposal to End “Hold Harmless” Period Six Months Early

Beginning in 2018, thirteen of our COFCCA agencies (upstate and on Long Island—outside of NYC) worked with OCFS to become approved residential providers for youth placed through Raise the Age. These agencies have engaged in a regular learning collaborative with OCFS throughout the past few years to work through programmatic questions and to learn from one another as they prepared for and then began accepting youth into their programs. We are proud of our providers for co-creating this new program model with the state, and for partnering to provide the best possible environment and supports for youth placed through Raise the Age.

In recognition of the financial risk providers took on in opening up program capacity for Raise the Age (due to the uncertainty of how much capacity would be required), the state agreed in its Request for Program Applications to provide 100% funding based on capacity approved by the state to providers. Especially given that providers were only afforded this “hold harmless” on their residential costs and not also the costs associated with health care and education (i.e. 853 school or Special Act School District tuition), this was a critical component of providers’ ability to open up capacity for the state’s Raise the Age placement needs.

Here is a direct quote provided from the OCFS-issued Request for Application (RFA) on the Raise the Age program:

“Agencies approved to operate a new RTA program, whether on the agency campus or on state-owned property, will be paid 100% of the MSAR for all approved beds for a period of three years. This period is from October 1, 2018 through September 30, 2021. As noted above, this ‘hold harmless’ period applies only to the MSAR for vacant RTA beds and not to the educational or Medicaid/health care costs.” (OCFS Raise the Age Request for Program Applications For Raise the Age Residential Programs and Aftercare Services (Statewide, Excluding New York City) Issued: January 29, 2018, page 36)

This same assurance that providers would be “held harmless” was also included in their approval letters issued by OCFS. We therefore found it extremely concerning that there was a note included in this year’s NYS Budget briefing book that stated NYS would not adhere to its original agreed-upon terms with the Raise the Age providers. The change is explained in the Briefing Book as follows:

“Continue Implementation of Raise the Age. The age of criminal responsibility was increased from 16 to 17 on October 1, 2018 and from 17 to 18 on October 1, 2019. The Budget continues

support for implementation, including comprehensive diversion, probation, and programming services for 16- and 17-year old youth in the juvenile justice system. This includes support for Voluntary Agency Not-for-Profit providers in the operation of residential programs, but reimbursement payments will be limited to actual placements. Previously, providers had received reimbursement for the cost of maintaining a bed, regardless of its usage, to ensure sufficient capacity as the juvenile justice system adjusts to the new RTA law. This change reflects that the number of youth adjudicated to a placement remains below initial projections." (NYS Executive Budget Briefing Book, accessed at ***https://www.budget.ny.gov/pubs/archive/fy22/ex/book/briefingbook.pdf****, page 99)*

We understand that if implemented, this change would become effective on April 1, 2021 in the state's new fiscal year—reflecting the Executive's decision to cut short its agreement with providers 6 months before the "hold harmless" is due to end. While we understand and acknowledge both the state's challenging fiscal climate this year as well as the lower than expected placement rate into these programs, the providers have been partners with the state on this program and they were not given any notice on this change before it was published in the Executive Budget Briefing book. Providers are therefore now in a situation where they have less than a 60 day notice to possibly close down beds and greatly reduce RTA capacity because it will not be financially viable to continue the beds at the current rate based on utilization. Adherence to the originally proposed time frame would allow time for the providers to work with the state to plan for the required capacity in the future. We find this change to be unacceptable and we are requesting of the state that it go forward based on the original agreed-upon terms with providers that were outlined in the Request for Application and approval letters.

We support the proposed $250 million in the Executive Budget to continue implementing Raise the Age this year. We ask that the Legislature reject the change the Executive Budget briefing book proposes on dramatic changes to the financing of Raise the Age programs by including language in one house budget proposals to support the program stability and to fully execute the original terms of the state's agreement with providers to pay 100% of the MSAR for all approved beds for a three period, to September 30, 2021.

Supporting Children and Youth in New York State's Foster Care System

We truly appreciate the Legislature's strong support for our foster care programs, demonstrated through your advocacy each year in asking the Division of the Budget to approve salary increases for foster care workers. The Legislature has assisted us greatly over the past several years in achieving regular increases to the foster care rates, giving our provider agencies the ability to provide raises for staff.

The expenses for our foster care programs are paid through a rate, the Maximum State Aid Rate, or MSAR. The MSAR is an administrative rate that is set after the state budget passes; the rate is set via the state Office of Children and Family Services (OCFS) and the Division of the Budget (DOB). For several years, thanks to the support of the Legislature, this MSAR rate has achieved continual modest growth each year. Two years ago, with the support and advocacy of the Legislature, we received 2% growth on the whole MSAR as well as a 3.25% increase in pay for direct care staff.

The MSAR rate year begins anew each July 1. Yet providers each year do not see their rates released from the state until months into the fiscal year. This delay on the state's part in issuing the rates makes it impossible for the providers to plan their budgets each year. Indeed, we are here today more than half-way through the fiscal year and the state still has not issued this year's 2020-21 MSAR rate package. **We ask for the Legislature's help in asking the state to issue timely rates by July 1 each year, and for your assistance in getting this year's 2020-21 rates released to providers.**

In addition, many of the nonprofit providers were able to apply for and to receive COVID-19 federal funding opportunities, such as the Paycheck Protection Program (PPP) and HHS Provider Relief funding. Paycheck Protection Program (PPP) funding was released by the federal government to assist employers in stabilizing staffing, and avoiding layoffs, during the pandemic. The PPP was intended to put cash in the hands of entities to protect jobs and to stimulate the economy. The unusual provision was that the funds came as loans (at 1% interest) with the proviso that if the funds were expended in accord with the requirements, the federal government would at some future date forgive the loans and the business or nonprofit would not be required to repay the loans.

The state has not yet issued guidance to providers funded though state-set rate-based systems as to how this federal aid will be treated. In the absence of guidance, currently our nonprofit agencies and their boards are very concerned that the state may treat these funds as offsetting revenue. In that instance, providers would be penalized for accessing this federal aid because their state-set rates would decrease in the future.

We ask for the Legislature's support in strongly urging the State to hold providers who applied for and received federal COVID-19 aid (Paycheck Protection Program, HHS CHIP/Medicaid Relief funds, etc.) harmless from having state aid reduced or used as off-setting revenue in future years.

Finally, there is no mechanism built into the rate to support regular annual salary increases for workers. Each year, we partner with the Legislature to ask for the Executive's support in supporting increases for staff.

Our most recent COFCCA Child Welfare Workforce Compensation report was completed in 2019. It shows the following salary and turnover information for key staff:

- **In 2019, our front line, child care workers earned an average statewide annual salary of $29,253—or approximately $14.06 per hour; our child care worker turnover was 41%.**

- **Our caseworkers in 2019 earned an average annual starting salary statewide of $36,994 (with a BA degree); turnover in 2019 for our caseworkers was 38%.** The 2019 salary figure is increased from the 2017 figure of $34,753; the turnover was formerly at 41% in 2017.

Our young people in foster care come to rely on and develop relationships with their child care workers and their caseworkers. High worker turnover negatively impacts children and youth in foster care, and it impacts our outcomes: studies in the field show that each time a worker leaves, it may add up to six additional months to a youth's time in foster care. Due to its impacts on increased length of stay, worker turnover is therefore expensive for the state and the counties. The loss of their worker, a positive adult in a young person's life, can be devastating for our youth.

We hope you again will be a champion this year for the children and youth in foster care by supporting the workers they depend on for quality services. **<u>This year we ask for the Legislature to support the following:</u>**

- **<u>Annual growth in the MSAR rate, so that agencies can cover cost increases that they cannot control, and invest in program enhancements.</u>**
- **<u>Parity for any salary increases provided to direct care staff overseen by other state agencies that are included in the 2021-22 budget.</u>**

While we truly appreciate the past several years of growth, accomplished with a strong partnership with the legislature, the rate increases we have received do not begin to address the very real difficulties our providers face in competing to hire staff who can provide quality care to children and youth with complex needs.

Providing Career Pathways for the State's Child Welfare Workforce

One way in which the Legislature can support our child welfare workforce is by providing a career pathway to help us recruit and retain workers. For the past four years, New York State has invested $100,000 per year in two higher education programs for the state's child welfare workforce--the NYS Child Welfare Worker Incentive Scholarship and the NYS Child Welfare Worker Loan Forgiveness Incentive Program (to date, each program has received $200,000 in funding). We are very appreciative of the Executive Budget's proposed investment of $50,000 for each of these programs again this year.

We consistently hear from our child welfare workers that although they find the work very challenging, they enjoy what they do and want to continue to grow with our agencies. We also often hear that they begin to look for other jobs when they cannot afford to pay their student loan monthly repayments (given the growing student debt crisis in our country, staff have student loan payments ranging from several hundred dollars per month to payments even in excess of $1000 per month). **As noted above, our programs experienced a 38% turnover in Caseworkers/Case Planners statewide, according to our most recent Workforce Compensation Study**. The statewide average starting salaries for our Caseworkers/Case planners in 2019 were:

- Statewide average starting salary (BA): $36,994
- Statewide average starting salary (Master's degree): $41,425

Our staff report that it is very challenging for them to pay their loans back on these salaries, and therefore they are often forced to look for other work outside of our field.

Our child welfare staff tell us that in addition to salary increases, they need more support in achieving their higher education goals. Many staff in our programs desire to become supervisors or even aspire to be in a senior leadership position such as a program director or a CEO someday; however, they need advanced education degrees to pursue those positions. If our staff receive support in achieving their educational goals, we can begin to build a true career pathway for our state's child welfare professionals.

The Higher Education Services Corporation (HESC) launched the application and selection process for these awards in 2019; we understand that there have been some awards made now through the program. We often hear from staff in our programs about their excitement and interest in the programs—as well as their inevitable disappointment that they were not selected for an award, given the overwhelming demand for the program and the lack of funding to make more awards.

Our agencies continually seek opportunities to hire and to retain staff of color in our agencies. We believe that increased state investment into our child welfare workforce's higher education pursuits will greatly assist in our staff recruitment and retention efforts, especially to promote diversity, equity, and inclusion efforts at our agencies, and will also create the next generation of child welfare leaders in the field.

We support the Executive Budget's inclusion of $50,000 each for the NYS Child Welfare Worker Incentive Scholarship and for the NYS Child Welfare Worker Loan Forgiveness Incentive Program.

Committee on Special Education (CSE) Placements Cost Shift (ELFA Part I)

The Education, Labor, and Family Assistance (ELFA) bill contains a section, part I, proposing to make permanent a cost shift that was executed in last year's state budget (that had been set to sunset this year). This change last year shifted more responsibility for residential CSE placements to the placing school district for all districts outside of NYC, and eliminating the state's responsibility for payment. Before last year's budget accomplished this change, the state (OCFS) has an 18.424% payment share, which has now become the responsibility of the placing school district.

It is important to note that this same cost shift (from the state to the placing school district) was made in the final 2017-18 state budget, for NYC only. Therefore, the ELFA part I language seeks to make this a permanent, statewide cost shift. While we understand that the school district makes the decision on the placement in the best interest of the child, this has been a shared funding partnership for some time between the state, school district, and counties for our young people needing a special education placement.

Other Initiatives COFCCA Supports

Educational Opportunities for Youth in Foster Care

Over the past six years, New York State has committed funding in the budget to assist youth in foster care as they pursue higher education. We have watched with great joy each year as our young people in foster care enter college or university through the support of the Foster Youth College Success Initiative (FYCSI). This Initiative has supported more than 1,500 young people in our state during their college journeys. These young people attend more than 100 NYS colleges and universities and they are achieving success through post-secondary education. The FYCSI program uniquely provides necessary social, academic, and financial supports to ensure that barriers to opportunity for the foster care population are mitigated. Our young people in foster care want to pursue post-secondary education to be able to succeed and to pursue their desired career paths; we need NYS to continue the great commitment it has begun to assist foster youth in achieving their goals. **We support the Governor's inclusion of $6 million for the Foster Youth College Success Initiative.**

Post-Adoption Services

New York State has continually increased its financial commitment to providing post-adoption services over the past few years; we are pleased to see that increased commitment again proposed this year in the Executive Budget. Post-adoption services provide adoptive families with support as they navigate challenges. Examples of these services include peer support groups for adoptive parents and children, respite services, and counseling. The services assist in preserving adoptions and in preventing re-entry into the foster care system.

We support the Governor's recommendation of $11.8 million for post-adoption services that is included in the Executive Budget.

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

COFCCA Employees by REDC Region

REDC Region	Number of Employees
NYC	28,141
Mid-Hudson	7,085
Long Island	3,880
Capital Region	3,325
Central NY	2,926
Western NY	3,787
Finger Lakes	2,952
Southern Tier	2,278
Mohawk Valley	717
North Country	291
Total	55,382

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