



**The New York City Council,
Committee on General Welfare, Committee on Juvenile Justice, Committee on
Women's Issues, and Committee on Finance**

**“New York City Council Fiscal Year 2014 Preliminary Budget, Mayor's FY'13
Preliminary Management Report and Agency Oversight Hearings”**

Monday, March 18, 2013

Testimony by

**Ronald E. Richter, Commissioner
New York City Administration for Children's Services**

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Good afternoon Chairs Palma, Gonzalez, Ferreras, and Recchia and members of the General Welfare, Juvenile Justice, Women's Issues, and Finance Committees. I am Ronald Richter, the Commissioner of the Administration for Children's Services. With me today is Susan Nuccio, our Deputy Commissioner for Financial Services. I appreciate this opportunity to brief you on our preliminary budget, and to update you on our ongoing efforts to protect and serve New York City's children and young people, and to strengthen our City's families.

I would like to start by sharing with you some details regarding our budget. Children's Services' budget for Fiscal Year 2014 is \$2.7 billion, of which approximately \$810 million is City tax levy. As you are aware, the City's fiscal circumstances necessitated a PEG that we met with a combination of revenue and expense reduction initiatives, which fortunately do not require us to make significant service or personnel reductions in the coming fiscal year.

As part of our revenue-related initiatives, ACS benefited from New York City's ability to increase the federally-negotiated fringe reimbursement rate for personnel benefits from 30 to 46%, crediting ACS with \$55.3 million in City savings over Fiscal Years 13 and 14. ACS achieved \$17.3 million in City tax levy savings through a one-time revenue settlement for prior year services.

ACS is taking several steps to achieve cost savings. In early care and education, it is more important than ever that we ensure our limited resources are directed to pay only for services for eligible children and families. Therefore, we are partnering with the Mayor's Center for Innovation Through Data Intelligence to conduct data analysis that will enable us to make sure that we are paying only for those eligible for subsidized early care and education. We expect this data mining and fraud detection program to save approximately \$6 million to address inappropriate child care payments. In addition, for individuals transitioning off of public assistance, we will eliminate automatic eligibility continuation and apply state law to re-determine eligibility for child care services, which

we project will produce an additional \$5.2 million in savings. We anticipate that all families with children under five years of age who are transitioning off of public assistance and eligible for subsidized care can be served by *EarlyLearn*.

In the area of foster care and adoption, we are realizing savings in two areas. First, as the foster care census has decreased to record lows, so has the number of children receiving adoption subsidies, which will generate \$16 million in savings in Fiscal Year 13. Similarly, the number of children in residential placement who require attendance at specialized schools is also declining, resulting in \$4.4 million in City savings. Finally, ACS will save \$600,000 in City funds by consolidating office space as part of a City-wide effort regarding administrative leases. Fortunately, none of these savings will compromise the services that we continue to provide to children, young people, and families.

STRATEGIC PLAN UPDATE

I would now like to highlight some of the key initiatives that we are implementing as part of our 2011-2013 Strategic Plan. Despite the challenges that the City faces in the current fiscal climate, I am pleased to report that we are making real progress in addressing our priorities across all areas of the agency, including juvenile justice, early care and education, child safety, foster care, and preventive services. We could not have achieved these accomplishments without the tenacity, dedication, and hard work of our more than 6,500 staff members, of whom I am incredibly proud.

Expanding Services and Planning for Teens to Secure Their Futures

Close to Home

There are a number of initiatives that we have implemented that expand and strengthen the services that we provide to teens in both the child welfare and juvenile justice systems. ACS' Division of Youth and Family Justice has undertaken significant reforms in the past several years, which helped lead to record low use of detention, a two-thirds reduction of youth placed in state confinement, a 50% drop in average lengths of stay, and a reduction in re-arrests.

Building on these successes, we have spent the past year implementing Close to Home, an unprecedented transformation of New York City's juvenile justice placement system. This transformation could not have occurred without the ongoing support of the Council. Juvenile Justice Chair Sara Gonzalez has been and continues to be a champion of our young people and their families, and for that we are continuously thankful. ACS worked expeditiously with stakeholders and providers to implement the first phase of Close to Home -- Non-Secure Placement. To prepare to launch Close to Home, ACS and our eleven non-profit provider agencies hired and trained a placement staff of more than 500 individuals to work with young people in non-secure, small-group residences primarily located throughout the City.

On September 1, 2012, per the statutory mandate, New York City began to assume custody of young people adjudicated as juvenile delinquents and requiring confinement in non-secure placement residences. We received young people directly referred to us from the Family Court, and started the months-long process of transferring young people from the New York State Office of Children and Families' (OCFS) facilities upstate to our contracted residences. We currently have 225 youth in our care, and once all of our providers are fully operational, we will have the capacity to serve 297 young people. In the past six months, 50 young people have completed their placements and transitioned back into their communities, where they are receiving aftercare services.

In addition to making sure youth remain connected to their families while in placement, another primary goal of Close to Home is educational continuity. New York City's Passages Academy is operating five school sites for young people in non secure placements. We are pleased to report that 98% of the youth being served by Passages Academy are obtaining New York City Department of Education (DOE) credits during the 2012-2013 school year. Of those, almost 50% earned between four and 10 credits last semester putting them closely on par with credit accumulation of young people in traditional school settings.

While we are pleased with the work of our DYFJ staff and providers, as expected, overhauling the juvenile placement system has not been without challenges. We continue to work closely with staff, provider agencies, the DOE, the New York City Department of Probation, as well as the New York State Office of Children and Families (OCFS) to

strengthen the rehabilitative services provided to our young people, and ensure that they successfully transition back into the community with the tools and skills to advance their education and/or vocational goals, and lead productive lives.

ACS is currently planning for the second phase of Close to Home -- Limited-Secure Placement -- which will begin in the fall of 2013. This past fall and into the winter, we hosted five community forums in each of the boroughs to obtain the public's input on limited-secure placement. Last week, we released the draft plan for limited secure placement, which is available on our website; it incorporates the input that we received during the public forums, as well as from elected officials, advocates, and interested stakeholders. In April, ACS is hosting five public hearings -- one in each borough -- to obtain public comment on the Plan. We are also accepting written comments via mail and e-mail, and will incorporate that feedback before submitting a final version to OCFS for review and approval.

This spring, we will issue a Negotiated Acquisition seeking providers with extensive foster care, juvenile justice, and/or mental health experience to provide limited-secure placement services to approximately 158 youth in approximately eleven residential settings. As we did for our non-secure placement providers, we will require our limited-secure placement providers to work with the local community. They will meet with and brief their local Community Board and police precinct, as well as create a community advisory board that will meet quarterly. These groups will consist of local residents, faith-based organizations, civic groups and other community members.

Throughout the implementation of Close to Home, New York City Council Juvenile Justice Committee Chair Sara M. Gonzalez and the Council have offered their support, guidance, and constructive feedback. As we testified in recent hearings before the Committee, ACS is in the process of creating a Juvenile Justice Oversight Board to provide oversight of our detention and placement facilities. We are also collecting and providing to the Council the same demographic data and incident information for our placement population that we presently provide for detention. We look forward to continuing to work closely with Chair Gonzalez and the Committee to further advance our juvenile justice reform efforts.

Teen Preventive Services Initiative

Another way that ACS is strengthening services for teens includes the work that we are doing to help teens and families that we encounter through our child protective investigations. We are focusing on teens as our data reveals that over one-third of all abuse and maltreatment investigations conducted by the Division of Child Protection involved young people between the ages of 12 and 17. These investigations resulted in foster care placements for over 1,030 of the 12,000 teens that were part of an indicated investigation. Therefore, at the beginning of 2012, we launched a demonstration project that provided immediate, intensive, and home-based therapeutic services to teens at risk of foster care placement in Manhattan and two Bronx neighborhoods -- University Heights and Highbridge.

The project was enormously successful: the number of teens placed in foster care following a Child Safety Conference decreased by between 10% and 30%, respectively. Our borough offices reported that families were more open to assistance when they were offered services within 24-48 hours of referral. They also reported that engagement was significantly more successful when the intervention occurred in the home.

Those successes led ACS to issue two RFPs for programs that will serve teens in the child welfare system. When we award contracts next month, ACS and our provider partners will offer an array of services that are evidence-based, evidence-informed, and/or based on promising practices. We expect to meet the various needs of approximately 3,000 teenagers and their families. We anticipate a 20-30% reduction in the number of teenagers entering foster care directly as a result of our use of these services.

ACS is committed to preventing placement of teens where therapeutic services will enable them to remain safely at home in their communities. By providing intensive, specialized, home-based services when a family needs them most, we hope to continue a promising trend of reducing foster care placements, improving family functioning, reducing truancy, and keeping families together in their communities, where they belong.

Improving Quality of and Access to Early Childhood Services

EarlyLearnNYC

Early care and education has been an area of intense focus over the past year, and we are proud of what we have been able to accomplish. New York City oversees the largest publicly-funded childcare system in the country, where we invest over \$1 billion annually to meet the needs of over 110,000 children. We make this critical investment because of the clear benefits of these services to our youngest residents -- studies have shown that 90% of brain development occurs prior to age 5, so it is vitally important to stimulate young minds as early as possible. We also know that investing in quality early education helps to close disparities and prevents achievement gaps for disadvantaged children.

This is why we are pleased to have launched *EarlyLearn NYC*, an innovative model that transforms educational standards for over 42,000 children in contracted centers in New York City. *EarlyLearn NYC* merges early childhood education and child care into a single, seamless system to leverage resources and enhance services to New York City's neediest children. We are deeply grateful to our partners in City government for their assistance throughout all phases of planning and implementation.

We are also encouraged by President Obama's calls to make early care and education more accessible for children across the country, particularly for low income families. The federal vision for early care and education looks much like *EarlyLearn NYC*: a blended city, state, federal and private funding model that serves the highest need communities and is driven by the belief that quality early education helps to close disparities and prevents achievement gaps for disadvantaged youth. We encourage the Council to work with us to support passage of the President's groundbreaking proposal so that more of New York's City's neediest residents can gain access to these life-changing early care and education services.

As the President mentioned, young people with access to these services are more likely to finish high school and less likely to be held back, need remedial help, or become involved in the child welfare or juvenile justice systems. We agree and believe that once it is fully implemented, New York City's *EarlyLearn* will serve as a model for the rest of the country, providing quality early education to children and families from low-income

communities that will prepare them to enter kindergarten and beyond. We are proud that New York City is on the vanguard of this national transformation.

ACS launched *EarlyLearn NYC* on October 1, 2012, and while we have faced challenges, we have made significant progress in transforming our early care and education system for the better. Today, we have 422 *EarlyLearn NYC* centers along with a vast family child care network across the City that together are able to serve over 42,000 children.

One of the challenges that our *EarlyLearn* providers encountered was Hurricane Sandy. As soon as the storm hit, our ACS Facilities' staff visited damaged sites to identify the various needs of the programs, including repairs and replacement of supplies and goods, most especially in the hardest hit areas of Coney Island, the Rockaways, and Staten Island. Our Early Care and Education program staff continues to work closely with the directors of the affected sites, to support and work with centers to develop a recovery plan. We collaborated with several City agencies including NYCHA, DOHMH, and DOE, to ensure continuity of service to children and families. In the wake of the storm, our Division of Early Care and Education and Office of Public and Private Partnerships identified funding opportunities for damaged facilities, and obtained in-kind donations of classroom supplies, including furniture, books, computers, and other learning materials. Our Office of Public-Private Partnerships was able to secure \$2 million in private grant funds for Early Care and Education sites that were affected by Hurricane Sandy. Construction is now underway at several of our hardest hit centers and fifteen have been able to reopen since the storm hit.

I want to thank Council General Welfare Chair Annabel Palma and the rest of the Committee for working with us during the transition and providing leadership on this critical issue. We were pleased to be able to provide the Council with an update brief on *EarlyLearn* last week, and we look forward to our ongoing collaboration.

Enhancing Child Safety

Family Assessment Response (FAR)

ACS Child Protective Specialists investigate approximately 60,000 reports of child abuse and maltreatment every year to ensure the safety of New York City's children

and young people. To strengthen our work on enhancing child safety, we have been examining an approach to child welfare that, in certain cases, would allow child protective workers to focus on safety through family engagement and relationship building rather than the investigative process. This approach, called Family Assessment Response (FAR), is an alternative to the established full scale child protective investigation.

FAR views the family as partners. The approach is based on family-centered and family-led child welfare practice that leads to more effective engagement and helps the family to own the change process. FAR emphasizes a comprehensive assessment to identify and resolve the family's unmet needs that may have contributed to the alleged neglect. FAR is solution focused without being allegation driven. Within FAR, allegations are referred to as 'areas of concern' to reduce the family's level of anxiety, anger, and frustration. The FAR worker does complete a full assessment of safety, risk, functioning, strengths and challenges and the focus is to bring about behavioral change and improve family functioning.

In January, ACS rolled out a demonstration project for the Family Assessment Response in the Queens communities of Astoria, Sunnyside, Woodside, Jackson Heights, Elmhurst, Corona, Flushing, Whitestone, Bayside, and Little Neck. We are two months into the project and can report that the majority of the 87 cases accepted into FAR thus far have been based on educational neglect allegations. We will be formally evaluating the demonstration and, based on results, will assess whether we should move forward with implementing FAR city-wide.

Strengthening Placement Stability & Reducing Time to Permanency for Children in Foster Care

ChildSuccessNYC

As noted earlier, we currently have a record low census in foster care -- fewer than 13,000 children and young people in foster care as of the end of 2012 -- that is less than half of the estimated 28,000 children that were in foster care in 2002. While this is a significant accomplishment, we believe that we must further improve foster care services for our children, young people and families.

Currently, there is no specific model for family foster care. New York State ranks 48th in the country in time-to-permanency through adoptions. While in recent years we have seen the average length of time between removal and reunification decrease to about seven months, we can and must do better.

To address this, ACS launched *ChildSuccessNYC*, an initiative to improve safety and stability, enhance well-being, and expedite permanency for children in foster care by linking together evidence-based model components to establish a New York City model of foster care services. Our goal is to establish, fund, support, and monitor a model of foster care that will improve outcomes for families. *ChildSuccessNYC* is based on program components that are evidenced-based or evidence-informed. We are testing the model this fiscal year with five diverse providers that represent 20% of the children and young people in general foster care.

ChildSuccessNYC and our new permanency planning policy will require compliance with the standards set forth in the Adoption Safe Families Act (ASFA) and support parents and foster parents to achieve more timely permanency. *ChildSuccessNYC* will assist parents immediately after children are removed to address the reasons their children came into care, and will provide intensive aftercare to support a much shorter time to reunification. Based on what we learn from this demonstration project, our intention is to offer the new model system-wide.

Safe Harbor

While not originally part of our Strategic Plan, yet aligned with our priorities to improve child safety and expand services to teens, we recently received funding from New York State to enhance the City's work to identify and serve youth who have been or are at risk of being sexually exploited. We recently testified before the Youth Services and General Welfare Committees regarding our plans, which include a number of components. We are working with our partners at the Department of Youth and Community Development to increase their street outreach and Summer Youth Employment Program targeted to exploited young people. Additionally, we are improving upon the services provided at our Children's Center by training staff to identify and meet the needs of sexually exploited youth better. Given that advocates and

stakeholders City-wide, including the Council, have expressed the need for better collection of data on sexually exploited young people, we will evaluate our current data collection methods and identify opportunities to improve upon them. Perhaps most importantly, ACS is committed to developing a comprehensive plan to address the need for services for the long-term. We are grateful that the State appropriated money for this work in the current fiscal year; however, we need ongoing funding to be able to sustain these efforts and would appreciate the Council's advocacy with the Assembly and Senate for permanent funding. OCFS has approved the plans that we submitted in conjunction with DYCD, and we are moving forward on implementation this spring.

Conclusion

This is an exciting time for Children's Services. We are proud of the progress we have made toward accomplishing the goals set forth in our Strategic Plan with respect to all of our program areas. We have made major strides in the past year, and we have ambitious plans in the year ahead as we continue our efforts to improve the lives of New York City's children, young people, and families.

Thank you for your time this afternoon. I am happy to answer any questions.