



TESTIMONY OF
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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 2018–2019

FEBRUARY 6, 2018

SUMMARY OF RECOMMENDATIONS

1. Invest in Not-for-Profit Workforce

- Support State agency appropriations for worker level funding.
- Support cost-of-living increases for not-for-profit agencies to allow for the funding of salary and fringe benefits increases.
- Support the principals of fair and equitable rate setting for private child welfare agencies and 853 schools (including an increase to the state issued rates for 2018–2019).
- Support a \$1 million investment to create opportunities for our workforce to attain higher education, including:
 - \$500,000 for the New York State Child Welfare Worker Incentive Scholarship.
 - \$500,000 for the New York State Child Welfare Worker Loan Forgiveness Incentive Program.
- Support a \$15 million appropriation to fortify the capital needs of foster care.

2. Reinstate Children’s Services Transition to Managed Care and Expanded State Services Under Medicaid

- Reinstate the previous policy position to support voluntary foster care agencies in their efforts to transition youth from Medicaid fee-for-service to managed care and the expansion of expanded state services under Medicaid as previously planned.

3. Strengthen and Expand Evidence-Based Maternal, Infant, and Early Childhood Home Visiting

- Increase funding for the Healthy Families NY program by \$4.5 million to stabilize and increase capacity at three existing sites, provide needed workforce development and service enhancement, and allow for expansion to unserved areas.

4. Continue Juvenile Justice Reform

- Continue innovation and reform of the state’s Juvenile Justice System.
- Support the Raise the Age recommendations to support development of an implementation and resource plan to treat young people in a manner that promotes long-term youth development and public safety.

5. Assess the Impact of the Justice Center for the Protection of People with Special Needs

- Identify areas and ways to improve client safety, worker retention, and public faith.
- Review of the legislation and its impacts on client safety and protection, as well as worker retention.

Good afternoon. My name is William Gettman and I am the CEO of Northern Rivers Family of Services located in Capital District.

About Northern Rivers Family of Services

Northern Rivers Family of Services was established in 2012 through affiliation with long-standing family services agencies **Parsons Child & Family Center** and **Northeast Parent & Child Society**. Together, the 1,400-strong workforce of Northern Rivers and member agencies serve more than 16,000 children and families in 35 upstate counties each year, with \$85 million invested through more than 60 social services programs. Northern Rivers builds a strong, successful, and healthy future for our children, families, and communities through quality services, collaboration, and innovative leadership. Our program areas include:

- Residential and community-based child welfare programing including foster care, preventive service, postadoption services, and evidence-based home visiting programs;
- Educational services for 400 students including early learn Pre-K and Head Start as well as accredited middle–high school 853 schools;
- Community-based mental health and crisis services programs for children and adults including mobile crisis, school-based services, and licensed clinic programs;
- Community-based waiver programs for children and adults including health home services.

I would like to thank Chairwomen Helene E. Weinstein and Chairwomen Young and members of the Assembly Ways and Means and Senate Finance Committees for this

opportunity to testify on the Governor's Executive Budget for State Fiscal Year 2018–2019.

As has been stated many times:

***The budget is not just a collection of numbers,
but an expression of our values and aspirations.***

Governor Cuomo's has proposed a \$168.2 billion Executive Budget to deal with our state's needs and priorities including closure of a \$4.4 billion deficit, managing the impacts of the federal proposals, improving the infrastructure, increasing county and education efficiency, and creating economic gains across the state.

While Northern Rivers Family of Services is grateful for many of the measures the Governor and the Legislature have taken over the past few years to stabilize the State's economy and help to build a better New York , **more needs to be accomplished to make New York state a great place to live, raise a family, and operate a business. Specifically we must adjust the proposed Executive Budget to support the human services sector and the children, adults, and families we serve each day. The current budget must be more focused on the needs and values of family- and child-centered priorities.**

We all understand the challenges we face today. Economic difficulties are forcing critical conversations and new approaches to innovation at the state, local, and not-for-profit sector level. These conversations and innovative approaches can help us meet the complex needs of families and children and achieve improved outcomes.

The Governor's Executive Budget takes some steps to improve the lives of children such as maintaining preventive services funding for at-risk families, expanding homeless housing programs, increased support for education and Pre-K education on a statewide basis, implementing managed care for adults, and continuing to reform the juvenile justice system.

Following are specific recommendations with regard to the proposed budget.

1. Invest in Not-for-Profit Workforce

New York's families have faced many challenges in the past seven years: the down economy, joblessness, homelessness, opiate/substance abuse, and violence in already plagued communities. When families are in crisis and children are at risk, New York's network of not-for-profit children and family services providers are on the job. **The men and women in the not-for-profit workforce are Human Services First Responders for at-risk and vulnerable families, children, and individuals.**

Throughout the state, not-for-profit human services and not-for-profit child welfare agencies respond to family crises around the clock, and our workers are not immune from the trauma that affects victims. They too are under stress. The expectations are unrelenting. We must support these frontline workers who play critical first responder type roles when a family is in crisis.

New York's not-for-profit workforce is not only hard working but also an economic engine. Across New York state, 1 in 7 workers is employed by a not-for-profit organization. These workers contribute billions to the state's economic health; including the payment of income, sales, and property tax. Beyond the economic

impact, the not-for-profit workforce, especially the direct care staff in child welfare, mental health, child care, aging, health, and developmental disability programs care for hundreds of thousand individuals with unique and special mental health, social, health, and physical needs. These consumers, ranging from young children in foster care and daycare settings, to teens and adults served in outpatient clinics, day programs, and specialized treatment settings often require 24-hour care, intensive supervision, and caring support.

Today, thousands of job openings exist in the not-for-profit world. Not-for-profit executives report that starting about five years ago they have had trouble filling jobs because of the low pay for challenging work, which has historically paid more than the minimum wage. Upcoming minimum wage increases and growing competition from other employers are expected to make recruiting and retaining staff even more challenging. In addition, turnover rates are increasing, ranging from 25 percent to 44 percent depending on the position.

While the state's minimum-wage increase is good for many, it will have unintended and negative consequences for the not-for-profit sector. In order for not-for-profits to compete with the private sector for quality workforce, they will need state support to help pay for rising salaries.

More than ever, we must make the human services workforce a priority. I urge Governor Cuomo and the Legislature to provide workforce increases for the not-for-profit sector. This level of support must include:

- **State agency appropriations for worker level funding, and**

- **Cost-of-living increases for not-for-profit agencies to allow for the funding of salary and fringe benefits increases.**

Failure to provide the revenue to pay for the increased wages will result in program closures, reduced client services, and job layoffs.

We will be serving our vulnerable children, adults, and families for as long as there is need, and we must have a workforce ready for those changes by being fairly compensated, well-trained, and equipped for the challenges that lie ahead. The investment and impact will be good for all of New York state's citizens and communities and guarantee a brighter future.

Over the past several years, not-for-profit agencies have worked with government on countless initiatives to reduce costs, focus on outcomes, use of evidence-based practices, and improve quality services. These efforts come in a climate where the rates and contracts our agencies receive are frozen or lowered. These staff, who we expect to do such vital work, are facing staffing cutbacks, frozen salaries, reduced health benefits, and little or no contributions to their pensions. Not-for-profit agencies have always raised funds from private donors to supplement government resources.

A wage increase for these (and all) workers is particularly essential now that the minimum wage for fast-food and tipped workers has been increased, leaving health and human services employers at a significant competitive disadvantage.

The special challenge here is that, in many cases, employers in this sector are not-for-profit organizations funded to care for people through state programs or public contracts. For these not-for-profit employers to be able to cover the wage increase

without cutting hours or services, New York state needs to increase rates, fees, and contracts associated with the provision of these services. In addition, an increase in the minimum wage creates a “compression” impact on other staff positions. Any wage increase must reflect the compression impact.

Other workforce actions must also be supported to ensure that the most vulnerable members of our community are prepared for a life of success and self-sufficiency.

These proposals include:

- **Support the principles of fair and equitable rate setting for private child welfare agencies and 853 schools (including an increase to the state issued rates for 2018–2019).**
- **Support a \$1 million investment to create opportunities for our workforce to attain higher education.** The child welfare workforce provides stability, trust, and confidence to the children and youth in our care who have often experienced profound trauma during their lifetime. Northern Rivers supports the COFCCA Cares policy, which includes:
 - \$500,000 for the New York State Child Welfare Worker Incentive Scholarship to provide current employees a scholarship to obtain a degree that would enhance their ability to work in such agencies and continue to work full-time in the child welfare field for 5 years after receiving their degree.
 - \$500,000 for the New York State Child Welfare Worker Loan Forgiveness Incentive Program to encourage recent college graduates or incentivize current employees to pursue careers in the not-for-profit child welfare sector

in New York State by providing loan forgiveness awards if they agree to work full-time in the field for 5 years.

- **Support a \$15 million appropriation to fortify the capital needs of foster care.** Due to years of stagnant rates, COFCCA agencies have not been able to financially support

2. Reinstate Children’s Services Transition to Managed Care and Expanded State Services under Medicaid

The Governor’s previous budgets included transition plans, strategy, and funding to support voluntary foster care agencies in their efforts to transition foster care youth from Medicaid fee-for-service to managed care. In addition, the Children’s Medicaid Review Team (MRT) proposed implementation of expanded home and community-based services (HCBS) in July 2018. The proposed budget does not include this level of support and in fact delays implementation for two years. This delay is not in the best interest of children and their families in need of low cost family centered care.

Agencies have worked for over 5 years to prepare for these needed transitions. To delay the transition for an additional 2 years amounts to walking away from a commitment to meet the needs of children in an economic and long terms sustainable way.

We recommend the reinstatement of the previous policy position to support voluntary foster care agencies in their efforts to transition youth from

Medicaid fee-for-service to managed care and the expansion of expanded state services under Medicaid as previously planned.

3. Strengthen and Expand Evidence-Based Maternal, Infant, and Early Childhood Home Visiting

Maternal, infant, and early childhood home visiting has emerged across the nation as a promising and proven way to engage new and expecting parents and their children with services that support the family and lead to positive health and other outcomes—and public cost savings—in the short, medium, and long term.

Funding for the Healthy Families NY program has been held at \$23.3 million for the past eight years and the Executive Budget continues that funding level for another year. Continued flat funding is eroding services and staff reductions at home visiting programs have either not been able to keep up with cost increases or have suffered because of funding instability. An additional appropriation of funds will stabilize and increase capacity at existing sites and provide needed workforce development and service enhancement (mental health, fatherhood initiatives, and community coordination). It will also allow for additional expansion to unserved areas.

4. Continue Juvenile Justice Reform

Northern Rivers Family of Services appreciates the Governor's and the Legislature's continued commitment to improving New York's juvenile justice system. The past few Executive Budgets have eliminated costly and empty beds; enabled youth placed in nonsecure facilities to be placed closer to home; created a statutory funding mechanism for alternatives to detention and placement programs; and led to

the expansion of these more effective and more cost-effective alternatives to detention and incarceration/placement.

We recommend continued innovation and reform of the state’s juvenile justice system. We also recommend passage and timely completion of the Raise the Age recommendations including detailed implementation plans to support the development of an implementation and resource plan to treat young people in a manner that promotes long-term youth development and public safety. In this regard, thoughtful planning at all levels of government and the judiciary and the provider community are needed to ensure that the implementation is successful.

5. Assess the Impact of the Justice Center for the Protection of People with Special Needs

More than three years ago the Legislature unanimously passed legislation creating the NYS Justice Center for the Protection of People with Special Needs. Since implementation, the Justice Center has played an important role in protecting vulnerable adults and children in licensed and regulated residential and community programs.

From day one, the Justice Center has implemented positive procedures including creating a toll-free number for reporting statewide clearance of prospective employees, establishing the staff exclusion list, implementing statewide training, and cultivating increased provider awareness. With three years of data and trends, mandated reporting is clearly happening and patterns are stable. For example:

- The majority of allegations occur in OPWDD and OMH facilities.
- The substantiation rate is approximately 30 percent to 31 percent.
- Intake reporting and calls have remained stable.
- More than 400 individuals are on the staff exclusion list.
- The majority of allegations and findings are neglect not abuse.

Despite these accomplishments, unintended consequences of the legislation have had an impact on workforce retention and practice and the delivery of services by public and private providers.

With more than three years of data, information, and feedback, assessing the impact of the legislation and identifying areas that will improve client safety, worker retention, and public faith is critical. We encourage a review of the legislation and its impacts on client safety and protection, as well as worker retention.

Conclusion

In closing, we urge the Legislature to negotiate a budget with the Governor that ensures that the state remains committed to the programs that produce positive outcomes for children, families, and individuals and one that ultimately saves the state money on more expensive interventions such as foster care, unnecessary medical care, homeless shelters, and the juvenile justice system. I also strongly encourage the Legislature to support the need of direct care workers and other specialized titles. Failure to fund an increase for not-for-profit agencies will have a significant negative impact on the ability of individuals and families to receive services.

Simply stated, I recommend investments in our workforces and communities that yield positive outcomes for all New Yorkers. We must make New York state a great place to live, raise a family, and operate a business.

Thank you for the opportunity to testify.