

**The New York City Administration for Children's Services
Ronald E. Richter, Commissioner
Testimony to the New York City Council
Committee on General Welfare, Committee on Juvenile Justice, Committee on Women's
Issues, and Committee on Finance
March 29, 2012**

**"New York City Council Fiscal Year 2013 Preliminary Budget, Mayor's FY'13
Preliminary Management Report and Agency Oversight Hearings"**

Good afternoon Chairs Palma, Gonzalez, Ferraras, 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. This is my first time testifying before you as the Commissioner and I am proud to be here to share with you some highlights of my first six months, which has been an exciting and dynamic time for Children's Services. With me today is Susan Nuccio, our Deputy Commissioner for Financial Services. My testimony will focus on the child welfare and child care aspects of our work, as well as our juvenile justice work and the important reform initiative that Close to Home represents for New York City's young people and their families.

I appreciate having this opportunity to brief you on the preliminary budget and to update you on our ongoing work to protect and serve New York City's young people and to strengthen families.

As many of you know, I was appointed Commissioner of Children's Services last September. I spent my first 100 days gathering input from as many people as possible about their ideas and concerns related to children, youth and family issues. I met with families and youth that we serve, elected officials, providers, advocates, experts in the field, and importantly, met with Children's Services staff. Based on the input we received and our analysis of data trends, my staff and I developed a set of six priorities that we feel will yield the greatest impact for New York City's children, youth and families and set forth these priorities in our Strategic Plan. With your support, we will endeavor to implement our Strategic Plan over the next two years. I am pleased to have this opportunity to highlight some of our work to date and our plans to move it forward.

Before I do so, I want to share with you some promising information regarding our budget. Children's Services budget for Fiscal Year 2013 is \$2.7 billion of which \$781 million is city tax levy. Unlike in previous years, we do not need to make significant service cuts in the coming fiscal year. Children's Services met our January PEG with a combination of revenue and expense reduction initiatives. In the first initiative, ACS benefited from New York City's ability to increase the federally-negotiated fringe reimbursement rate for personnel benefits from 30% in Fiscal Year 2011 to 46% in Fiscal Year 2012, crediting ACS with \$35.8 million in city savings. In the second initiative, ACS achieved savings through a one-time revenue settlement for prior year services, which provided a savings of \$16.6 million in city tax levy. In the third initiative, ACS will receive additional federal revenue for the care and maintenance of foster care children by increasing the number of children who receive Federal Title IV-E reimbursement from 58% to 60%. This will save the City \$4.4 million in city tax levy. And finally, as the number of children in foster care continues to decline and as children currently receiving adoption subsidies transition into adulthood, the number of families receiving adoption subsidies has decreased, resulting in a savings of \$15.5 million in adoption subsidy payments, of which \$3.4 million is city tax levy.

While it is encouraging to communicate this positive information, we must also revisit last year's "one-time" restorations made by the Council for which funding will expire on June 30, 2012. We are grateful that the Council has been able to make those restorations and we are reviewing what actions will be necessary to achieve these earlier PEGs once the funding runs out.

I would now like to turn your attention to some of the highlights of our 2011-2013 Strategic Plan. I am pleased to report significant initiatives in the areas of child safety, early care and education, foster care, and preventive services. The first priority set forth in our Strategic Plan, the one that makes it possible to achieve our agency's ambitious, focuses on acknowledging how difficult our frontline work is, and supporting our staff who do the work every day. Children's Services is committed to creating and maintaining a culture of professional development for those who do this critical and compassionate work, both within our agency and at our provider agencies. To do this, we are expanding the availability of tools and training to our managers to enhance their ability to support their staff, supplementing staff

development through training and performance evaluations, and promoting the well-being and safety of our staff members while they engage in their important work on behalf of our City's children, youth and families.

Child Safety

Another key priority in the Strategic Plan is to enhance the safety and well-being of New York City's children. One way we are able to do so is by continuing to enhance our Investigative Consultant Program begun in 2006. Through this program, we hire retired law enforcement investigators to assist our Child Protective Specialists (CPS) in locating at-risk children and families, interviewing subjects, identifying domestic violence situations, gathering facts and coordinating with Law Enforcement, responding to fatalities, and in assisting CPS in pursuing unexplored leads, as well as a host of other tasks essential to protecting children.

In the past five years, the program has successfully brought critical law enforcement expertise to our child protective investigations. In 2011 alone our Investigative Consultants conducted almost 43,000 consultations and assisted CPS in locating 1,638 people. In January of 2012, we hired an additional 38 investigators, and another class of 18 investigators began in March, bringing the total number of Investigative Consultants on staff today to 105.

Another effort to protect children concerns our work related to children with special medical needs. To enhance awareness of the needs of these children and ensure that we are connecting them to the right services, our Division of Child Protection has recently developed and distributed a comprehensive Special Medical Needs Policy. Working with the Coalition for Medically Fragile Children, we also developed a training curriculum and produced a video that will be used to train CPS in recognizing and assisting children with special medical needs. We also plan to distribute a video to parents that provides information on accessing resources. Further, in order to assist our CPS staff with these cases, we have increased the number of medical consultants from eight part-time to five full-time with a goal to increase overall capacity to 12 full-time consultants.

Early Care and Education

As you are likely aware, Children's Services will announce the awards for EarlyLearn NYC shortly, a major innovation in child-care and early education. EarlyLearn NYC is the lynchpin in our priority to improve the quality of and access to early childhood services for the neediest New Yorkers. As you know, child care and early education are vital supports for

working families in New York, without which many New Yorkers could not be a part of the workforce. These services also provide children with a solid foundation for development and prepare them to attend school.

The primary goals of EarlyLearn NYC are to better support working parents and to offer high quality care regardless of setting and program design. This means that no matter where a parent may place their child for early care and education, they will receive the same level of quality services. Some of EarlyLearn's critical components include extending program hours so that parents receive a minimum of eight hours and up to 10 hours of care per day; adding critical supports like mental health and nutrition services to strengthen families both emotionally and physically; and significantly expanding professional development and serving children with special needs. EarlyLearn NYC will also expand capacity of our infant and toddler child-care programs, improving access to quality services for our youngest children.

Under EarlyLearn, communities with the greatest need for publicly-supported early care and education will be our highest priority. Research demonstrates that children from low-income families realize tremendous benefits from early care and education. It is incumbent upon us to provide our youngest residents with the support and experiences that will put them on the road to success later in life. Thus, we are making the EarlyLearn services accessible to our lowest income families by locating programs and classrooms nearest to the homes of children who need them most.

We anticipate that the new contracts will begin in October 2012. We look forward to working with the communities, our providers and the Council to implement the goals of EarlyLearn NYC. We will be able to speak in greater detail and answer more of your specific questions on EarlyLearn when we brief the Council shortly after the awards are announced.

Foster Care Initiatives

I would now like to turn our attention to Children's Services work in foster care. The number of children in foster care placement has decreased from 18,875 in 2004 to 13,996 as of December 2011. The number of young people in residential facilities has also declined significantly from 3,555 in 2004 to 1,256 as of December 2011. Today, a greater portion of children in foster care are in family-based foster homes or with relatives, which are both important achievements.

While we are pleased with this progress, Children's Services has targeted several areas for improvement. Reducing the time that it takes for children in foster care to achieve permanency is a key priority set forth in our new Strategic Plan. We are committed to ensuring that children spend as little time as possible in foster care and that their paths to permanency are not held up by administrative delays. To achieve this we are working to expedite the Family Court process, as well as evaluating foster care agencies for their ability to meet adoption and permanency timeframes.

To improve efficiencies in the Family Court processes, Children's Services, the Office of Court Administration, and the Vera Institute for Justice are developing an algorithm that will help Family Court Judges schedule cases based on the complexity of the case and the likelihood of settlement. We are also working with Judges and attorneys to expand the ability of case workers to appear by phone or videoconference where appropriate. To streamline adoptions, Children's Services has created an Adoption Review Unit to coordinate among agencies and court personnel to expedite the process.

Reduction in the time to permanency cannot just be achieved by Family Court – foster care agencies must adhere to timeframes for filing petitions for termination of parental rights or voluntary surrenders, and for filing adoption paperwork. Working closely with agencies, we evaluate cases that are not meeting the Federal Adoption and Safe Families Act (ASFA) timeframes. While there are reasons for delay which are compelling and excusable, we are closely monitoring agency practice. Starting next month, we will focus our Foster Care ChildStat sessions on cases in which a child has been in care for longer than three years. As in

the past, we encourage Councilmembers who are interested in attending ChildStat to contact my office so that we can arrange for you to join us and observe a session.

As another route to permanency, New York State implemented subsidized kinship guardianship last April. Through kinship guardianship, or “KinGap,” a foster child can achieve permanency with a relative who is that child’s foster parent. The family member receives financial support for the child and the child benefits by living in a permanent home with a loving caretaker who is committed to him or her for the long-term. Children’s Services has been using data to identify foster care youth who may be eligible for KinGap. We have identified over 1,600 children who live in homes with kinship foster parents and we have a team of staff working closely with these families to determine if they meet the State’s criteria.

Another area of focus in foster care is strengthening placement stability. We are minimizing movements of children in care in two ways. First, we are redesigning the process by which we place children to improve the appropriateness of the match between each foster child and each foster parent. In 2009 and 2010, over 50% of children experienced at least one move during their first year in care, and 14% of those children experienced three or more moves. These moves follow an initial removal from the child’s parent. We must do better, and we believe that we can. One way in which we can decrease movement is by improving the appropriateness of the initial placement. We are also gathering information about ways to reduce disruptions, tracking placement and disruption rates by agency, and assessing factors that predict moves in order to assist with making better decisions about the initial placement.

The second way in which we are hoping to minimize movements is by improving our foster care recruitment efforts and expanding the pool of families that can provide loving homes for children. We cannot make optimal placement decisions for children without a large pool of qualified, skilled, and patient foster parents. We have stepped up our efforts to recruit, license and train parents who are committed to providing loving homes for children. In particular, we are targeting recruitment toward parents that can care for children with special needs, and we have also rolled out a modified training curriculum with an emphasis on LGBTQ and parenting youth. Last fall, Children’s Services received an Amplifier Award from the Gay & Lesbian Alliance Against Defamation (GLAAD) for our “Be Their Champion” Campaign, which

recognized our foster parent recruitment public outreach for LGBTQ foster parents and affirming homes.

Preventive Services Initiatives

In the area of preventive services, one of our key strategies is to expand services for teens by providing teens involved in the child welfare system who are at risk of foster care placement with intensive, home-based, therapeutic services. In 2010, 32% of the abuse and maltreatment investigations conducted by the Division of Children Protection involved teens. These investigations resulted in approximately 1,400 teens being placed in foster care notwithstanding efforts to identify alternatives. The Teens Services Initiative builds on our success using evidence-based models of practice with young people with a finding of juvenile delinquency and PINS populations. We have begun Phase I of a pilot program in Manhattan and in one zone in the Bronx with New York Foundling and Children's Village to provide intensive home-based services that aim to further reduce foster care placements, reduce truancy, and keep families together. For Phase II of the program, we have issued a Concept Paper in advance of a Request for Proposals for evidence-based services and other promising practices that have been implemented successfully with the teen population in child welfare systems. We anticipate that when the project is rolled out citywide, we will have an array of services available to meet the needs of teens and their families.

Juvenile Justice and Close to Home

For the past several years, Children's Services and our partners have worked closely with the Council, under the leadership of Chairs Gonzalez and Palma, to reform the juvenile justice system so that communities are protected, families are supported, and youth are encouraged to reach their full potential. Today, I would like to highlight some of our most recent achievements and update the Council on our progress in improving services for young people and their families. I would also like to tell you about our plans for implementing the Close to Home initiative.

During 2006, ACS developed the Juvenile Justice Initiative (JJI) and by 2007, I worked with other juvenile justice stakeholders and provider agencies to introduce JJI as New York City's largest alternative-to-placement program for young people at risk of placement on juvenile delinquency cases. JJI provides intensive, in-home, evidence-based services as a means of preventing placement in juvenile facilities, as well as reducing the likelihood that youth who are placed will re-offend after returning to the community. JJI built on the success of Probation initiatives, such as the Esperanza program, which also provide intensive in-home family-based services. Youth who participate in JJI's alternative-to-placement program and their families are provided with intensive counseling, services and supervision in their homes, and are linked to positive resources in their communities. These youth are also able to continue their education in City schools and receive credits from the Department of Education. I am pleased to report that through programs like JJI and similar efforts, we have reduced the number of youth placed in state confinement by about two-thirds from 1,467 in 2005 to 544 in 2011.

The 2010 merger of the former Department of Juvenile Justice into Children's Services was an important milestone for our system. Following the merger, Children's Services, the Mayor's Office, and the Department of Probation launched the City's Detention Reform Action Plan, under which the City established additional alternatives to detention, new risk assessment tools, and expedited case processing. As a result of the successful implementation of the Detention Reform Action Plan, we were able to move young people through the system more quickly, better assess for the appropriate setting within detention, and safely serve more youth in the community. The result was that last March, we were able to join with you to celebrate the closure of Bridges Juvenile Center, or Spofford. Through improved assessment tools, more low-

risk youth have been routed to alternative to detention programs. By 2010, 28% fewer youth were detained, and, at the same time, recidivism for youth awaiting trial dropped by 23%.

Early last year in January, having seen the City's success in developing community-based alternatives, reforming detention and lowering the number of youth sent to out-of-city placements, we asked you to join with us in supporting a realignment of the placement system. This realignment would allow us to take the next step, by ending the practice of sending youth whom a family court judge requires to be confined to distant, ineffective state placement facilities and instead allow us to develop our own system of placement facilities here in New York City.

Children's Services was grateful for your support in advancing this initiative with the Governor and our state legislators. Earlier this year, we were gratified that this concept was incorporated into Governor Cuomo's budget as the Close to Home Initiative and are now pleased to report that it is on the verge of becoming law.

Close to Home will establish a realigned juvenile justice system that provides services to youth, ranging from community-based programming to limited-secure residential care. The most serious juvenile offenders who have been convicted of the most serious crimes will remain in New York State secure facilities.

Currently, almost 400 young people from New York City are held in juvenile placement facilities operated by the State. The fact that so many facilities are hundreds of miles from the City leads to two primary problems: 1) it is very difficult for families to visit and participate in their children's rehabilitation process; and 2) successfully reintegrating children back into their communities is difficult to achieve. In fact, despite very high costs to both the City and the State, outcomes are poor for youth leaving these facilities; historically, approximately 80% are re-arrested within three years.

Close to Home Implementation

Children's Services intends to build upon our success in providing detention services for young people in the City, as well as offering a wide range of interventions and community-based services, some of which I have described today. Under the new system, non-profit providers will contract with Children's Services to operate non-secure and limited-secure placement facilities for youth. Children's Services has issued a negotiated acquisition solicitation for non-secure placement to organizations with a track record of providing these services to New York City youth. We are currently in the process of reviewing proposals and anticipate announcing awards this May, to begin in September 2012. In Spring of 2013, ACS will issue a plan and a negotiated acquisition solicitation for limited-secure placement facilities.

We have also begun to work intensively with juvenile justice stakeholders, including judges, advocates, attorneys for youth and for the City, elected officials, law enforcement, educators, community representatives, national experts in juvenile placement and in alternatives to placement, and others. Input from the communities where our young people come from will be vital to this process and to the success of this reform. We have held forums in four of the five boroughs in communities with the highest numbers of young people in placement; the fifth forum is scheduled to be held in the Bronx on Monday. All of the forums were well attended and I had the opportunity to hear from young people – some of whom were in placement at some point in their lives - as well as from parents, advocates, clergy, and community leaders. The feedback and suggestions from the community will be incorporated into the City's plan for non-secure placement.

We anticipate that New York City youth will begin to be placed from Family Court and transferred from upstate to non-secure facilities in or near the City beginning in September 2012. We anticipate that all eligible youth will be in City-run non-secure placements by December 2012.

The plan for non-secure placement will include a number of key elements that we consider essential to its success. These include a continuum of care for youth, rehabilitative programs rooted in evidence-based modalities, mental health and substance abuse services, and

improved educational opportunities. In addition, a structured decision-making model (SDM) will be implemented that will use risk assessment and offense severity to guide the Department of Probation's recommendations to the courts. The SDM model will use an objective, validated risk/needs assessment tool to determine the risk level of the youth, thereby ensuring public safety.

Benefits of Close to Home

We believe that Close to Home offers many important benefits to young people, parents, and New York City communities. First and foremost, we believe that Close to Home will keep communities safer. The City has an obligation to keep its residents safe, and we can best achieve this by operating our own juvenile justice system with a focus on preventing adjudicated youth from re-offending. Our providers know our City and those who are selected will have a track record of providing quality services in and around our communities. Moving youth closer to home will be the latest in a series of juvenile justice reform initiatives that have successfully reduced recidivism rates, resulting in stronger, safer communities.

A critical benefit of realignment is that youth in city-based facilities will receive better educational opportunities. They will attend and receive credits from New York City public schools, or schools in which they can earn credits toward graduation. No longer will youth in placement fall behind in school because their schoolwork is not recognized by the New York City Department of Education.

As I mentioned before, a significant benefit of the Close to Home plan will be to keep families engaged with their children and to keep children connected to their communities. Rather than having to travel to distant facilities to visit their children, families will maintain frequent contact with their children in care and participate in their rehabilitation, enhancing significantly their children's likelihood of success when returning to their homes and re-entering the community.

Moreover, youth placed in or close to the City will have the opportunity to participate in local programs and stay connected to the support systems in their community. One of the downsides of the current system is that a youth and his or her family age chronologically during the youth's period of placement – the disease of delinquency festers - and then they are reunified without having shared the benefit of joint rehabilitation. Close to Home introduces the opportunity for joint rehabilitation for the first time.

Finally, a realigned system will have strong oversight. New York City juvenile justice programs will be operated by experienced, non-profit residential providers. Children's Services will oversee the programs and regularly evaluate program practice through our existing quality improvement systems used to evaluate the foster care and preventive programs with whom we contract. OCFS will have oversight of the system through site visits and reviews of the programs, as well as through regular reporting from Children's Services. In addition, the New York City Council has played an instrumental role in the oversight and development of program priorities for youth currently served in the juvenile justice system by ACS, and will also play this role for youth placed in New York City. We could not have reached this critical juncture without the leadership and partnership of Mayor Bloomberg, as well as the support of Speaker Quinn, Chair Gonzalez, and Chair Palma.

With regard to budget, the DFYJ portion of the budget for FY2013 is \$135.7M of which \$100M is city tax levy, excluding funding for JJI, which was part of the ACS budget before the consolidation. Again, we are fortunate in that this year we will not have to make reductions in personnel or services in our DYFJ programs. The funding that I described excludes the new State block grant that will fund the services for non-secure and limited-secure placement under Close to Home and also does not account for the portion of the existing ACS foster care budget that pays for juvenile delinquents who are sent to private agencies instead of state-run facilities. The block grant is funded at \$8.6 million in State Fiscal Year 2012-13 and the enabling legislation for Close to Home sets a baseline allocation that annualize to approximately \$42 million when Close to Home is fully implemented.

Conclusion

This is an exciting time for Children's Services. We are optimistic about the goals set forth in our Strategic Plan with respect to all our program areas: enhancing child safety, planning for teens to secure their futures, improving early childhood services, stabilizing placements, and reducing the time to permanency for children and youth in foster care. We are equally committed to supporting the staff who carry out this vital work. A well supervised and supported workforce will provide the best care and services for our children, youth and families which is, of course, the reason that this agency exists.

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