

**LEGISLATIVE FISCAL COMMITTEES' JOINT BUDGET HEARING**

**State Fiscal Year 2014-15 Executive Budget**

**Human Services**

**February 4, 2014**

**By: Sheila J. Poole, Acting Commissioner  
New York State Office of Children and Family Services**

Good afternoon, Chairman DeFrancisco, Chairman Farrell, Children and Families Committee Chairs Senator Felder and Assembly Member Lupardo, and distinguished members of the Senate and Assembly Fiscal and Children and Families Committees. My name is Sheila J. Poole, and I am the Acting Commissioner of the New York State Office of Children and Family Services (OCFS).

This year's Executive Budget furthers the Governor's commitment to a balanced, fiscally responsible budget focused on fulfilling our agency's core mission.

The Governor's budget proposal recommends \$635.1 million for the continuation of uncapped, open-ended support -- the centerpiece of financing for Child Welfare Services. This will provide 62 percent State reimbursement, net of federal funding, to support child protective, child preventive, aftercare, independent living, and adoption services. This critical investment supports local departments of social services, and provides funding for our child welfare partners in not-for-profit agencies throughout the state.

The proposed budget includes \$436 million in Foster Care Block Grant funding, which includes funding for kinship programs. Local districts will continue to have the ability to reinvest any unused funds in the next fiscal year. These savings can be used to support locally-designed child welfare initiatives that

strengthen preventive services and better serve high-needs children who can benefit from independent living or aftercare services.

This year's budget continues to provide \$76.2 million for detention services that support at-risk or alleged Persons In Need of Supervision (PINS), Juvenile Delinquents (JDs) and Juvenile Offenders (JOs). In addition, as he has done for past three years, Governor Cuomo recommends an investment of \$8.4 million to support the Supervision and Treatment Services for Juveniles (STSJP) program, which supports cost-effective, community-based alternatives for low- and medium-risk youth. These supports are consistent with the State's continued focus on diverting youth from out-of-home placement pursuant to an approved detention risk assessment instrument.

To support the continued rollout of the Close to Home initiative for New York City's limited-secure youth, the Executive Budget provides \$41.4 million in State funding, an increase of \$5.1 million.

OCFS takes very seriously its directive to provide for the educational needs and aspirations of youth in our juvenile justice facilities. In addition to working with the State Education Department to become a Registered School, we are pleased that the Executive Budget proposal expands the authority of OCFS to contract with BOCES for services to further improve the educational outcomes of our youth.

Governor Cuomo's administration has advanced a juvenile justice reform agenda that has resulted in substantial savings to taxpayers while maintaining safety and demonstrating better outcomes for youth in facilities across New York State. We have continued to right-size youth facilities and decrease excess capacity, eliminating more than 758 beds since State Fiscal Year 2010-11 – saving taxpayers nearly \$50 million.

In his State of the State address, Governor Cuomo announced the creation of the Commission on Youth, Public Safety and Justice to make recommendations on how best to raise the age of juvenile jurisdiction, improve outcomes for youth, and promote community safety. Despite significant reductions in juvenile crime and incarceration, New York is one of only two states that continue to prosecute 16- and 17-year-olds through the adult criminal justice system.

The proposed Budget continues an investment of \$14.1 million to provide state aid to municipalities for the operation, provision and administration of eligible Youth Development Programs. As you will recall, the enacted 2013-14 budget created a flexible, seamless Youth Development Program to provide administrative relief to municipalities. It did not require local matching funds and allowed counties to provide services designed to support youth development in communities deemed "at risk."

The Executive Budget includes a joint proposal from OCFS and DOH to assist foster care agencies in the transition to Medicaid Managed Care that is scheduled to occur in 2016. OCFS is working with the Department of Health on this transition so that the specialized needs of children in foster care are understood, and that managed care plans and health homes have sufficient expertise and capacity to meet their needs.

Governor Cuomo builds upon the success of the State's first fully-funded pre-kindergarten program by committing to invest \$1.5 billion over five years to support a phased-in implementation. OCFS applauds the Governor's commitment to New York State's children by creating an early path toward success for future generations.

The Executive Budget provides for a critical investment in the Child Care Subsidy Program through a net increase of \$21 million to the Child Care Block Grant. This will support access to day care for

working families and recognizes the increasing costs faced by day care providers, many of whom are an essential part of New York State's small business community.

OCFS is dedicated to making certain that child care funds are used for their intended purpose. OCFS has broadened its multi-faceted fraud initiative to identify and investigate suspected child care subsidy fraud. In addition to deploying a statewide automated Child Care Time and Attendance system, OCFS gave local districts more authority to take action against fraudulent providers. OCFS also awarded 20 incentive grants to local districts to help further detect, prosecute and prevent child care subsidy fraud. To date, these grants have prevented \$18.4 million in fraudulent claims.

As part of Governor Cuomo's efforts to improve efficiency, OCFS is working with the New York State Director of LEAN on evaluating our child care licensing process, with the goal of significantly reducing the time it takes to issue child care provider licenses. We will also be working to make it easier for New Yorkers to apply for and receive licenses to do business in our State.

To help recover from the devastating effects of Superstorm Sandy, New York State was awarded \$235 million in federal Social Services Block Grant funds to help human services providers with reconstruction and repair costs. Many of the grantees who will receive this much needed funding are day care providers. OCFS is proud to steward this vital recovery effort.

The explosion of scientific research in the past five years points to the irrefutable conclusion that childhood exposure to trauma left undetected and untreated predisposes future generations to a spectrum of medical, mental health, and social challenges at enormous cost throughout their lifetime. To address these issues, OCFS is increasing its focus on child well-being, and has partnered with the Office of Mental Health (OMH), the Office of People with Developmental Disabilities (OPWDD), the Department of Health (DOH), the Office of Alcoholism and Substance Abuse Services (OASAS), the

State Education Department (SED), local districts (including Youth Bureaus), and the OCFS-licensed voluntary agencies to establish an action plan. OCFS is also partnering with national experts on this emerging body of work and is being recognized as a leader among states.

The New York State Commission for the Blind (NYSCB) celebrated its centennial last year and, thanks to the action of the Legislature and the Executive, its new name became official. The Commission continues to be a national leader in securing employment for blind and legally-blind citizens.

As Acting Commissioner of the Office of Children and Family Services, I am fully committed to Governor Cuomo's responsible, balanced plan to bring about necessary reforms and improve outcomes for New Yorkers.

OCFS remains focused on our mission of protecting and strengthening the safety, permanency and well-being of our children, families, and communities. We look forward to our continued work as we keep New York State moving on the path to a bright and sustainable future.

Thank you again for the opportunity to address you today. I welcome your questions and comments.