

**City Council Preliminary Budget Hearing**  
**Testimony by Commissioner John B. Mattingly**  
**New York City Administration for Children's Services**  
**March 8, 2010**

Good afternoon Chair Palma, Chair Ferreras and members of the General Welfare and Women's Issues committees. I am John B. Mattingly, Commissioner of the New York City Administration for Children's Services. Joining me today is Susan Nuccio, Deputy Commissioner for Financial Services. Thank you for the opportunity to brief you on the preliminary budget and on our ongoing work to protect children, strengthen families and provide early care and education services to children and families.

The Fiscal Year 2011 preliminary budget for Children's Services is \$2.57 billion, which includes \$665 million in City tax levy funds, \$595 million in State funds and \$1.31 billion in Federal funds. As in recent years, we faced a number of extremely difficult decisions in developing the January Plan in order to meet our

Citywide commitment to reduce spending in the midst of serious funding constraints at all levels of government.

As we reported to the Council last year, Children's Services has undergone a number of exercises to reduce our budget in previous cycles. We conducted an agency-wide functional analysis to identify efficiencies in our operations, which led us to make the difficult decision to lay off staff across all divisions last year. We also looked to reduce spending on our administrative resources wherever possible. While these actions have presented a number of challenges for all of us at Children's Services and in the child welfare and child care communities, we have been careful to look for reductions in spending that would enable us to make our organization more efficient while sustaining our most essential services for children and families.

This year, we once again identified savings in our administrative costs, a reduction in staff overtime and a decrease in spending on renovations. However, we were not able to achieve the level of reductions necessary without looking at where savings could be achieved in our services. Therefore, we looked at each area of our

work to determine where spending could be further reduced while preserving our core responsibility to protect children and support families throughout New York City. These were extremely difficult choices to make and we did our best to ensure that the families we serve would not lose these critical services.

### **Child Protection**

Our top priority at Children's Services is to protect children from child abuse and neglect. We accomplish this first through strong child protective investigations. We have been working since 2006 to strengthen our work in this area, and our child safety initiatives have been successful enough that they are now being studied by child welfare systems across the country. Our efforts have included a new approach to recruiting and retaining frontline staff, enhanced oversight and accountability in our child protective offices, increased supervision and support for staff in these offices, hiring Investigative Consultants, and an overhauled comprehensive training curriculum for child protective staff. These enhancements have helped us to bring child protective caseloads down to record lows, below our target of 12 cases per

worker. In fact, in recent months these caseloads have dropped below ten.

Based on this information, Children's Services is making the difficult decision to eliminate by attrition 202 child protective positions from our model budget. Included in this number will be child protective specialists, supervisors and managers. We do not anticipate any layoffs as a result of this cut. Nevertheless, this is not a choice that we make lightly.

We are committed to keeping a steady watch on our child protective caseloads and on the quality of practice in our investigations. We currently do this through weekly ChildStat sessions, in which I meet regularly with leadership in the borough offices and central management to evaluate practice through careful review and discussion of performance data and active cases. This decision was particularly challenging, as we have worked hard to avoid making any reductions in child protective services in past budget cycles. We included the proposed attrition of 202 child protective workers because we strongly believe that we have the necessary systems in place to monitor our work and

ensure that we are able to continue to provide for the safety of children in our child protective investigations. If, at any time, we find that additional resources are needed in order to continue to meet our primary mission of keeping children safe, it is our commitment to bring additional staff into child protective services as needed.

### **Child Welfare Contracts**

Our commitment to child safety has been reinforced throughout the child welfare system through a new Request for Proposals (RFP) for all child welfare contracts in New York City. The RFP encouraged applicants to propose new program models for delivering child welfare services and to develop community-based partnerships among preventive agencies, family foster care programs, residential care programs and local communities. Through this enhanced continuum of services we are working with our contracted providers and community partners to identify and address safety concerns at every step of our involvement with a family.

Through new foster care contracts, Children's Services is seeking to increase the options in family-based care, rather than residential. We will also transform the use of residential care to a family-centered, short-term treatment focused model, to be utilized only for children who cannot be served in a family setting. To help stabilize families, including foster families, we will develop new services for children and families who need short-term crisis intervention services, provided through a home-based model, known as Rapid Intervention Teams.

We are also working to develop a more comprehensive array of effective preventive services to help families raise their children safely and further reduce the number of children who are separated from their families by placement into foster care. We will strengthen services for families in which a family member has a mental illness through development of a new Family Rehabilitation/Treatment program that builds on the success of our Family Rehabilitation Program. We will also introduce new specialized services that bring to bear the necessary expertise for working with families whose children have mental retardation

and/or developmental delays or disabilities, or have been sexually exploited.

In order to achieve savings for the preliminary budget, Children's Services made the difficult decision to delay, reduce capacity, or in some cases not implement several parts of the RFP. In Foster Care, we will delay the implementation of a new per diem rate for agencies running foster boarding home programs until Fiscal Year 2013. This delay is for an administrative rate that is paid to foster care agencies overseeing foster homes and does not impact the funds that are provided directly to families providing care to youth in foster care.

In preventive services, we sought to minimize the impact of the budget cuts by spreading reductions across our continuum of services. We will reduce the planned capacity of our General Preventive, Family Treatment/Rehabilitation and Special Medical/Developmental programs. It is expected that this action will reduce the number of community-referred families we can serve in these program models, while maintaining critical capacity for families with indicated abuse or neglect reports –

families for whom preventive services are necessary in order to allow a child to remain safely with his or her family – and those referred by NYCHA and DHS.

We will also not proceed with a plan to develop two new specialized programs that were part of the RFP, including a program for youth who have been deemed sexual offenders and the family-based respite program. In addition, we will reduce rates for our Family Treatment/Rehabilitation providers, as well as the value of the Family Assessment Program RFP for PINS youth and their families and our ACS homemaking budget.

The Council has been a critical partner in our efforts to support families through preventive services and in recent years has provided funding to enable programs to decrease caseloads for staff at their agencies. We are pleased to report that, despite the many challenges that we faced in implementing this RFP in the midst of severe funding constraints, we have been successful in funding these lower caseloads of 12 cases per worker in our new preventive contracts as an integral part of our budget. These contracts are expected to begin in October.

## **One Year Home**

In addition to our budget reduction strategies, Children's Services and our foster care agencies are committing to an ambitious strategy to see to it that as many children as possible who enter care will achieve permanency within one year. We will work to do this either by expediting the process for reunifying children with their families or identifying a family willing to make a permanent commitment to them through adoption.

To make this possible, we will institute a new practice in which there is a personal, joint hand-off between ACS's child protective staff and foster care workers at contracted agencies, foster parents and birth families, so that the foster care agencies can have the necessary information to move children on the path to permanency from the very start of their involvement with the family and so that parents can visit their children soon after removal. We are also strengthening our Family Team Conferences, in which ACS and foster care agencies meet with family members and youth at all critical decision making points to create a permanency plan for the child and ensure that the goals of that plan are met. We are also working with the Family

Court to minimize delays and decrease the time it takes to move a case through the court process. As part of the preliminary budget, we anticipate achieving savings in our foster care budget by moving 800 young people toward reunification or adoption through our “One Year Home” initiative.

## **Child Care**

Children’s Services and the Council have had countless discussions in the past five years about the challenges that we face in our child care system. Together, we have worked tirelessly to sustain the system at a time when we have experienced severe financial instability. I know that we all share the same goal – to provide the best child care possible to every child in New York City.

We have talked in the past about how the City, in recent years, has continued to invest more and more of its tax levy into the child care system as costs have increased, while the State and Federal governments have failed to keep up. Moreover, the current child care infrastructure does not meet the needs of today’s families and change is necessary to create a more

sustainable system. Our ongoing commitment at every step of this transformation has been – and will remain – to continue serving every child currently being served.

To this end, we have begun implementation of Project Full Enrollment, through which we are working to make more efficient use of seats and funding by reimbursing centers based on enrollment. Our goal in this effort is to make sure that every seat paid for by the City is filled with an eligible child. The United Way recently launched its Training and Technical Assistance for programs to support them in strengthening areas of need, including: marketing and recruitment, business plan development, financial management, developing private pay capacity and targeting local community need.

In partnership with the City's Department of Education (DOE), we have integrated Universal Pre-Kindergarten (UPK) into child care and Head Start settings in order to maximize seats and funding for four year olds. Thanks to this effort we have created approximately 4,100 new UPK seats so that thousands of additional children are benefiting from the enhanced services

made available through these programs. We have also realigned the City's contracted child care system to serve the early care continuum of birth to age four, with five-year-olds attending the public school system.

As we have evaluated the areas in which efficiencies must be made in order to build a more sustainable system, we have looked at where our costs are rising and placing an additional strain on our already stretched resources. Lease expenses for City-leased sites are one of the primary drivers of rising costs in the child care system in New York City. And so, when faced with the difficult decision of how to reduce spending in our system, we chose to consolidate centers with high-priced leases and where there are nearby alternative child care programs available. Our only alternative was to cut slots and take away child care services for hundreds of children. As in the past, we will work with every family whose child is currently receiving services in one of these child care centers to guide them to new sources of subsidized child care.

Moving forward, our goal is to build upon the quality of our system, to make sure that the City has the best Early Care and Education services possible for all children. Throughout our work over the past several years, we have had many conversations with child care providers about what they need to provide the highest quality of care. We have also researched nationally acclaimed models and consulted with local stakeholders and national experts. We all want the children we serve to benefit from exemplary child care services. These services include economically mixed classrooms, low teacher to student ratios and enhanced support for families.

We also know that for communities across the City to succeed, we need an ECE system that helps our children develop socially and intellectually from day one. And so, we will work to expand services for infants and toddlers and to ensure that our contracted capacity is available in communities where there is the highest need. In the coming weeks we will be reaching out to Council Members, programs and other stakeholders to discuss how we can work together to make this vision a reality for New York

City's children. We look forward to working with you on this new approach.

## **Juvenile Justice**

Three weeks ago, I testified before the Council Committees on General Welfare and Juvenile Justice about the City's plans to integrate the Department of Juvenile Justice (DJJ) with Children's Services. Tomorrow, I will testify before the Juvenile Justice committee about DJJ's planned budget for FY 2011.

With this integration we have a unique opportunity to develop a more comprehensive continuum of supports, supervision and guidance for young people involved in our City's juvenile justice system. We will better equip our system to begin long-term planning for young people and their families from the very start of their involvement with us. We will leverage our experience with the child welfare system's family engagement model and our success in reducing residential placements to decrease our reliance on detention and secure prison facilities and expand use of community-based and family-focused alternatives. We will be equally focused on ensuring that our detention facilities are

equipped to provide appropriate educational, mental health and recreational services, and that we are working with young people and their families to prepare for their re-entry into the community.

I am sure we will have a much deeper discussion of these changes and the DJJ budget tomorrow. I bring this up today because I want to assure the Council and all of the stakeholders here today that this integration does not imply that our efforts to strengthen and sustain the child welfare and child care systems are complete by any means. We must continue to focus on moving forward with our plans to provide the best services possible in our efforts to protect children and support families. We believe that bringing our resources together enables us to leverage the expertise in both agencies so that we can build upon the progress made in New York City's juvenile justice system in recent years and strengthen outcomes for all youth in our City's custody.

## **Conclusion**

The current recession presents many difficult challenges for all of us – including the staff at Children's Services, our contracted

providers, and most critically, the City's families. We are all working hard to ensure that families accessing our services – both in child welfare and child care – continue to get the support and assistance they need.

As the Council is aware, the agency has a responsibility to reduce spending in order to make it through these tough financial times. We have had to make many difficult choices that, in better times, we would have avoided. I hope that my testimony today reinforces that, despite these economic challenges, we remain committed to carrying out our mission to protect children, strengthen families and provide high quality child care services to children and families.

I would like to thank the Council Committees on General Welfare and Women's Issues for providing me with this opportunity to discuss our preliminary budget. I appreciate your support and advocacy during these times. I will now take your questions.