



David A. Hansell, Commissioner
Testimony to the New York City Council
Committees on Finance, General Welfare and Juvenile Justice
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“New York City Council Fiscal Year 2019 Executive Budget Hearing”

Good afternoon Chairs Dromm, Levin, and King, and members of the Committees on Finance, General Welfare and Juvenile Justice. I am David Hansell, Commissioner of the New York City Administration for Children's Services. With me are Lisa Parrish, Deputy Commissioner of Financial Services, Lorelei Vargas, Deputy Commissioner of Child and Family Well-Being, and Felipe Franco, Deputy Commissioner of Youth & Family Justice. Thank you for this opportunity to update you on the ACS Fiscal Year 2019 Executive Budget and on some of the improvements that ACS is making to our systems, for our providers, and most importantly for the children and families that we serve.

When I testified before you in March I talked about the progress we have achieved during my first year at ACS in implementing changes and practice reforms to usher us towards a more efficient and effective system. Today I will discuss the investments that are embodied in the Mayor's Executive Budget for Fiscal Year 2019 that will support the agency's continued movement forward.

State Budget

First, when I testified in March we discussed the proposed State budget, which would have made the most drastic cuts to child welfare in New York City in decades. I am very pleased to report to you that the final budget did not include a cap on child welfare funding, enabling us to continue the tremendous progress we're making, with stronger protocols for maltreatment investigations, expanded programs to support families, and a record low number of young people in foster care. I want to thank the

City Council for your powerful advocacy on behalf of our City's children and families during the State budget negotiations. I also want to thank the children's advocacy community in New York City who did extraordinary work to make sure that the State Legislature understood the potential impact of these cuts and persuaded legislators to maintain the State's commitment to this work.

The final state budget does, however, include troubling cuts to our successful youth justice work. While the budget reauthorized Close to Home, it provided no funding for the program. We are deeply disappointed that the budget doesn't continue the shared State fiscal responsibility for juvenile justice in New York City, which has always existed previously and which continues in the rest of the state. We're committed to continuing the innovative and successful Close to Home program that has helped hundreds of young people get their lives on track, and we will continue to seek state support for this work. We remain hopeful that the State will do what is right for our youth and restore funding, and we appreciate the Council's support in this ongoing effort.

Federal Funding

I also want to provide some brief context about federal budget developments that affect our work, in two areas: (1) our federal IV-E funding waiver, and (2) the recently-enacted Family First Prevention Services Act.

IV-E Waiver

Title IV-E of the Social Security Act is the primary source of federal funding for child welfare and only allows states to draw down federal dollars if children are in foster

care. As such, the current federal funding scheme essentially incentivizes states and localities to fund foster care placements over services that are designed to prevent the need for foster care placement. Since 2014, New York City has received a Title IV-E waiver that allows for flexible use of funds to test new approaches and finance structures that allow a broader array of services to improve child welfare outcomes. Through the IV-E waiver, ACS created Strong Families NYC, which invested more than \$200 million over five years to achieve the following:

- Reduce caseloads for foster care agency staff and increase their supervision;
- Roll out and scale up Attachment & Biobehavioral Catch-up (ABC), which promotes responsive, nurturing caregiving of young children, and is now available to all children in foster care ages 6 months to four years old while they are in foster care and when they are reunified with their parents;
- Implement Partnering for Success (PfS), which improves children's access to appropriate mental health interventions while better integrating child welfare and mental health services; and
- Ensure comprehensive trauma screening for all children who come into care.

ACS's Title IV-E waiver is set to expire in December of this year, and we intend to request an extension of this waiver through September 2019. However, the request is subject to State and federal approval, and the federal statutory authority for these waivers expires on September 30, 2019 unless Congress chooses to extend it.

Family First Prevention Services Act

The recent passage of the federal Family First Prevention Services Act introduces new options, but also new risks, to child welfare funding for jurisdictions across the country. The Family First law aims to reduce foster care placements by allowing federal reimbursement for certain preventive services to families and children in their homes and communities. However, the new law contains provisions that could significantly reduce the likelihood of receiving federal Title IV-E funding for many foster children placed in congregate care, and imposes related unfunded practice mandates.

The new law allows states to request a delay in the implementation of these provisions from 2019 to 2021, and to decide whether to exercise the prevention services option at all. The New York State Office of Children and Family Services is currently analyzing the impact of Family First and is working with other states to determine next steps. We look forward to collaborating with OCFS to develop a response that best serves our children and families.

ACS has long been a pioneer in our use of preventive services to reduce foster care placements and in our work to improve outcomes for children in foster care, well before the passage of Family First. It is essential that we are able preserve the investments that we have made to reform New York City's foster care system and improve outcomes for the families we serve.

Budget Overview

The Administration for Children's Services' budget for the 2019 Executive Financial plan provides for operating expenses of \$2.94 billion, of which approximately \$988 million is city tax levy. Last year's ACS adopted budget was \$3.13 billion. The reduction of \$185 million is primarily due to the transfer of EarlyLearn NYC to the Department of Education (DOE) as part of 3K for All, offset by the addition of funds to support Raise the Age implementation, as well as year-to-year increases in child welfare programs.

Like all agencies across the City, ACS has been asked to identify efficiencies in our budget. We are able to do so through a re-estimate of the number of Juvenile Offenders that are placed by the Courts outside of New York City, which will save \$14.8 million a year starting in FY 2019. Additionally, ACS has realized FY19 savings of \$6.4 million in efficiencies in staff vacancies and \$2.2 million per year in overtime savings. I'm pleased to say that these savings will in no way impact services to families.

New Needs

Raise the Age

As you know, New York City is in the midst of implementing one of the most expansive juvenile justice reforms in recent history. The passage of Raise the Age one year ago means that, as of October 1st of this year, newly arrested 16-year-olds will be treated as juveniles and will no longer be prosecuted as adults or held in adult facilities; the same will be true for 17-year-olds starting on October 1, 2019. Unlike any other

jurisdiction in the entire state, New York City has the additional requirement to remove all 16 and 17 year olds from its adult detention facility, Rikers Island, even before many of them transition into juvenile status under Raise the Age. By October 1st of this year, they must be housed in a non-Rikers facility to be jointly administered by ACS and the Department of Correction (DOC).

Since enactment of this landmark legislation one short year ago, ACS, our sister City agencies, and our State partners have been working actively to prepare to receive new 16- and 17-year-olds and Rikers youth into our juvenile detention facilities and to develop program models and services at these facilities and in the community that meet the developmental needs of older adolescents. I know that this is an area where many of you have questions, and we are committed to being transparent and collaborative with the Council throughout this work. In that spirit, I would like to share with you today some highlights of the progress we are making to implement Raise the Age.

1. New Youth Development Specialist Title

I am excited to announce today that the Administration has just reached an agreement with our labor partners to create a new civil service title to staff our juvenile detention facilities, one that provides more competitive compensation and that better reflects the qualifications that will be needed to support and protect young people in the juvenile system after Raise the Age is implemented. Working with the Department of Citywide Administrative Services and through negotiation with SSEU, Local 371 of District Council 37, we have finalized a new civil service title of Youth Development

Specialist (YDS). I would like to personally thank President Anthony Wells, Local 371, and District Council 37 for their partnership in this effort, as well as our partners at the Office of Labor Relations, the Department of Citywide Administrative Services, and my executive staff for their tireless work to bring the new title to fruition.

With the establishment of the new Youth Development Specialist title, we can now move forward with our aggressive hiring plan to bring staff on board by October 1, with continued hiring throughout 2019 and 2020 to enable us to fully staff both detention facilities. Our intent is to proceed with hiring and training new staff as expeditiously as possible. Funds in the Executive Budget will provide support for our recruitment campaign to attract qualified individuals who are interested in working directly with youth in Crossroads and Horizon. We have already developed a dynamic recruitment campaign consisting of print, radio, TV, and social media ads that are ready to launch within the next two weeks. We have established partnerships with some of the leading radio stations in the City to help promote this recruitment effort. We are also working with community organizations and leaders to help recruit potential staff from within the communities we serve. The work of our frontline staff is critical for creating positive outcomes in the lives of the young people that pass through our doors. It is not an easy job, but it is an important one and we look forward to the Council's help to identify the professionals needed to carry it out.

2. Construction at Detention Centers

As you know, renovations are well underway at Horizon and Crossroads to ensure that these facilities can meet the demands of a larger population and the unique needs of older youth. The total budget for long-term renovations at both facilities is \$329 million—with an authorized budget of \$110 million—and nearly \$80 million committed in contracts through the Department of Design and Construction. These contracts fund the immediate health and safety renovations, as well as programmatic expansions to meet the needs of a larger population and older youth. Current construction includes renovations of the medical unit and dormitory halls, wall hardening throughout the facilities, upgraded program areas and classroom spaces, new plumbing and HVAC systems, updated staff and transportation areas, and enhanced security. All health and safety renovations are currently on track for completion in late summer.

3. Policies, Protocols, and Training

ACS has worked hard to establish a system of care within our secure juvenile detention system that is both grounded in best practice and designed to promote a safe, secure environment for youth and staff, and we intend to maintain and enhance that system. We continue to work in close collaboration with DOC to develop a youth-centered framework for co-administering the specialized secure detention facility as required by State law, and have developed critical operational policies and created an IT and administrative infrastructure for tracking youth and retaining critical records.

To maintain these high standards, we have shared this best practice information with DOC and have connected them to the developers of our evidence-based models and treatments to discuss how they can support DOC's training efforts. We are also collaborating with DOC around staff training, and we have shared our training schedule and materials with DOC for use in training the staff who will be working in the specialized secure detention facility. Additionally, ACS has invited DOC trainers to participate in two Training of Trainer (TOT) sessions planned for this June.

4. Interagency Service Improvements for Young People

Last week, we announced that we've entered into a partnership with Health + Hospitals, who will help manage the contracted health care providers currently working at Crossroads and Horizon. This will ensure that young people in detention continue to receive high-quality health care – and it's also a first step toward ensuring continuity of care for young people throughout the juvenile justice system, from detention through placement and aftercare, and continuing as needed after they are released.

In addition to the comprehensive educational services provided through the DOE's District 79 Passages Academy schools across our juvenile justice continuum, we are working with the DOE to establish high school equivalency programs in detention and Close to Home as an alternative for some older youth. We are also exploring the development of new career certificate programs and better access to vocational schools.

We are also working in close collaboration with our partners at the Mayor's Office of Criminal Justice (MOCJ), the Department of Probation (DOP), and the courts to increase the use of Alternative to Detention (ATD) and Alternative to Placement (ATP) programs to keep young people who do not need to be confined safely in the community with necessary services and supports. We also continue our work with DOP and MOCJ to expand the array of ATD and ATP programs available to young people, including programs specifically designed to address the unique needs of older adolescents.

To aid in our efforts to prevent young people from ever entering the justice system in the first place, we are working with the NYPD to increase access to our Family Assessment Program (FAP). FAP is a juvenile justice preventive program which supports parents and guardians through intensive in-home therapeutic services to help improve family functioning when parents/guardians seek to file a Person In Need of Supervision case in Family Court. Our work with the NYPD aims to help connect families to FAP services when a young person comes into contact with law enforcement, but before the need for court intervention arises. To further increase accessibility to FAP services, ACS's Division of Youth and Family Justice is also working to establish a mobile FAP unit to reach youth and their families directly in the community.

Raise the Age is a massive undertaking, yet despite the enormity of this system reform and the aggressive State-mandated timeline for implementation, New York City may effectively be excluded from accessing the funds allocated for Raise the Age implementation in the State's FY 2019 budget, rendering this necessary reform an unfunded mandate for the City. To meet the significant new funding needs created by Raise the Age, the Executive Budget allocates \$51 million to ACS for FY 2019, which grows to a baseline value of \$100 million at full implementation in FY 2021. This funding will support Raise the Age implementation in a number of ways. The Executive Budget provides new funding for additional staff who will work directly with the youth in our secure detention facilities and eventually in the specialized secure detention facilities. The budget also includes funds that will enable us to build on our successful juvenile justice preventive programs, which allow youth who would otherwise be sent to detention or placed in Close to Home to remain safely in the community with supervision, services, and other supports.

Funding in the Executive Budget will also allow ACS to bolster our array of Alternative to Placement (ATP) preventive programs, and will allow us to expand Close to Home and Non-Secure Detention contracts to create additional capacity in our juvenile justice residential continuum to accommodate an increased census under Raise the Age. It will also enable us to strengthen our array of services and programs for young people throughout our juvenile justice continuum.

Close to Home

Another major investment included in the FY 2019 Executive Budget covers the loss of state funding for the Close to Home Initiative. As I stated, despite the City's advocacy and the overwhelming evidence of the success and effectiveness of Close to Home, New York State chose to eliminate every dollar of funding for Close to Home in the State FY 2019 budget, just as the number of youth in Close to Home is expected to more than double under Raise the Age. While the State chose to walk away from its obligation to support justice involved youth in New York City, Mayor de Blasio has added \$30.5 million to the Executive Budget to replace the state funds that have been stripped from the Close to Home initiative—in addition to the \$38 million in City funding that has supported this initiative over the past several years.

The Close to Home initiative launched only five years ago, but in that time has resulted in a 51% decrease in the number of youth who enter placement and has dramatically changed the way we approach services and programming for justice involved youth. The additional investment of City funds will allow ACS to continue the work that has positioned New York City as a national model for juvenile justice reform.

One of the many lessons we learned through our implementation of Close to Home is that the success of a young person's reintegration into the community after residential placement rests largely on the strength of the aftercare supports they receive. This truth is all the more important as we prepare to receive older youth in Close to Home under Raise the Age. With this in mind, ACS has developed a comprehensive strategic plan to improve outcomes for justice-involved youth and

bolster public safety, funded in the Executive Budget at \$3.6 million in FY 2019 and scaling up to \$7.5 million in FY 2020 and the out years.

The Close to Home Aftercare Strategic Plan will expand our focus in three important areas:

1. Improving System Capacity to Assess and Support Youth:

- Implement a validated risk assessment tool (the Youth Level of Service Instrument) to better identify and respond to needs and risks that influence youth delinquency.
- Partner with DOP to train ACS and Close to Home provider frontline and supervisory staff on best practice community supervision strategies for youth.
- Expand ACS's use of Family Team Conferencing as an evidence-based tool for use with youth who are out of compliance with aftercare requirements or at risk of compromising public safety.

2. Strengthening Youth Monitoring and Accountability and Enhancing Public Safety:

- Pilot an Evening Reporting Center which will invest in a youth-serving neighborhood organization to help prevent further delinquency by providing intensive services and supervision for youth in the community.
- Implement a Graduated Response protocol for youth on aftercare that uses a series of accountability-based incentives and sanctions to encourage better decision-making and compliance with aftercare requirements.

- Ensure that Close to Home residential placement providers continue to work directly with youth as they transition from placement and participate in aftercare services and programming.

3. Enhance Interagency Partnerships:

- Conduct joint case reviews with DOP to share information and case planning ideas for youth with both juvenile justice and child welfare involvement.
- Create enhanced training capacity for Close to Home staff and providers and aligning efforts with DOP, DOE, and other city agencies.
- Create an additional team of Investigative Consultants—retired NYPD law enforcement investigators—to work closely with the NYPD Juvenile Crime Squad to locate and return youth to care.

Other ACS Initiatives

Preventive Services Investments

New York City is at the forefront nationally in providing evidence-based preventive programs to support families. ACS has steadily increased the availability of evidence-based prevention programs that are shown to reduce rates of maltreatment and improve overall child and family wellbeing. Thousands of families are receiving intensive counseling tailored to their needs, and thousands of parents are receiving parenting coaching to help them cope with the pressures they face and raise healthy children. Generous investments in our preventive services by the de Blasio

Administration and by the Council have allowed us to develop a quality model budget to ensure providers can implement the best possible service models to support families and are appropriately compensated for doing so. As I noted during my testimony in March, ACS announced the model budget components in January of this year and by the end of this current fiscal year, we expect to complete the final stages of amending provider contracts to implement the enhancements.

In January 2018, ACS announced a pilot protocol for expanded services to protect families at risk of, or experiencing, domestic violence. Under the new protocol, ACS's Investigative Consultants assist preventive agencies with identifying safety issues for families receiving prevention services when there are domestic violence risk factors and/or criminal history, a new adult has been added to the household or has taken on a caretaker role, and there are children under 7 years of age in the household. This month, ACS will also procure a demonstration project to test new methods for working with families experiencing domestic violence, which will serve 130 families experiencing domestic violence, who are under court-ordered supervision, or are referred to or seek ACS prevention services. The service model will allow families to receive both preventive services and a clinical therapeutic intervention for domestic violence.

This Spring we are also rolling out new preventive services focused on supporting families that have very high service needs, in particular those under Court-Ordered Supervision or at risk of court intervention. ACS recently notified providers of awards for 960 additional slots—including in evidence-based clinical models such as

Functional Family Therapy and Child-Parent Psychotherapy. This service model will be fully implemented in FY2019.

NYC Interagency Foster Care Task Force

This March, the NYC Interagency Foster Task Force released its first report outlining 16 actionable recommendations to the City to improve outcomes for children and families in the foster system. We thank Chair Levin and Public Advocate James for their roles in shaping the work of the NYC Interagency Foster Care Task Force, and we thank the City Council for its continued commitment to this priority.

Upon release of the Task Force report, ACS immediately launched initiatives to address two of the report's key recommendations – increasing the number of youth in foster care who are placed with relatives or close friends (“kinship care”) from 31% to 46% by the end of 2020, and increasing the number of youth in after-school programs that can help improve academic performance and social skills.

For the kinship care recommendation, ACS has established new dedicated DCP staff resources and is working in partnership with national experts to provide training and technical assistance to our staff in the foster care agencies and our Division of Child Protection (DCP).

ACS is working in partnership with DOE and the Department of Youth and Community Development (DYCD) to implement these recommendations and to improve educational outcomes for youth in care. ACS and DYCD have executed a Memorandum of Understanding to allow our agencies to share information that will

enable ACS to identify youth in foster care who attend DYCD afterschool enrichment programs and those who do not, so that we can work to increase utilization and better position young people for academic success.

ACS remains committed to doing all that we can to advance all of the recommendations of the Foster Care Task Force, and we look forward to working with the City Council, the Public Advocate, our sister agencies, providers, youth, parents, and advocates on these critical initiatives.

EarlyLearn NYC

As part of the Mayor's commitment to early education, ACS's EarlyLearn NYC contracts will be transferred and integrated into DOE's Division of Early Childhood Education in 2019. This integration will build on the important work done by EarlyLearn programs today, strengthening birth-to-five care and education in New York City and creating a more seamless experience for children and families into elementary school and beyond. The transfer of EarlyLearn will also support the Mayor's 3K For All initiative, which will ultimately offer free, high-quality early education services to all three-year-olds in NYC. In addition to meeting regularly to ensure a smooth transition, ACS and DOE are working together to continue enrollment in our contracted system; DOE's outreach team is assisting with outreach to families who may be eligible for EarlyLearn and is also hosting trainings for providers on best practices for outreach, and building community partnerships

As EarlyLearn NYC transfers to DOE, ACS will continue to administer the City's child care voucher system, which serves low-income families, families receiving cash assistance, and families involved in the child welfare and homeless systems, among others. We will continue our efforts to bolster the quality of care in this system, which serves 29,000 children under the age of 5. And we are committed to continued efforts to make child care available to some of the most vulnerable families in NYC, including many of whom are involved in our child welfare system.

Conclusion

Thank you for the opportunity to discuss the ACS Fiscal Year 2019 Executive Budget with you this afternoon. ACS and our partners across the City have been threatened with some of the steepest funding cuts from the State that we have seen in recent years, but despite these challenges we are continuing to move the agency forward and improve child welfare, juvenile justice, and early education services and programs throughout the City. I want to thank the thousands of ACS and provider staff whose tireless efforts make it all possible. I also want to express my gratitude to the Council for your leadership and for your steadfast support for our efforts, and I look forward to our continued partnership. I am happy to answer your questions.