



**Jess Dannhauser, Commissioner
Testimony to the New York City Council
Committee on General Welfare and Committee on Finance
May 20, 2022**

“New York City Council Fiscal Year 2023 Executive Budget Hearing”

Good afternoon Chair Ayala, Chair Brannan, and members of the City Council General Welfare and Finance Committees. I am Jess Dannhauser, the Commissioner of the Administration from Children's Services (ACS), and I am pleased to be here today to update you on our work and to discuss the FY 2023 Executive Budget impacts on ACS. With me today are Winette Saunders, First Deputy Commissioner; Michael Moiseyev, Deputy Commissioner for Finance; and Stephanie Gendell, Deputy Commissioner for External Affairs.

As part of Mayor Adams's vision, ACS is committed to helping build a New York City that is more safe, just and equitable for children, youth and families. I have spent the past few months as Commissioner listening- to parents, youth, providers, ACS staff, advocates and community members. As we move forward, ACS will rely on the ideas, wisdom and assets of NYC communities and families. We envision a New York City where children are protected from abuse and neglect and families are supported as their most important protectors. My testimony today will share the progress we have made in just the past few months and our vision for the year ahead.

Supporting Community Investments for Families

At ACS, we are focused on keeping children safe by ensuring their families have the resources they need to thrive. We know that when communities are strong, families are strong. Much of our work is in collaboration with other city agencies, as meeting the needs of children and families is not the work of just ACS.

Child Care

The essential need for child care was made even more vivid by the pandemic. Access to affordable, high quality child care is critical to the City's recovery. As you

may know, as the local social service district, ACS receives and manages the State Child Care Block Grant funding on behalf of New York City. A portion of this funding is provided to the Department of Education (DOE) for the EarlyLearn contracted child care system and ACS and HRA administer the child care voucher program, which currently provides vouchers to over 40,000 children.

Advocacy by the City has helped lead to a substantial increase in child care funding. The City anticipates receiving approximately \$4 billion over the next 4 years. In addition, ACS and our City partners have successfully advocated for important legislative changes at the State level, including the increase in the income eligibility for low income child care from 200% to 300% of the Federal Poverty Level starting in August and an increase in the market rate for providers. We are continuing to advocate for the state to eliminate the requirement that families earn at least minimum wage to qualify for child care assistance and to allow districts to authorize child care for a full 24 months rather than only 12 months. We are very pleased that earlier this week, our proposal to delink the hours of child care from the hours a parent works passed both houses of the legislature and we are eager for the Governor to sign the bill.

Right now, ACS is expanding access to affordable child care for families across the City. First, we are in the process of reaching out to the parents/caregivers of all the children who were on the voucher wait list to invite them to apply for child care. If they apply and are found eligible, they will be provided with a child care voucher. To date, ACS has sent letters to the families of 22,000 children, and we anticipate that by September we will have contacted the remaining 15,000. This is an incredibly momentous feat that we are both proud and grateful to be able to do.

Second, we are continuing to prioritize unhoused families and families currently receiving child welfare services and those closing their child welfare cases. Third, we are lowering the fee that families pay for care to the lowest level permissible by federal law.

Family Enrichment Centers (FECs)

ACS is in the process of expanding Family Enrichment Centers (FECs) from 3 to 30 over the next 3 years. FECs are warm, home-like, walk-in centers that are co-designed with local families and community members. At the Centers, families and children can connect with neighbors, volunteer their time, and access resources and supports they feel they need to thrive.

Since our last budget hearing in March, ACS announced the anticipated awards for the first 9 FECs in the expansion.¹ We are very pleased that the 9 providers selected all have deep ties in their respective communities, and some are small local organizations that have not contracted with ACS previously. These contracts will begin July 1st, and we look forward to supporting the 9 new Centers as they collaborate with their respective communities to create their own FEC. We have created a short video that showcases the existing FECs and we look forward to sharing that with you after my testimony today.

¹ The 9 new FECs are as follows: Reggio Emilia Montessori Center in Mott Haven/Melrose; Youth Ministries for Peace and Justice in Soundview/Parkchester; Little Flower Children's and Family Services in Bedford Stuyvesant; Riseboro Community Partnership in Brownsville; Living Redemption Community Development Corporation in Central Harlem; Union Settlement Association in East Harlem; Forestdale in Jamaica/Hollis/Queens Village; Ocean Bay Community Development in Rockaway/Broad Channel; and the Staten Island Justice Center/Justice Innovations in George/Stapleton.

Prevention Services

At ACS, we know that parenting can be difficult, especially with the economic and social challenges created by the pandemic. ACS contracts with over 135 prevention services programs to provide free, voluntary services that are available in every community, regardless of immigration status, for any parent/caregiver in need of a helping hand. These services include counseling, substance abuse treatment, helping families access concrete goods like food and housing, and supports for families struggling with domestic violence.

Each year, more than 35,000 children and their families receive prevention services in NYC. And we know that our prevention services lead to good outcomes and that families themselves feel they benefit from the services.

Each year, as fewer children enter foster care, families that participate in prevention services continue to have strong results. Among families with the greatest level of service need, children were **far less likely** to experience maltreatment or a foster care placement if they participated in prevention services. Specifically, among very high-service-need families, those that completed services with our intensive evidence-based models or our Family Treatment and Rehabilitation Programs **were three to four times less likely to have a child placed in foster care within a year after services ended**, compared to similar families that did not participate or complete services.

In addition, as part of the 2021 Family Experience Survey, we surveyed thousands of parents who had participated in prevention services and they told us that they were overwhelmingly satisfied: 93% said they were happy with the services they received and almost 90% said they would recommend the services to their friends.

Keeping Children Safe and Enable Family-Driven Solutions

We have been taking a close look at our child protection practices to see how we can continue to build on our work to keep children safe, while reducing trauma and better supporting families.

We are continuing to expand both the number of families that are served via the CARES track and the number of CARES units we have in the child protective borough offices. Over the past year, we have increased the percentage of cases that go on the CARES track by 71%. By the end of 2022, we anticipate increasing from 32 to 48 CARES units, and to 64 units by the end of 2023. CARES is an alternative child protection response to reports received from the SCR where there are no allegations of serious child abuse. In CARES cases, CPS partner with families to assess child safety and family needs; encourage families to lead the development of a plan to address their challenges; and help families identify supportive resources to help care for and protect their children. CARES requires no investigation determination regarding the neglect allegations that generated the report, and thus leaves no determination on a parents' record, which might later impact employment and other opportunities.

We are also looking at ways to reduce the stress investigations can cause for families. We will soon be initiating a pilot in University Heights in the Bronx and East Harlem, Washington Heights and Inwood in Manhattan, where CPS will be sharing information and resources to parents, including the contact information for legal providers, at the first visit in a child protection investigation. In addition, we are changing our processes so that our Emergency Children's Services unit, which operates

on evenings and weekends, will no longer be initiating investigations without immediate safety allegations at night (and the local borough office will respond the next day.)

Foster Care

When children do enter foster care, we work to place them with family and close friends to reduce trauma, and our goal is to safely reunify families whenever possible. Through successful prevention programs and initiatives to reduce length of stay in foster care, the number of children in care is at an historic low of 7,135 children, which is almost 50% fewer children than a decade ago. Forty-three percent of children in care are placed with kin. Starting this July, ACS will be implementing a range of new resources and strategies to further improve outcomes for children and families in the foster care system. This includes a new payment approach that addresses longstanding challenges with the previous structure by removing the per child per day payment structure, which is inconsistent with our permanency goals. This new approach will give providers more stability and enable providers to deliver high quality services as we incentivize permanency.

Supporting the Success of Young People

During his visit to Horizon Juvenile Detention Center, Mayor Adams noted that a future Mayor might be in one of our facilities. ACS is committed to providing young people with the education, career, housing and other opportunities they deserve. In just the past few months since our budget hearing in March, ACS has been able to strengthen this work.

VCRED

In March, ACS announced the launch of VCRED, a new vocational and apprenticeship program for youth ages 16-24 who are in foster care, were in foster care, or are in the juvenile justice system. The grant-funded program is enabling 45 youth this year (and 45 youth next year) to participate in professional certification courses and paid internships/apprenticeships in 5 career pathways, including information technology, electrician's helper, Allied Health (e.g. EMT, EKG technician), pharmacy technician and building trades.

Fair Futures

First launched in 2019, Fair Futures currently provides thousands of youth ages 11-21 in foster care with coaches, tutors and housing and educational specialists. The proposed budget for FY23 will provide ACS with \$30.7 million of baselined funding for Fair Futures, enabling us to expand the program to youth ages 21-26 and to youth in our juvenile justice programs.

I want to personally thank Mayor Adams for his commitment to Fair Futures and for providing ACS with the resources we need to expand the program. In addition, the success of the advocacy for Fair Futures and for the program itself could not have happened without the Fair Futures Coalition or the Fair Futures Youth Advocacy Board. I am so very proud of all that you have done.

SYEP and Freedom School

In just a few weeks it will be summer, and ACS very much looks forward to youth involvement in both the City's expanded SYEP program and Freedom School. Held in our detention centers and the Children's Center, Freedom School is a summer literacy

and enrichment program. If you have never been to a Freedom School Harambee, I urge you to be there this year; we read culturally-appropriate books and poetry, and engage with youth – including through dance. ACS is also pleased that we have identified more than 1,000 young people for SYEP this summer. We know that engaging youth in these types of work and learning experiences lays the foundation for their successful transition to adulthood.

Detention

As you may know, we recently brought on Nancy Ginsburg to be the Deputy Commissioner for the Division of Youth and Family Justice, which oversees our detention programs, community-based alternatives and Close to Home placements. Nancy brings with her over 30 years of working at the Legal Aid Society focused on improving outcomes for these same youth. While we have seen progress, I know that Nancy will help us to strengthen our work.

At the end of April, the Nunez monitors released their most recent report on detention. In 2020, ACS entered into a Voluntary Agreement with the Nunez monitors, so that we could continue to receive the benefits of the Monitor's expertise and insights for our detention operations, even though ACS was never a party to the litigation. In their Report, the monitors state that ACS has made "progress in all areas" during the Monitoring period. They say, "The Monitoring Team has yet to observe HOJC under 'normal conditions,' [pre-COVID] but has certainly observed good-faith efforts to implement the requirements of the Agreement even under the dark cloud of the pandemic." They go on to say, "Staff appear to use physical restraint safely and proportionately and do not rely on the use of room isolation to manage youth behavior,

both of which are important hallmarks of facilities that strive to promote positive relationships among youth and staff.” The monitors also applauded ACS’s focus on Youth Development Specialist (YDS) retention, advocacy to implement incentive bonuses for YDS attendance, and the enhanced efforts to recruit and hire YDS.

Close to Home

In early May, ACS released our concept paper for the Close to Home juvenile placement and aftercare system, which is the system of care for youth who have been adjudicated juvenile delinquents by the Family Court. Given the thankfully lower than anticipated census, the concept paper describes a smaller, more robust system of care.

Specifically, the concept paper envisions a capacity of 172 beds, including the addition of transitional residential care beds, as compared to the current system of 289 beds (after the FY23 PEG is implemented.) The concept paper also envisions smaller facility sizes (maximum of 8 beds rather than 12 beds), increased salaries for provider agency staff, adding Master’s level licensed mental health clinicians and CASACs at all programs, and additional enhanced staffing such as an educational/vocational specialist, additional case planner, a recreational specialist and peer counselors/mentors for youth on aftercare. ACS very much looks forward to receiving the comments on this concept paper by June 24, 2022.

FY 2023 Executive Budget

The City Fiscal Year 2023 Budget for ACS is anticipated to be \$2.7 billion, of which \$950 million is City funds. There are no new FY 2023 cuts to ACS in the Executive Budget. As discussed previously, the budget includes additional funding so that ACS will have \$30.7 million baselined for Fair Futures.

In addition, the Budget includes \$60 million CTL in FY23, to cover a Title IV-E budget gap created by the federal government. The federal government reimburses foster care through Title IV-E, for those children who are eligible. Eligibility includes an income test tied to whether or not a family would have been eligible for AFDC in 1996. This outdated methodology results in fewer and fewer children being IV-E eligible each year. ACS had initially mitigated the impact with our Title IV-E waiver (which the federal government phased out) and then with funds from the Family First Transition Act.

Finally, I would be remiss if I did not mention that while I am very pleased that the State budget included additional funding for child care, I am very disappointed in the additional costs shifts the State created for child welfare. The State continued to maintain its reimbursement cut to prevention services (62% rather than the statutory 65%). In addition, the state implemented legislation to significantly increase the subsidies for foster parents, adoptive parents and kinship guardians, but did not include any additional state funding for localities to implement the higher rates. While ACS supports these higher rates, we believe that the State should have shared in the implementation costs. And finally, while we are pleased that the state included a 5.4% COLA for foster care providers (and provided some funding for it), we were disappointed that the state did not extend this COLA to the hard-working staff in prevention programs.

Conclusion

In conclusion, I hope that you can see the progress that ACS has made in just the past few months. But this is just the beginning. We commit to continuing to listen, learn and evolve our work.