



**New York State
Office of
Children & Family
Services**

**Testimony of Gladys Carrión, Esq.
Commissioner
New York State Office of Children & Family Services
On
Agency Priorities and Budget Request**

Thursday, October 25, 2007

**Eliot Spitzer
Governor**



**Gladys Carrión, Esq.
Commissioner**

Good afternoon. It is a privilege for me to be here today to take part in this budget hearing. I would like to discuss highlights of OCFS' budget request and also to inform you about some of the exciting work that is currently underway at OCFS. After having served as Commissioner for 10 months, I am now in a better position to update you on critical programs needing improvement as well as strategies for transformational change in child welfare, juvenile justice and child care. The changes we have already made and are continuing to make are based on guidance from public and private stakeholders as well as best practices and procedures.

In what I have called my "listening tours," I have sought guidance and recommendations from a very wide range of individuals – clients, children and youth, local government leaders, national leaders, elected officials and advocates – all of whom, on some level, are affected by or have an interest in OCFS' programs and responsibilities. I am hopeful that our budget submission is a reflection of what we have gained from this learning experience. In addition, we have shaped our policy direction to be consistent with the Governor's priorities and themes related to fundamental change, transparency, and improved accountability. We have much strength and talent at OCFS, yet need to re-double our efforts on behalf of the children of New York State so they may be able to take advantage of meaningful opportunities that will help them achieve better outcomes in life and reach their full potential. Our children and youth deserve no less from us.

OCFS' mission is "to promote the well-being and safety of our children, families and communities. We will achieve results by setting and enforcing policies, building partnerships, and funding and providing quality services." I remain strongly committed to our mission statement and promise to guide this agency with those values in mind.

Before going into several of our priorities, let me share, on a high level, the funding requirements for OCFS, as well as some of the trends and factors that drive our budget. The 2008-09 Budget Request is \$3.7 billion, including \$2 billion in State General Funds and \$1.5 billion in Federal Funds. These funds support our major program areas including child welfare, juvenile justice, child care, and services to the blind and visually handicapped. In child welfare, we have seen the following trends over the past several years:

- A leveling off of the foster care decline. Today, over 27,300 children are in foster care statewide.
- Fifty-six percent of the children in foster care are over the age of 10. Our older children require different approaches to achieve permanency outcomes and to better meet their needs.
- In the area of adoption, we project over 2,600 new adoptions next fiscal year. Requested funding of \$223 million will support the payment of over 48,000 adoption subsidies for children. We are continuing our work with New York State Chief Judge Judith Kaye to maintain our momentum in bringing permanency and stability into the lives of the over 7,600 children in the foster care system waiting to be adopted.

- I would like to take this opportunity to also thank Judge Kaye for her work on behalf of children and her continued commitment to improving adoption proceedings.
- Turning to child abuse reporting, a critical front-door driver is the number of calls to the State Central Register of Child Abuse and Maltreatment, often referred to as the Child Abuse Hotline. The number of calls to the Hotline increased from 327,000 in 2005 to 365,000 in 2006, an increase of over 11%. The number of child abuse reports that were generated as a result of those calls also increased, from about 137,000 in 2005 to over 157,000 in 2006. Following the investigations, approximately 31 percent of all reports generated have a finding of indicated child abuse.

Based upon these driving factors and my review of current operations, we have developed a focused and outcome-oriented approach to fiscal year 08-09. I will now review our program and budget directions, beginning with the juvenile justice program.

Juvenile Justice

I am pleased to say to you today that OCFS's juvenile justice program is one area where we have already started to transform the system. I have made it my priority to provide services for children placed in OCFS custody as close to their homes as possible so that critical connections with the family can be maintained and strengthened. There is a renewed emphasis on working with the family starting with the day that a youth enters the OCFS system. It is at this point in time that one of our Community Service Teams begins its work with the family to prepare for the youth's eventual return to his/her home and community. Further, we are working very hard to avoid placements in our facilities. A concerted effort is being made to divert youth from out-of-home placements and to provide the necessary supports to keep the family intact while meeting the service needs of the youth and the family. To achieve this goal, we continue to provide evidence-based counseling and services with an emphasis on the youth and the family. In conjunction with these efforts, we also continue to review the facility system of care and any structural changes that may be needed. At the present time, our residential care system comprises about 1,700 beds for all levels of care.

We have experienced a growth in secure placements and have adjusted capacity to meet the higher placement demands within existing funding levels. At the same time, we are working to assess the recent changes in arrest data to ensure our system is correctly sized and balanced. Toward this end, we completed the closure of two group homes in accord with the SFY 2007-08 Budget and will continue to examine opportunities to achieve further efficiencies in this program.

For those youth who do require residential care, OCFS is moving toward a shift in treatment modalities. This includes piloting a trauma-informed approach called the Sanctuary Model in two OCFS facilities, Brentwood and Annsville. Our hope is that successful implementation of this model will lead to fewer restraints and a greater focus on addressing the treatment needs of youth in OCFS care. Continued expansion of this approach at other facilities is planned for next year. Further, funding for 218 new staff was added in 2007-08 to improve

delivery of care and services to youth in our facilities and address the mental health needs of our population with increased demands for clinical services. Our 2008-09 Budget request includes a total of \$8 million in full annual funding to support these positions next year.

In this year's budget, we received \$500,000 in funding to remedy the long-term neglect of the Office of the Ombudsman. I am pleased to report that OCFS' Office of the Ombudsman is now fully operational. All 10 positions have been filled and Ombudsmen are located regionally throughout the State. Seven attorneys will be available to review grievances and address issues raised by residents in OCFS's residential facilities. This is a substantial increase compared to the one attorney previously provided. The Office of the Ombudsman reports directly to me, and I can assure you that we are listening to residents' concerns and responding appropriately. Moreover, the services of the Ombudsman will now extend to youth in OCFS' custody placed in voluntary agencies. The Independent Review Board has also been reconstituted and will be meeting regularly. These accomplishments are essential to protecting and safeguarding the rights of youth in our care and strengthening oversight and accountability in OCFS facility operations.

Child Welfare

In the area of child welfare, we have seen unprecedented investments in uncapped child protective and child preventive services. You will note that OCFS' budget request reflects an increase of over \$147 million for uncapped 65% reimbursement. Under the 65/35 Child Welfare Services funding, we expect to need a State appropriation of \$613 million in 2008-09 to ensure that we can meet the State share of costs. These investments in preventive and protective services are consistent with our goals to keep children safe and families intact. The 65/35 funds, in conjunction with other investments, have also resulted in increased child protective services caseworker staff that assist in providing adequate caseworker ratios. In addition, these investments are critical for providing early diversion to help us avoid more costly out-of-home foster care placements. Counties have added child protective workers and supported the provision of valuable preventive services. Close to 58,000 children statewide are receiving preventive services to avert placement.

Also in the area of child welfare services, legislation enacted this year requires local social services districts to incorporate performance or outcome provisions in the delivery of preventive services by their caseworkers, as well as their preventive services contracts. OCFS filed emergency regulations on August 15, 2007, and a number of activities are underway to implement these new provisions. OCFS is conducting outcome-based training to local district programs and fiscal staff and also providing direct technical assistance, especially in the area of local planning, since these provisions must now be part of the local district's Child and Family Services Plan and the Annual Plan Update. Counties have given us positive feedback on the training and guidance that has been provided so far, and we plan to continue additional training sessions and outreach throughout the next fiscal year.

It is important that we explore strategies to better address the special needs of children with multiple or severe mental health diagnoses and developmental disabilities.

On July 19, 2007, the Federal Department of Health and Human Services' Center for Medicare and Medicaid Services approved OCFS's application to implement a Medicaid Waiver program for children in foster care with serious emotional disturbances and developmental disabilities, and who are medically fragile. Known as Bridges to Health, **this is the first ever waiver program of its kind in the country serving children in foster care.** This crucial program demonstrates the ability of the executive branch agencies (including DOB and DOH) and the Legislature to work together to better serve children in foster care with special needs and provide support services to families to overcome challenges. Implementation actions are well underway, and we will begin serving children in January 2008, as planned. The 2008-09 Budget Request includes a total of \$12.2 million in funding to support the State's share of the Bridges to Health Medicaid Waiver Program, including the costs for waiver slots to serve children as well as the oversight, management and training costs for the operation of program. When fully implemented over a three-year period, approximately \$90 million in General Fund support will be needed to cover the costs of serving more than 3,300 children who previously would have required high-cost institutional and hospital care. Providing these services in the community is consistent with our guiding principle of keeping children closer to their homes and families while helping them to ultimately function successfully in family and community settings. It is also consistent with our goal to integrate the multiple service requirements of children with cross-systems needs.

To address OCFS's continuum of services, foster children served by the Medicaid waiver will continue to be eligible for these services after they leave foster care, until age 21, as long as they meet waiver eligibility requirements. This enhances successful reunifications and placements, since the waiver services can follow the child home, or into adoption and adulthood. Bridges to Health is a significant resource and will go far in helping OCFS serve foster care children with special needs, and their families.

Fundamental changes are also being made in the provision of foster care and preventive services by the New York City Administration for Children's Services, which is piloting an alternative system of care called Improved Outcomes for Children (IOC). This initiative will be fiscally neutral while providing critical program improvement. It consists of four components: redesigning and streamlining case management functions; strengthening outcomes for children; adopting a family team conferencing framework; and reforming the financing of foster care. The goals are to reduce lengths of stay in foster care, reduce the number of movements of children in care, increase family-based placements, have fewer care days in restrictive settings, and increase releases to adoption or family reunification. The IOC program received OCFS and DOB approval early this month and has since been launched.

The Adoption Subsidy Program and the Home Visiting Program, for which we have requested \$223 million and \$25.2 million respectively, also demonstrate our continued work in serving families. The number of children receiving adoption subsidies continues to surpass the number of children in foster care by a wide margin. The Home Visiting Program was expanded in 2006 to serve additional expectant and new parents and their children, by providing pre-natal care, parenting education, health care and child development training. National studies continue to confirm the success of the program and the necessity to intervene early in the lives of families in order to prevent child abuse and improve outcomes for children.

Child Care

In the area of child care, we continue to work on improvements that will provide quality child care that promotes a safe environment and the healthy development of children, and supports working families. Work has already been initiated to develop a pilot for a quality rating system, using existing Federal funds, as a tool to assess and improve the quality of child care programs. A quality rating system is intended to provide parents with identifiable standards for making choices for child care, and encourage providers to increase their level of quality and accountability.

This is essential given the number of children who receive care in a day care setting. **For example, the typical monthly census shows that approximately 118,000 children from 70,000 families are served by child care subsidies.** Added to this are children who access unsubsidized child care. The availability of quality child care is critical to OCFS but also to OTDA's efforts to move families toward employment and self-sufficiency.

I am also pleased to report that OCFS issued the federally mandated child care subsidy market rate adjustments on October 1, 2007. These rates were updated based on a comprehensive survey of child care providers. By issuing these new rates, New York State is in full compliance with Federal regulations that require updated market rates every two years.

I would also like to provide an update of activities related to Executive Order #12, Representation of Child Care Providers. The Civil Service Employees Association (CSEA) has been certified by the New York State Employment Relations Board (SERB) to represent upstate licensed and registered child care providers. Also, it was announced this week that child care providers in New York City voted overwhelmingly for the United Federation of Teachers (UFT) to represent them. We look forward to a constructive dialogue with the unions on issues important to providing quality child care in New York State.

Commission for the Blind and Visually Handicapped

Whether assisting youth with summer employment, providing vocational rehabilitation services and readiness, offering supported employment services or helping individuals establish business enterprises, the Commission for the Blind and Visually Handicapped (CBVH) is fully committed to increasing employment opportunities for blind and visually handicapped New Yorkers and to helping overcome challenges that can impede them from entering the workforce.

I would like to speak briefly about CBVH, which has an all funds budget request of \$42 million in State and Federal funding. Last year, CBVH served over 10,000 State residents of all ages who are legally blind, and successfully assisted nearly 400 individuals in job placement. For the Federal fiscal year ending September 2006, CBVH increased its number of successful job placements by almost 7 percent. While the data for 2007 is still being analyzed, we expect job placements to further increase from the prior year level. This is the first time since the late 1990s that CBVH has increased its job placements in two consecutive years. These job placements address cost containment efforts by providing employment, income and self-sufficiency, and reducing public assistance costs.

The CBVH Executive Board was created effective October 1, 2007. Many members of this advisory board have already been appointed and the first meeting is expected to take place by the end of the calendar year. The board members represent many key stakeholders. They will make recommendations for continued improvements in our services to legally blind and visually disabled persons.

Cost Containment and Government Efficiency

OCFS also continues to aggressively implement cost efficiencies and savings measures in all areas of agency operations. We have disposed of unnecessary property while implementing new savings initiatives in our central and facility locations related to purchasing and procurement. **Further, we continue to incorporate performance and outcome provisions, not only in our contract programs, but also in our direct operations and programs for which OCFS has oversight responsibilities,** so that State and local funds are spent in an effective and efficient manner. For 08-09, we propose expansion of the performance outcomes process to the youth development programs. OCFS continues to award funds based on competitive procurements, and assesses all opportunities to expand the use of performance measures. Further, the agency website includes performance data for various programs. Last, we are working to increase our share of Federal revenue for the foster care program. We think that there are opportunities that can be pursued as part of the budget, to provide access to wage reporting data that will improve the ability of local districts to perform eligibility determinations. At the same time, we are working with the Washington office to advocate for changes in Federal policies with respect to fiscal eligibility for children in the child welfare system. We believe the Federal government has a greater responsibility for supporting children and families.

I would be remiss today if I did not include comments in my presentation on CONNECTIONS. As everyone knows, there is and has been a high degree of user dissatisfaction with CONNECTIONS. This WILL change. To that end, I am committed to taking what we have already learned from the existing technology, and what I have learned from listening to users and my personal experience as a former user. We must simplify the processes, stabilize and strengthen the infrastructure, and support the caseworker. However, along with a demand for changes, we must recognize that CONNECTIONS is the system of record for caseworkers and there are more than 14,000 users of the system on a regular basis. The system allows us to immediately transmit SCR reports to districts for investigation. It also provides critical case information that can be shared with everyone who needs access to the data to help them make informed decisions. The system also fully supported the 2006 Title IV-E Secondary Review and the 2007 Pilot Title IV-E Administrative Review. New York State passed both reviews, thereby preserving over \$700 million in Federal revenues and avoiding State and local costs.

Our goal for the future is to modernize and transform the system so that it is easier to navigate, reduces the amount of time to record and retrieve data and, most importantly, maximizes the time that caseworkers spend with children and families. Our key operational goals are to reduce unnecessary input requirements, add tools to support caseworkers, and improve the technology to better support the work process and system performance. In advancing these changes we will also leverage our current information technology investments to

achieve cost efficiencies. We expect caseworkers to see some tangible improvements in the first quarter of 2008 and plan to deliver more improvements every quarter. Investments to improve and upgrade the State's Child Welfare Information System will be consistent with the overall goals of the Chief Information Officer and will be made in the context of inter-agency collaboration among our human service agency partners, so that considerations for information and data sharing will be evaluated as decisions are made.

Last, I would like to comment on our efforts to work with OTDA and other human services agencies. OTDA Commissioner Hansel and I have established operational working teams to address serious issues related to child care and child support, child-only caseloads, limited English proficiency services, adult protective services, and fatherhood enhancement initiatives. We are also working in collaboration with OASAS to align the delivery of drug and alcohol services for our juvenile justice facilities and aftercare services, as well as for local districts that need access to drug and alcohol treatment services to support family functioning. Commissioners Ritter and Hogan and I have been working in the areas of restraint reduction and the issues of cross-systems children who need support from our respective agencies.

In closing, I would like to express my appreciation for the opportunity to speak with you today about the progress we have made this past year and my priorities for OCFS. Although I am confident that we have made tremendous strides over the past 10 months, there is still much more work to be done to continue producing transformational changes within the State's juvenile justice system and improving efficiencies and outcomes in the child welfare system. I look forward to working collaboratively with you and your staff throughout the budget process.

