

**Testimony before the Assembly Ways and Means Committee
on the Governor's Deficit Reduction Plan
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**Presented by
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My name is Karen Schimke and I am President and CEO of the Schuyler Center for Analysis and Advocacy (SCAA). SCAA has provided a strong advocacy voice for our state's most vulnerable citizens for over 135 years. I come before you today, as I have for many of these hearings, speaking to children's and families' needs for shelter, food, safety, and child care.

The state's immense budget deficit hangs over everything we do here in New York. The programs we work with think of nothing else but whether or not they will be able to provide services to the neediest New Yorkers by the end of this year. They see every day that the need is growing as families try to cope with the economic hard times. Families who have never needed help getting health care for their children, putting food on the table or making the rent are now seeking some assistance. These families face greater stresses, which if left unassisted, can lead to child abuse and neglect, increased mental health problems and homelessness.

I want to assure you that we at SCAA understand the enormity of the deficit that has torn apart this year's budget and the potential for further holes in the out-year budgets. However, we believe that you should seek ways to close the budget gap that impose the least amount of hardship on those most in need of vital services.

This past January I asked you, as the state's leaders, to set spending priorities and I ask you again today to do just that. We are disappointed that the Governor has put forward across-the-board cuts that will impact all programs regardless of their importance to the well-being of New Yorkers. That is the worst path the state could take as this time. Cuts to programs are not equal – some programs are more imperative for vulnerable populations than others – and treating them all equally does a disservice to those in need.

We believe that cuts to programs should be based on some rationale that ultimately ensures that high-risk families and children continue to have access to necessary and critical services. We ask you to review your decisions against the following principles to see if your proposals meet this goal:

- **Do not cut benefits and services for New York's neediest children and families.** These include the poor, the hungry, pregnant women and young children, low-income elderly, individuals with disabilities, immigrants, communities of color and veterans.
- **Protect New York's investments in our children.** New York has a long and proud history of making significant investments in children. When programs are cut, the impact of these investments is reduced.

- **Invest in cost-effective early intervention and prevention.** The earliest investments in a child's development, including those that strengthen parenting, families, health and education, have the highest economic returns for society and the greatest effect on life success if continued through adolescence.
- **Scrutinize tax incentive programs.** Tax incentive programs should receive the same level of scrutiny as program investments.
- **Consider the cumulative impact of funding cuts on communities.** Government funds drive investments from other sources, including private companies and foundations. Cuts to the initial government investment can reduce the overall money that reaches a community.

What I have just listed are the principles you should consider when setting the budget. Since currently the data on program spending and outcomes is spread out in different documents, at different agencies and in different formats that is the best we can do – for now. That said, this is a good time to point out that New York State should create a Children's Budget. Such a budget could guide us in developing solutions by identifying goals and indicators, programs, spending, sources of funding and the responsible agencies. All of this information is crucial in order to understand how services are being implemented and to adapt them based on the needs of various stakeholders, including policymakers, agencies, advocates, and especially the children and families receiving services.

Since the needs of families spans many programs and agencies, a Children's Budget would give you a greater understanding of how multiple services work together to improve the lives of children and families. Cutting one service can undermine the good being done in other services but without the data to truly understand these relationships, you may not realize the implications of spending reductions for many years. Attached to my testimony are materials on Children's Budgets for your consideration.

The Governor's budget calls for across-the-board cuts in many important programs. One example of a program that we believe is critical is home visiting – a program that prevents child abuse and neglect. Our Healthy Families program was cut last year and is slated for a 10% cut (about \$1.2 million) in the Governor's Deficit Reduction proposal. During tough economic times, it is typical to see an increase in reports of child abuse and neglect. Even now we know that the current economic crisis is taking its toll on children because the rate of child abuse is already climbing. Since we know through data and experience that we can expect more of these reports, it is essential that we protect funds for programs that are proven to prevent abuse, such as home visiting and parenting education. While it will be difficult to make some decisions about which programs to cut and which to preserve, this one should be easy – anything that protects children should not be cut. Surely, New York State has other options than choosing to not prevent child abuse.

This year there is also a strong financial argument for preserving these programs. Included in the federal health care reform legislation are provisions that would bring millions of dollars to New York to expand home visiting programs, like the Healthy Families New York program and the Nurse Family Partnership. Many legislators strongly support these programs for the fine work they do in communities to prevent child abuse, improve health outcomes, help parents develop

skills and connect to services. The catch is that all the federal provisions now include language that would require a state maintenance of effort to draw down these funds. If you allow home visiting programs to be reduced now, it could jeopardize New York's ability to access some or all of these funds. While it is true that there is no way to tell how the federal debate will finally come out, we are encouraged that home visiting is included in all the major health reform bills. We urge you to consider how much these additional funds could really assist needy families in New York and not risk potential new money to save a few dollars now.

I am also here to make some recommendations on ways that we can save money and raise money that can be used to keep funds in critical programs. I would like to commend you for making some tough decisions last year, such as eliminating the middle class STAR rebate. I realize that some of the changes we propose here will require the same type of effort.

- **Reform Court Ordered Investigations for Child Protection**

Each year, family court judges ask local departments of social services to investigate families involved in custody disputes when they are not sure what to do in divorce cases. Not only do the families then have a report on the State Central Registry but these investigations increase the workload of an already overburdened Child Protection System (CPS). CPS is overwhelmed with high caseloads making it difficult, if not impossible, to focus their attention on high risk cases when a child's safety is in question. They do not have the capacity to respond to these requests. The Legislature should act to require family court to find an approach to conduct this process without involving CPS.

- **Reform CPS Clearance Process**

About 245,000 employment related clearances are conducted by the State Central Registry (SCR) yearly, costing more than \$5,000,000. Around 1% of these clearances result in identification of a child protection issue. Each of these clearances consumes staff time and cost \$26 each. The state receives only \$150,000 in fees for this work. We suggest a process that would conduct clearances only on those for whom further investigation warrants additional information and will, at the same time, cause applicants to self-select out of consideration for employment. Every prospective employee, volunteer, foster or adoptive parent will be asked to sign a form agreeing to such a clearance in order for their application to move forward. Not all will be sent to the SCR for a clearance check. The employee would continue to participate in the hiring process and would have a clearance check conducted if questions arise in that process. This will greatly reduce the number of checks conducted and, at the same time, screen out those individuals who should not be considered for employment or volunteer work.

- **Reform the Response to Reports of Educational Neglect**

About 23,000 education neglect reports are accepted by the SCR with over 50% of those reports investigated and determined to be "unfounded." The reports can be divided into two basic categories: 1) reports on younger children for whom an education neglect allegation is the "tip of the iceberg" for other issues in the family, and 2) teens who are unwilling to attend school, for a variety of reasons no matter what efforts their parents make to assure their attendance. The CPS system is an appropriate place for the first category of reports but is not equipped to handle the second category. These reports must all be investigated within the same timeframes as reports of a more serious nature and are

overburdening the system with higher, unmanageable caseloads. Many states do not accept educational neglect reports at all. For example, Minnesota only accepts cases up to the age of 12.

We suggest a narrowing of the definition of education neglect to focus on those children for whom safety may be an issue. Legislative or regulation change should strengthen the focus only on those parents who are not making efforts to have their child(ren) attend school and should eliminate older youth from involvement with child protection. There should be specific rules and policies regarding truancy and educational neglect that are uniform across the state and involve parents in both engagement and disciplinary action. At the same time, schools must make every effort to remediate the behavior of problem students in alternative settings rather than passing them off to CPS and Family Court.

- **Close Juvenile Justice Facilities**

We commend you for taking the stand last year to close some facilities around the state. There are still other facilities that should be closed. Money freed from those facilities should be invested in the remaining facilities to improve services.

- **Expedite Reform of the Empire Zone Program**

We understand actions in the budget have started a process to examine the Empire Zone program. We suggest that the urgency of the budget situation require that this happen sooner rather than later. In the meantime, additional cuts could be made to this program.

- **Pass the Soda Tax**

An additional sales tax of 18% on certain high calorie, low nutrition beverages like non-dietetic soft drinks, sodas, and fruit drinks that contain less than 70% of natural fruit juice was estimated to raise \$404 million in 2009-10 and \$539 million in 2010-11. This should be implemented and the revenues used to support health care programs and health initiatives.

We do not believe that the choices New York faces in this budget crisis are between helping those in need now and investing in the future. We need to do both in order to pull out of this current crisis and regain our strength as a state in the coming years. As you make your decisions, don't forget that the needs of children and other vulnerable populations cannot wait for an economic recovery.