



Testimony of

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Regarding the New York City
Preliminary Budget Proposals for FY2014

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Good afternoon. My name is Stephanie Gendell and I am the Associate Executive Director for Policy and Government Relations at Citizens' Committee for Children of New York (CCC). CCC is a 69-year old privately supported, independent, multi-issue child advocacy organization dedicated to ensuring New York City's children are healthy, housed, educated and safe. I would like to thank Chairman Recchia, Jr., Chairwoman Palma, Chairwoman Ferraras, Chairwoman Gonzalez and the members of the City Council Finance, General Welfare, Women's Issues and Juvenile Justice Committees for holding today's hearing on the City's Preliminary Budget for City Fiscal Year 2014.

This Fiscal Year 2014 budget is the final budget of the Bloomberg Administration, and as such provides the Administration with one last opportunity to shape its legacy. Unfortunately this Financial Plan also represents the 12th round of budget cuts since the economic crisis began. Of particular concern are the \$217 million in net city fund reductions to child and family services included in the Mayor's Preliminary Budget, which is on top of the eleven prior rounds of budget cuts have already left agency budgets much much leaner. We have now crossed a threshold where the result is that effective programs are being lost meaning the program beneficiaries – disproportionately, low- and middle-income hard working families – are bearing most of the brunt.

New York City's children have already lost thousands of slots in child care centers, after-school programs, school-based dental clinics, mental health programs, and the Summer Youth Employment Program. Proposed Preliminary Budget cuts include the failure to fund over \$130 million for over 47,000 child care and after-school slots, in addition to cuts mental health services for children under 5, child health clinics, runaway and homeless youth services, the Teen RAPP program, use of EBTs at farmers' markets, legal services that prevent evictions and the City's suicide prevention hotline. The full list of proposed cuts to child and family services can be found in the chart at the end of this testimony.

Amidst these budget cuts to programs proven to improve outcomes for children—including the reduction in teen pregnancy—the Administration has chosen to spend \$400,000 on an ad campaign aimed at preventing teen pregnancy by shaming teen parents. CCC is dismayed that the City's scarce resources are being spent on a campaign that has not been proven effective (and could alternatively merely stigmatize young parents and the children of young parents) rather than invest in programs such as child care, after-school and the family planning initiative.

CCC believes that it is critical to look at these cuts through the lens of the children and families throughout New York City's five boroughs. Notably, poverty, and child poverty in particular, has increased—1 in 3 New York City children lives in poverty. In some communities, the child poverty rate is even higher—in Williamsburg/Greenpoint, Brooklyn, University Heights, Bronx and Brownsville, Brooklyn, over half of the children are living in poverty. In addition, homelessness is at an all-time high—on March 12th of this year 20,633 children slept in homeless shelters. Food insecurity has also risen with 1.8 million individuals reliant on food stamps (698,809 or 38 percent are

children). The number of individuals receiving food stamps has grown by over 500,000 individuals since 2008.

The social service agencies testifying today, the Human Resources Administration (HRA), the Department of Homeless Services (DHS) and the Administration for Children's Services (ACS), all play critical roles in supporting children and families through these challenging times. CCC hopes that the Executive Budget will include restorations to the programs currently at risk and urges the City Council to ultimately negotiate a budget with the Administration that saves program and services for children and their families and protects the safety net needed to ensure that the next generation of New Yorkers can reach their full potential.

Administration for Children's Services (ACS)- Child Care

CCC is profoundly grateful for the unprecedented over \$120 million restoration the City Council secured to save child care and after-school for over 47,000 children in the current fiscal year. It is because of your efforts, commitment and advocacy that thousands of children are currently enrolled in early childhood education programs and their parents are able to contribute to the workforce. Unfortunately, the Preliminary Budget failed to restore any of the funding that the Council restored last year.

The importance of early childhood education is widely recognized by academics, economists, advocates, parents, and politicians- including the President of the United States. Just last month, in President Obama's State of the Union Address he said, "Study after study shows that the sooner a child begins learning, the better he or she does down the road. . . And for poor kids who need help the most, this lack of access to preschool education can shadow them the rest of their lives. . . Every dollar we invest in high-quality early education can save more than seven dollars later on—by boosting graduation rates, reducing teen pregnancy, even reducing violent crime."

And the month before that, Governor Cuomo said in his State of the State Address, "We need more early education. Every expert will tell you that early education makes a difference and it makes the difference for life. The statistics are overwhelming. Children who receive early education perform 25% better on math by second grade, 20% better on English, 30% are more likely to graduate from high school, 32% are less likely to be arrested as a juvenile."

Similarly, Mayor Bloomberg, Speaker Quinn, Public Advocate de Blasio and each and every one of you have spoken passionately of the value of early childhood education. We all know that it prepares children academically, developmentally, and socially for kindergarten and that young children who do not receive early education start school behind their peers. And we all know that it allows parents to work and stay off of public assistance. And as Chairman of the Federal Reserve, Ben Bernanke has explained, we also know the return on the investment is good for taxpayers. "Economically speaking, early childhood programs are a good investment, with inflation-adjusted annual rates of return on the funds dedicated to these programs estimated to reach 10 percent or higher.

Very few alternative investments can promise these kinds of returns. Notably, a portion of these economic returns accrues to the children themselves and their families, but studies show the rest of society enjoys the majority of the benefits . . .”

So it is with great dismay that CCC is once again testifying before you in an attempt to save almost 8,000 child care slots rather than to seek funding to expand a system that is currently only serving 27% of the income eligible children (according to a community needs assessment done by ACS). In fact, ACS’s budget fails to restore any of the \$65 million that the Council invested in the child care system nor does the budget add any funds to address the inadequacy of the Early Learn rate.

It bears repeating, that CCC is truly grateful to the Council for ensuring that the discretionary funding for child care was included in the CFY 2013 budget. Unfortunately, this investment of one-year funding means \$51.4 million for 3,500 child care center slots and 1,100 family child care slots, \$12.1 million for 4,400 school-age child care vouchers, \$100,000 for job training and placement for child care workers and \$1 for technical assistance for child care workers, are all now at risk. Year after year the administration proposes to cut child care and year after year the City Council works to restore more and more funding. As a result, there is now a substantial amount of one-year funding in the system. As detailed in a recent report by the Campaign for Children, the uncertainty of not knowing from one year to the next whether a program will be open, how many children will be served or how many staff will be needed has impacted the stability of the system and the morale of the staff.

In addition to failing to restore and/or baseline the \$65 million for child care, the Preliminary Budget does not include additional funds to more adequately reimburse Early Learn child care programs. Anecdotally, we have heard from our colleagues that providers estimate the rate to be at least 20% too low to cover health insurance, facilities costs, and other program costs.

Furthermore, CCC is deeply troubled about the issue of health insurance coverage under Early Learn. We have been hearing that approximately 60% of child care staff opted out of insurance plans because they are unable to afford the employee contribution. CCC believes that ultimately, the lack of health insurance coverage for this workforce will be more costly to the City, as these workers will not utilize cost-effective preventive care and will need to seek out more costly emergency services for primary care.

Finally, as an organization entrenched in data analysis, CCC is also troubled that to date we do not have updated data on how many children are currently being served in the child care system—through vouchers, Early Learn and Council discretionary seats. The most recent data available online is from September 2012—and shows a substantial decline in the number of children enrolled in child care and Head Start programs (approximately 91,000 children receiving subsidized child care and 10,000 children receiving Head Start). CCC appreciates that ACS and its providers have been undergoing an enormous transition, which includes computer systems changes to tracking enrollment and capacity. We are hopeful that we will receive data shortly.

CCC will be continuing our work with the Campaign for Children—urging the Administration to restore and baseline funds for child care and after-school services in the Executive Budget.

Administration for Children's Services (ACS) - Child Welfare and Juvenile Justice

CCC is grateful that the Preliminary Budget did not include any proposed cuts to services for children and families involved in the child welfare or juvenile justice systems. We urge the Administration to ensure that these two systems continue to receive the resources needed to serve these vulnerable families.

Department of Homeless Services

The economic downturn, high levels of unemployment, the lack of affordable housing, and the elimination of rental subsidy programs has led to an unprecedented number of children, youth and families in the New York City shelter system. As of March 12, 2013, there were 10,077 families with 20,633 children in the DHS shelter system,¹ an unacceptably high number and a 20% increase over the average daily census for Fiscal Year 2012.² While CCC had concerns about the ability of New York City's Advantage rental subsidy program to permanently address housing stability for families, the loss of the program has compounded the homelessness problem in New York City. Now that there is essentially no rental subsidy program, the length of time children and their families are living in the shelter system has dramatically increased: the average length of a shelter stay for families with children was 375 days as of January 2013, an 8% increase since January 2012.³

Family homelessness is both traumatic for children and expensive for New York City taxpayers. Being homeless seriously disrupts the lives of children, separating them from their homes, friends, schools, and broader communities and negatively impacting their physical and mental health. In addition, the average cost of providing shelter for a

¹ New York City Department of Homeless Services Daily Report, March 13, 2013.

² Fiscal 2013 Preliminary Mayor's Management Report, *available at*:
<http://www.nyc.gov/html/ops/html/data/mmr.shtml>

³ New York City Mayor's Office of Operations, Critical Performance Report: Department of Homeless Services. Last accessed March 11, 2013. Available at:
<http://www.nyc.gov/html/ops/cpr/html/home/home.shtml>

homeless family is \$3,000 per month,⁴ well above the monthly costs of the median New Yorker's rent or the typical housing subsidy.⁵

CCC was dismayed to see that the Preliminary Budget failed to include any funding to try to address the family homelessness crisis other than to increase funding for shelter costs. CCC is hopes that the Governor's Office, State Legislature, the Mayor and the City Council can work together as soon as possible to develop a comprehensive plan to dramatically reduce the record number of homeless families. We believe this plan need to include a strong emphasis on homelessness prevention and the creation of a new housing subsidy.

Human Resources Administration (HRA)

CCC is also dismayed that the Preliminary Budget failed to address the food insecurity facing so many children and families in New York City—a need that has only grown since Hurricane Sandy. In fact, instead of restoring (or increasing support) for emergency food programs, the FY14 Preliminary Budget actually proposes to increase the price of school lunch for our City's public school children.

The number of food insecure and hungry New Yorkers who seek the services of soup kitchens and food pantries has continued to grow as a result of the recession and in the aftermath of Hurricane Sandy. Over 20 percent of New Yorkers - and over 30 percent of New York City children - now live in poverty, while more than 75 percent of New York City's food pantries and soup kitchens have seen an increase in visitors to their sites. Further, many emergency food providers have reported that they are experiencing great difficulty meeting this growing demand because food costs have risen, and are now 15 percent higher than they were in 2007, prior to the economic downturn.

As such, CCC was disappointed that the Preliminary Budget failed to propose adequate funding for the Emergency Food Assistance Program (EFAP). Specifically, the Mayor's FY14 Preliminary Budget failed to restore the \$2.07 million in one-year Council funding for food pantries. The current baseline level of \$8.4 million for emergency food funding is woefully insufficient, leaving soup kitchens and food pantries unable to help struggling New Yorkers meet their most basic needs. CCC urges the City to increase EFAP funding to at least \$15.4 million, an amount that reflects both the growing percent of New Yorkers living in poverty and the greater costs associated with providing emergency food.

⁴ New York City Department of Homeless Services, Federal Stimulus Funds Help Department of Homeless Services Assist More Than 100,000 Individuals, Sept. 12, 2011. Available at: http://www.nyc.gov/html/dhs/downloads/pdf/pr_091111.pdf

⁵ The median rent paid in New York City was \$1,168 per month in 2011. U.S. Census Bureau, American Community Survey 1 Year Estimates, 2011. Under the Advantage program, the maximum allowed rent was \$1,070 for a family of three or four.

In addition, the Preliminary Budget also failed to fund several City Council initiatives that have helped food insecure families' access healthy and affordable food, including \$270,000 for the use of SNAP at farmers' markets and \$60,000 to expand farmers' markets in low-income communities. CCC hopes that these programs will be restored before the FY 2014 Budget is adopted, as these programs help bring fresh, affordable foods to more New Yorkers and New York City neighborhoods.

Finally, CCC is troubled that once again the Preliminary Budget fails to fund \$2.0 million for the Teen Relationship Abuse Prevention Program (Teen RAPP), which educates and counsels middle and high school students about healthy relationships and domestic violence. Furthermore, the Mayor has failed to restore numerous Council-funded services, including the Family Planning Initiative, the Infant Mortality Reduction Initiatives, DOHMH-operated STD clinics and STEP UP (a school-wide sexual health education, prevention and screening program). Ironically, these funding losses are occurring as the City, through HRA, unveiled a \$400,000 campaign to combat teen pregnancy. CCC is grateful for the Council's commitment to preserving Teen RAPP, as well as the DOHMH programs, and is hopeful that they will once again be restored.

Thank you for this opportunity to testify.



Fiscal Year 2014 Preliminary Budget for New York City Proposes to Cut \$217.9 Million in Net City Funds for Critical Programs for Children and Families

The Mayor's Preliminary Budget for Fiscal Year 2014 proposes \$217.9 million in net reductions to city funds for critical programs for children and families. Notably, the Preliminary Budget fails to baseline over \$120 million the City Council restored for child care and after-school programs in Fiscal Year 2013 and actually proposes additional cuts of \$15.3 million to child care and after-school.

The Preliminary Budget also cuts other critical programs such as services and shelter for runaway and homeless youth, the Teen RAPP program, services to prevent homelessness, as well as funds for emergency food programs and food pantries. Furthermore while not shown in this chart of city funds, the Preliminary Budget presentation also lays out significant cuts in the Department of Education due to an anticipated loss of over \$500 million in State Funds if no agreement on teacher evaluations is reached.

Below please find the list of \$217.94 million in proposed city funding reductions to child, family and youth services which are included in the City's Preliminary Budget for Fiscal Year 2014:

CHILD CARE

Program	Proposed Expenditure Increase FY2014	Proposed Expenditure Decrease FY2014	Failure to Fund Council Restoration
Child Care Restoration			(\$51.4 million)
Job Training and Placement for Day Care Workers			(\$100,000)
Technical Assistance for Child Care Providers			(\$1.0 million)
Child Care Voucher Restoration			(\$12.1 million)
Revised Eligibility for Post Transitional Child Care		(\$5.3 million)	
Sub-Total	\$0	(\$5.3 million)	(\$64.6 million)

CHILD WELFARE AND JUVENILE JUSTICE

Program	Proposed Expenditure Increase FY2014	Proposed Expenditure Decrease FY2014	Failure to Fund Council Restoration
Bronx Child Advocacy Center	\$600,000		
Alternatives to Incarceration			(\$3.35 million)
Center for Court Innovation			(\$400,000)
Child Advocacy Centers (Safe Horizon-Brooklyn, Queens, SI)			(\$500,000)
Vera Institute of Justice			(\$250,000)
Sub-Total	\$600,000	\$0	(\$4.5 million)

EDUCATION

Program	Proposed Expenditure Increase FY2014	Proposed Expenditure Decrease FY2014	Failure to Fund Council Restoration
Increasing school lunch from \$1.50 to \$2.50		(\$8.8 million)	
C.H.A.M.P.S physical fitness			(\$125,000)
Chess in the Schools, Inc.			(\$200,000)
Child Mind Institute			(\$250,000)
Community Schools Planning Project			(\$150,000)
Creative Arts Team			(\$200,000)
Dropout Prevention and Intervention			(\$1.0 million)
Full Day Universal Pre-kindergarten in community based organizations			(\$2.25 million)
650 School Support Staff			(\$3.0 million)
Teachers' Choice (supplies)			(\$3.75 million)
Urban Advantage-Science Education			(\$2.0 million)
Anti-gun violence- Violence Prevention, Conflict Mediation and Youth Development			(\$750,000)
Sub-Total	\$0	(\$8.8 million)	(\$13.68 million)

HOUSING AND HOMELESS SERVICES

Program	Proposed Expenditure Increase FY2014	Proposed Expenditure Decrease FY2014	Failure to Fund Council Restoration
Citywide Task Force on Housing Court (HPD)			(\$500,000)
Community Consultants (HPD)			(\$415,000)
Anti-Eviction and SRO Legal Services (HPD)			(\$2.0 million)
Citywide Homeless Prevention Fund (DHS)			(\$250,000)
Mortgage Foreclosure Prevention Program (HPD)			(\$750,000)
Association for Neighborhood and Housing Development (HPD)			(\$100,000)
Sub-Total	\$0	\$0	(\$4.02 million)

CHILDREN'S HEALTH AND MENTAL HEALTH SERVICES

Program	Proposed Expenditure Increase FY2014	Proposed Expenditure Decrease FY2014	Failure to Fund Council Restoration
Anti-Gun Violence Initiative - Ceasefire Programs and Therapeutic Services			(\$2.27 million)
Asthma Control Program			(\$500,000)
Autism Awareness Initiative			(\$1.31 million)
Callen Lorde Community Health Center			(\$350,000)
Child Health Clinics			(\$5.0 million)
Court-Based Intervention and Resource Teams	\$371,000		
Discontinued City Subsidy to four School-Based Health Centers		(\$775,000)	
East Harlem Asthma Center of Excellence			(\$318,000)
Eliminate DOHMH funding for School Health Vision Screening Program for Kindergarteners and First Graders		(\$2.8 million)	
Family Planning Initiative			(\$350,000)
FY12 PEG Restoration - HHC Unrestricted Operating Subsidy			(\$6.0 million)
HHC Developmental Evaluation Clinic Funding			(\$1.47 million)
Infant Mortality Reduction			(\$2.5 million)
Layoffs to one of two Immunization Teams and three East Harlem Asthma Center of Excellence outreach staff		(\$700,000)	
Mental Health Contracts			(\$375,000)
Mental Health Treatment for Children under Five			(\$1.25 million)
Mental Hygiene Contracted Services: Chemical Dependency/ADUPCT			(\$525,000)
Mental Hygiene Contracted Services: DD Clinics			(\$806,000)
NYU Mobile Dental Van and Dental Clinic			(\$268,000)
Obesity Prevention			(\$1.3 million)
School Health eliminates education staff for the Condom Availability Program			(\$598,000)
STD Clinic Saturday Hours and treatment in high schools reduction			(\$297,000)
Suicide Prevention Hotline			(\$247,000)
Sub-Total	\$371,000	(\$4.28 million)	(\$25.73 million)

LEGAL SERVICES

Program	Proposed Expenditure Increase FY2014	Proposed Expenditure Decrease FY2014	Failure to Fund Council Restoration
Citywide City Legal Services			(\$1.5 million)
Legal Information for Families Today (LIFT)			(\$485,000)
Legal Services for the Working Poor			(\$1.05 million)
SSI-UI Legal Advocacy Program			(\$1.0 million)
Sub-Total	\$0	\$0	(\$4.04 million)

PARKS AND RECREATION

Program	Proposed Expenditure Increase FY2014	Proposed Expenditure Decrease FY2014	Failure to Fund Council Restoration
Playground Associates			(\$1.0 million)
Funding to keep all city pools open for the last 2 weeks of the pool season			(\$891,000)
Keep 4 City Pools Open			(\$546,000)
Funding for Flushing Meadows Corona Pool	\$1.5 million		
Sub-Total	\$1.5 million	\$0	(\$2.44 million)

SOCIAL SERVICES

Program	Proposed Expenditure Increase FY2014	Proposed Expenditure Decrease FY2014	Failure to Fund Council Restoration
Teen Relationship Abuse Prevention Program (Teen RAPP)			(\$2.0 million)
Food Stamps/EBTs at Farmer's Markets			(\$270,000)
Food Pantries			(\$2.07 million)
Expansion at New Amsterdam Market (includes funds to train and employ disconnected youth)			(\$61,000)
Expand Low Income Farmer's Markets			(\$60,000)
Disconnected Youth Training Program (GrowNYC)			(\$65,000)
EITC Assistance Program			(\$150,000)
Sub-Total	\$0	\$0	(\$4.68 million)

YOUTH SERVICES

Program	Proposed Expenditure Increase FY2014	Proposed Expenditure Decrease FY2014	Failure to Fund Council Restoration
Out of School Time Restoration (OST)			(\$50.65 million)
OST Reduction		(\$10.0 million)	
Shelter Beds for At-Risk Homeless Youth			(\$7.17 million)
City Council Beacon Restoration			(\$2.3 million)
Beacon Program Elimination Restoration (Saves 7 Beacon Programs)			(\$2.146 million)
New York Junior Tennis League			(\$800,000)
The After-Three Corporation			(\$3.0 million)
YMCA After School Program			(\$350,000)
Sports and Arts in the School Foundation			(\$1.0 million)
NYCHA Cornerstone Program			(\$926,000)
Sub-Total	\$0	(\$10.0 million)	(\$68.34 million)

TOTAL

PROGRAM	Proposed Expenditure Increase FY'14	Proposed Expenditure Decrease FY'14	Failure to Fund Council Restoration	TOTAL
ALL SERVICES FOR CHILDREN	\$2.47 million	(\$28.38 million)	(\$192.03 million)	\$217.94 million