



Testimony of

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Finance Committee

Regarding the New York City
Executive Budget Proposals for Fiscal Year 2014

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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 every New York child is healthy, housed, educated and safe. I would like to thank Chairman Recchia, Jr. and the members of the City Council Finance Committee for holding today's hearing and for taking the time to listen to public comments on the Executive Budget for City Fiscal Year 2014.

We believe it is imperative to start this testimony by expressing our gratitude to the City Council for all of the efforts this body has taken, particularly since 2008, to mitigate the damage proposed budget cuts would have inflicted on children, families and communities. Notably, the New York City Council has saved over 150 shelter beds for runaway and homeless youth; 3,000 preventive service slots for children at risk of child abuse; 17,000 child care slots; and then for the current fiscal year, over 47,000 child care and after-school slots. On behalf of the children and families for whom the City Council has made their lives a little better, we want to thank you.

Unfortunately, however, we are here today to testify about many of the same proposed budget cuts that we have testified about previously. Sadly, this Financial Plan also represents the 12th round of budget cuts since the economic crisis began.

In what has now become an annual ritual known as the "budget dance," we are here to ask you to restore much of what you have restored before, in addition to funding for several new proposed cuts. Of particular concern to CCC are the over \$210 million in net city fund reductions to child and family services that are included in the Mayor's Executive Budget. The full list of proposed cuts to child and family services can be found in the chart at the end of this testimony.

While this annual ritual of coming before you to testify, and then sit on the steps with signs and flyers, is known as the budget dance, it is important to remember that the dance is not as simple as the City Council restoring the cuts proposed by the Administration. First, due to the shortage of funds and the increasing list of cuts each year, the restorations often do not make programs whole. 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, among others. These reductions take place in a time of increased need: 1 in 4 NYC children lives in poverty, more children are sleeping in homeless shelters tonight than ever before, and only 25% of NYC children graduate from high school within four years college and career ready.

In addition, one year funding creates instability for programs and the staff and families receiving their services. Not knowing whether your program will remain open on July 1st makes it more difficult to fundraise and plan for the future, has a negative impact on staff morale and stability, and encourages families to seek alternative care in a more stable program.

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. In addition, it is the final opportunity for this City Council to leave its imprint on the City. We are thus hopeful, that the City Council and the Mayor can use this budget not only as an opportunity to restore funding

for much-needed services and programs, but also to **baseline** funding for many of these programs. This will end the dance with a curtain call-- ensuring the stability and future of the programs that the City Council cares so much about and has long-supported.

Turning to the Executive Budget proposals, CCC was extremely disappointed to see that the Executive Budget includes over \$210 million in proposed cuts to services for children and families. This includes the Administration's failure to restore Council Initiatives such as 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. In addition, the Executive Budget not only failed to restore any of the over \$120 million in City Council restorations to child care and after, school, but the Mayor proposes to cut an additional \$10 million from the Out-of-School-Time (OST) program. Once again, over 47,000 children are at risk of losing child care or after-school- this is unacceptable.

Newly Proposed Cuts

In addition to the programs and services the City Council has been restoring, the Executive Budget proposes four new cuts (PEGS) that we are urging the Council to restore and baseline in the Adopted Budget:

1) \$775,000 for 4 School-Based Health Centers:

The Executive Budget proposes the elimination of the City's \$775,000 in subsidies¹ to four school-based health centers (SBHCs) serving the Bronx, Manhattan, Queens and Brooklyn. These SBHCs offer students on-site access to a range of primary, preventive and specialty care – *including mental and behavioral health supports.*² These satellite clinics operate under the auspices of independent, licensed not-for-profit health care institutions.

This City subsidy exists to offset the operating deficits commonly confronting SBHCs. SBHCs cannot be self-sustaining on insurer reimbursement alone. SBHCs rarely recoup the total cost of care provided even after all efforts to maximize claims have been exhausted. Chronic insufficient reimbursements jeopardize SBHCs' long-term financial viability, and consequently, their presence in schools. Without this lifeline, CCC is very concerned that these SBHCs will be forced to scale back on – or even close – operations.

We are grateful that the City Council understands the value of these school-based health centers and thank you for working to restore most of the Fiscal 2013 midyear cut to these SBHCs. We urge you to press the Administration to restore and baseline the funding in the adopted budget.

¹ It is worth noting that the full impact of this loss to these four SBHCs is actually valued at \$1.2 million, as this dedicated City tax levy spending is augmented by State matching funds.

² A School-Based Health Center is required to provide primary care and preventive health services, first aid care and emergency care. SBHCs must also address the mental health needs of enrolled students, either by referrals or through on-site care.

2) Raising the Price of School Lunch from \$1.50 to \$2.50 (total proposed savings of \$8.8 million):

CCC believes it is unacceptable to use public school children to generate revenue in an attempt to balance the CFY 2014 Budget. Increasing the price of school lunch also contradicts all of the efforts the Administration has made to increase children's access to healthy and affordable food and participation in the school lunch program. If adopted, the proposal would increase the cost of school lunch from \$1.50 to \$2.50 - a 67% increase in the price of each meal.

This increase would increase the financial burden on families. It is worth noting that while low-income children are eligible for free or reduced price meals, the cut-off for reduced price meals is 185% of the federal poverty level, meaning that the school lunch increase will impact low-income children and their families.

3) \$541,000 for the East Harlem Center of Excellence (EHACE)

Not only does the Executive Budget fail to restore \$318,000 for outreach and education services at EHACE (\$318,000) it also proposes an additional \$223,000 for layoffs to the outreach staff.. EHACE was established to address the high rate of asthma hospitalizations among East Harlem's children. EHACE provides an array of services to children with persistent asthma. Coupled with the Mayor's new proposed cuts to EHACE, the Center's capacity for education and outreach will be decimated at the expense of area residents.

CCC urges the City Council to negotiate a budget with the Mayor that restores and baselines all \$541,000 for the EHACE.

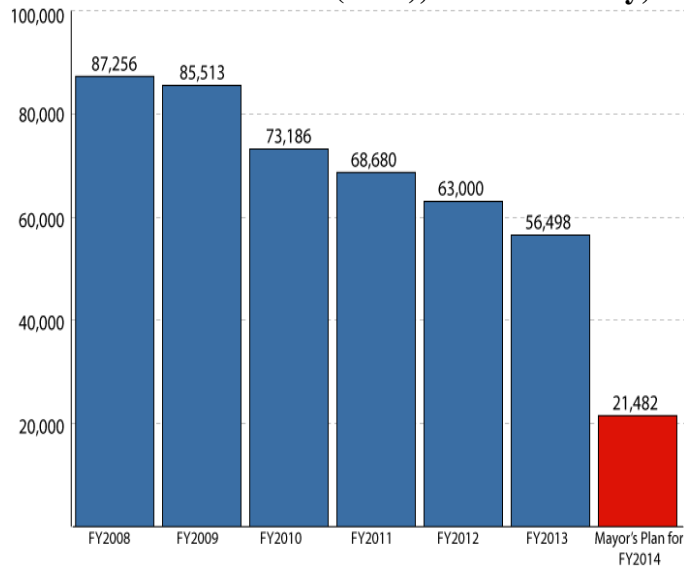
4) Additional \$10 million Cut to Out-of-School Time (OST) Program

In 2005, the Administration created the OST program, in an effort to expand after-school programs to more children. At its height in FY 2008, over 87,000 children were served in OST programs. Today, there is capacity for 56,498 children--- over half of these children (29,700) are in OST because of funding restored by the City Council.

Notwithstanding this incredible restoration and commitment by the City Council, the Administration is now proposing an additional \$10 million cut to OST. This cut would be implemented as a 21% across-the-board cut to the OST programs who received contracts through DYCD through the RFP process (so not the Council-funded discretionary programs.)

CCC believes strongly that the Adopted Budget must not only restore this \$10 million, but baseline it. The graph below speaks for itself:

Figure 1: Loss of Out-of-School Time (OST), New York City, FY2008-FY2014



Notes: Figures for FY2008-FY2012 are enrollment; figures for FY2013-FY2014 are capacity.

Sources: Citizens' Committee for Children of New York, *Keeping Track of New York City's Children, Tenth Edition* (2013); New York City Department of Youth and Community Development (2013).

Child Care and After-School:

CCC is profoundly grateful for the unprecedented restoration of over \$120 million 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 and after-school programs and that their parents are able to contribute to the workforce.

Once again, however, the Executive Budget proposes to eliminate over 47,000 child care and after-school slots. We once again ask you to work with the Administration to restore the funding for these programs. In addition, we ask that you work with the Administration to baseline as much of this funding as possible.

Child Care:

The importance of early childhood education is widely recognized by academics, economists, advocates, parents, and politicians- including the President of the United States. 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." In fact, today is the National Early Learning Call to Action in support of the President's proposal to expand early learning programs, including child care, Head Start, Early Head Start, home visiting and preschool.

So it is with great dismay that CCC is once again testifying before you in an attempt to save almost 9,000 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 nearly \$60 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.

In addition, it is important to note that maintaining the child care system's current capacity will actually require more than the \$59.6 million that the Council restored last year. First, the \$46.04 million restoration for 3,500 child care center slots and 1,100 family child care slots was only for 9 months (because Early Learn started on October 1st). Maintaining these slots for 12 months will require significantly more funding. In addition, CCC suggests that the restoration be until September 1st (15 months) so that programs are not slated to close so close to the budget deadline. Furthermore, the State recently released its child care allocations for the current State fiscal year, and New York City will be receiving \$5 million less from the state Child Care Block Grant than it did this year. While it may be impractical for the City Council to restore this state reduction, we urge Council Members to reach out to State Legislators to see if they may provide some assistance. Finally, the City is also slated to receive less in federal funds due to the recompetition for Head Start funds and the impact of sequestration on child care and Head Start.

In addition to failing to restore and/or baseline funding for child care, the Executive Budget does not include additional funds to more adequately reimburse Early Learn child care programs. We are deeply troubled about the issue of health insurance coverage under Early Learn.

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.

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 almost 9,000 slots are now at risk. We urge the Council to work with the Administration to once again restore child care and hope that this year these funds are baselined.

After-School Programs:

In addition to the new \$10 million cut to OST, the Administration fails to restore the \$56.2 million the City Council restored in FY2013 for over 41,000 after-school slots. New York City's after-school programs include a mix of academic supports, sports, youth development, and recreation. These programs keep elementary, middle and high school students engaged in a wide array of enriching and positive activities during after-school, holiday and summer hours. Youth are at greatest risk for delinquency between the hours of 3-6pm³ and every \$1 invested in youth

³ Fight Crime Invest in Kids. *New York City's Out-of-School Time Choice: The Prime Time for Crime or Youth Enrichment and Achievement*, 2008. Available online: <http://www.fightcrime.org/reports/NYCAS2pager.pdf>

services saves \$3 in savings for participants and taxpayers.⁴ Thus, these programs are a win-win for children, families, communities, and taxpayers.

CCC urges the Council to work with the Administration to restore and baseline these funds: \$56.2 million for 29,700 OST slots; \$4.4 million for 5,600 Beacon slots (7 programs as well as an across the board cut to all Beacon sites); and \$926,000 for 733 NYCHA Cornerstone slots.

Additional Restorations and Additions

CCC is once again looking to the City Council to restore many of the initiatives and restorations that the Council has supported in the past. Again, we are hopeful that many of these restorations can actually be baselined in this Adopted Budget so that they are not at risk with the next Administration/next City Council. While the full list is in the chart at the end of this testimony, below is a list of some of the most critical items for children and families.

- **Runaway and Homeless Youth Services: Restore and Baseline \$7.2 million and add \$1.5 million to address increased need:**

CCC would like to once again thank Council Member Fidler and the members of the Youth Services committee for their long-standing commitment to fund services for runaway and homeless youth in New York City. Without the City Council, the capacity and keep children safe and housed at night, would have been dramatically decreased.

There are an estimated 3,800 runaway and homeless youth (RHY) in New York City.⁵ These youth, many of whom have been abused, sexually exploited, and/or in contact with the juvenile justice or criminal justice systems, are some of the most vulnerable children in our city. They are critically in need of the broad continuum of essential services for runaway and homeless youth provided by DYCD and its provider agencies.

Now is the time to baseline this funding and make additional investments. With the changing administration and the upcoming RFP for RHY services, it is imperative that efforts be taken not to stabilize the support for these vulnerable youth.

- **Mental Health Treatment for Children Under Five: Restore and Baseline at least \$1.25 million:**

Since Fiscal 2006, the NYC Council has shown visionary leadership in supporting this initiative, which provides psychological trauma services to children under the age of five and their families. This is the only dedicated funding in New York City to provide this level and type of expertise to children and families in need. Neither Early Intervention, nor outpatient mental health clinics offer appropriate supports to sufficiently serve this special population.

⁴ Lattimore, C. B., Mihalic, S. F., Grotmeter, J. K., & Taggart, R. (1998); "The Quantum Opportunities Program"; In D.S. Elliot (Series Ed.), *Blueprints for violence prevention: Book four*; Boulder, CO: Center for the Study and Prevention of Violence.

⁵ Freeman, Lance, Darrick Hamilton. Count of Homeless Youth in New York City. Empire State Coalition of Youth and Family Services, 2008. Available at: www.citylimits.org/images_pdfs/pdfs/HomelessYouth.pdf

This initiative has promoted the development and preservation of the City's existing capacity to serve young children suffering from psychological trauma. Despite these worthwhile investments, demand continues to far exceed capacity. Since any reduction to this initiative will unquestionably reduce existing capacity, we ask for at least a full FY14 restoration.

- **Teen Relationship Abuse Prevention Program (Teen RAPP): Restore initiative to prior funding level of \$3.0 million:**

Teen Relationship Abuse Prevention Program (Teen RAPP) educates and counsels middle and high school students about healthy relationships and domestic violence. We urge the City Council to not only restore the \$2 million the City Council invested this fiscal year, but to return the funding to its previous funding level of \$3 million - and baseline this funding.

- **Emergency Food Assistance Programs (EFAP): Restore \$2.07 million and add \$4.93 million (for a total of \$7 million)**

Despite the increased need for emergency food assistance, the Executive Budget fails to restore the \$2.07 million that the City Council restored for the current fiscal year. While we are grateful for that assistance, the current level of funding is insufficient, leaving soup kitchens and food pantries unable to meet the needs of struggling, hungry New Yorkers. 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 increased costs of food.

- **Summer Youth Employment Program (SYEP): Add \$3.3 million**

While the Executive Budget does not propose new cuts to SYEP, the City continues to serve fewer and fewer youth each summer. Last year, only 29,000 youth were able to participate, while over 100,000 youth who applied for jobs were turned away. CCC urges the Council to work with the Administration to add \$3.3 million to be able to serve an additional 2,500 youth this summer.

- **Additional Critical Council Initiatives that we urge the Council to restore and baseline:**

- \$5 million for child health clinics
- \$270,000 for SNAP/Food Stamps at farmers' markets
- \$1.3 million for Obesity Prevention Programs
- \$2.5 million for the Infant Mortality Initiative
- \$268,000 for the Infant Mortality Initiative
- \$297,000 for STD Clinic Saturday hours and STD screening, education and treatment in high schools
- \$350,000 for the Family Planning Initiative
- \$1 million for Parks Department Playground Associates and \$1.4 million to keep pools open
- \$6.04 million for legal services
- \$250,000 for the Citywide Homeless Prevention Fund; \$415,000 for HPD Community Consultants; and \$500,000 for the Citywide Task Force on Housing Court

- \$2.25 million for full day UPK
- \$500,000 for Child Advocacy Centers
- \$1.25 million for the Autism Awareness Initiative

Conclusion:

CCC is tremendously grateful for all of the efforts the City Council has made over the past few years to try to preserve supports and services for the City's most vulnerable, including children and families. We hope that you will be able to permanently leave your mark by restoring and baselining the programs and services that you have fought so hard to protect. We look forward to working with you over the next few weeks to make this a reality.

Thank you for the opportunity to testify.



Fiscal Year 2014 Executive Budget for New York City Proposes to Cut \$210 Million in Net City Funds for Critical Programs for Children and Families

The Mayor's Executive Budget for Fiscal Year 2014 proposes \$210 million in net reductions to city funds for critical programs for children and families. Notably, the Executive Budget fails to baseline over \$120 million the City Council restored for child care and after-school programs in Fiscal Year 2013 and proposes additional cuts.

The Executive 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.

Below please find the list of \$210 million in proposed city funding reductions to child, family and youth services which are included in the City's Executive Budget for Fiscal Year 2014:

CHILD CARE

Program	Proposed Expenditure Increase FY2014	Proposed Expenditure Decrease FY2014	Failure to Fund Council Restoration
Child Care Restoration			(\$46.4 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)	(\$59.6 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)
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	(\$1.48 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	(\$25.58million)	(\$187.03 million)	\$210.14 million