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**Remarks for the New York State Division of Budget's Public Hearing
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My name is Robert Gutheil and I am the Executive Director of Episcopal Social Services (ESS). I want to thank Governor Elliot Spitzer for creating this type of forum in which those of us from the non-profit arena can speak on behalf of some of the most vulnerable populations in New York State.

For those of you who may not be familiar with ESS, we were founded in 1831 and are now a \$38 million nonsectarian organization serving over 5,000 of New York City's most vulnerable citizens through programs in foster care and adoption, early childhood education, after-school programs, group homes for developmentally disabled adults, and community re-integration of the formerly-incarcerated. ESS has responded to the changing needs of New York City and its residents with an unchanging mission to strengthen people in need to a point where they can live and succeed independently. Since its founding, ESS has served children, families, and individuals in all boroughs of New York City, with an emphasis on the Bronx and Manhattan and with a growing presence in Brooklyn. Each of ESS' programs involves a successful partnership or collaboration with public schools, child welfare agencies, or local community service providers.

I, and my colleagues at ESS, are advocates for the many families whose lives we touch through our social services programs in the Bronx, Manhattan, and Brooklyn, whether it's the working family in Central Harlem whose very livelihood depends upon the existence and accessibility of our day care centers, or the foster child who finds refuge in one of our foster homes or group homes or independent living units. Or perhaps it might be a family in crisis who would benefit from the mental health services provided through our Family Preservation Program that help keep troubled families intact and avert foster care placement. We also speak on behalf of those in prison and the formerly incarcerated; men and women who are trying to become stable, productive citizens through our prisoner re-entry programs.

I speak for the thousands who rely on us, and this great State, for the very social services that must be provided and services that need to be supported and funded by the State. I would also like to take this opportunity to address three critical areas of need including:

- The need to continue the current not-for-profit (NFP) human services multi-year cost-of-living adjustments and how they need to be extended for an additional three years to ensure that we retain the professionally-trained employees needed to provide all of these essential programs to those in our communities.

- The need to provide additional financial support for medical and mental health services for children in foster care; and
- The need to provide funding to continue and expand services for those who are or who have been in prison and are returning to society.

These are investments in our most vulnerable citizens, and will result in long-term savings.

I would like to begin with an issue that is indeed on everyone's minds in this State and more than likely, in this nation: health care.

Obtaining quality medical care is hard enough for those of us who can afford it, but what happens to children in foster care? ESS is seeking funding from the State for two critical health needs: children with acute special health needs, and the expansion of mental health services, particularly for those children with severe adjustment disorders.

ESS has operated a Foster Care Program for over 20 years, and today is a highly-respected foster care agency that receives high annual ratings from New York City's Administration for Children's Services (ACS). Serving nearly 500 children annually in our foster boarding home program, ESS' goal is to move children into safe, permanent living situations as soon as possible. For foster children, this may mean a return to their birth families (approximately 70% of ESS' foster child population), adoption by a relative (approximately 10%), or adoption by a foster family (approximately 20%). While children are in ESS' care, they are generally placed with one of nearly 325 loving foster families that ESS recruits and trains.

ESS does more than just provide a home for their foster children; we provide comprehensive medical, dental, and mental health care at our Bronx and Manhattan clinics. In addition to comprehensive medical care, our highly qualified medical staff emphasizes prevention and parent training to help ESS' foster children grow up healthy.

A large portion of ESS' foster families are located in the South Bronx, which includes one of the poorest Congressional districts in the nation. The largely minority population is faced with rampant poverty and unemployment, as well as a dearth of medical and mental health resources. Nearly half of the families in this community receive public assistance, and alcohol and drug dependency are common. These are the conditions in which many of ESS' foster children live prior to removal from their families of origin; as a result, many foster children come into ESS' care with significant trauma – close to 47% are sufficiently disturbed to need psychotherapy.

Within 24 hours of placement in foster care with ESS, a child receives a complete medical exam under the guidelines established by The American Academy of Pediatrics and adopted by ACS. During this process, a preliminary psychiatric assessment is made of the child's mental health status; this assessment process continues with return visits to the clinic at one- and two-week intervals, supplemented by reports from the foster family regarding any mental health issues that may arise during that time. While many emotional problems may not manifest themselves immediately, conditions of adjustment disorders will be readily apparent during the initial intake examination, and will result in an immediate referral for therapeutic services.

Given the lack of available mental health services in the Mott Haven community, a referral to a third-party provider typically entails up to a 90-day delay because there are few such services available locally, especially for non-English-speaking families. By providing mental health services directly, ESS can eliminate the delay of service provision, and can do so with staff that is predominantly bi-lingual.

At this time, among the majority of children coming into ESS' Foster Care Program with some degree of mental health issues, there is a growing segment of children for whom behavioral issues are much more severe, and for whom the focused attention of additional therapeutic services is vitally needed. These are the "problem" children, whose disruptive and violent patterns of behavior can overwhelm even the most dedicated foster parent. In some cases, these children will cycle through as many as three foster families in the course of two weeks as successive families make an effort to care for them, but finally surrender in the face of seemingly insurmountable behavioral issues.

Funding is needed to provide these services in a timely fashion for these children.

In addition, each year ESS cares for a number of children who have major medical needs. The children treated are among the most medically underserved due to a combination of poverty, family instability, and lack of access to proper care. While many of their urgent basic needs are covered by Medicaid, there are nonetheless unfunded services that must be provided for these children's well being and optimal health.

Specifically, major medical conditions such as neurological or cardiovascular disease, cancer or HIV/AIDS are considered to be Special Medical Needs. Currently, ESS cares for up to 25 special medical needs children; each year this number includes children whose Medicaid coverage has been exhausted, and ESS covers the \$50,000-\$100,000 annual cost of their treatment. To deny health care to a child who has cancer or HIV/AIDS is both shameful and inexcusable. The responsibility to provide these most vulnerable children with adequate, quality health care falls upon all of our shoulders.

Another vulnerable population, whose needs we address, are those in prison and the formerly incarcerated.

ESS' Network in the Prison and Network in the Community Programs work both inside and outside the prison walls to effect lasting change in the lives of those incarcerated or released from prison. Network's ultimate goal is to allow each participating individual a chance to re-connect with the larger society with an awareness of one's role and potential within it – an understanding that is often impaired by the long separation of prisoners from the outside world during the serving of their sentences.

In 1979, the New York State Department of Correctional Services launched the Network in the Prisons and ESS' involvement began early on. Today the Program operates independent residential units or modular programs in eight medium and maximum-security correctional facilities in New York State: Taconic, Sing Sing, Fishkill, Mid-Orange, Otisville, Woodbourne, Downstate and Fulton.

Using a peer mentoring model, Network builds self-esteem and a sense of community among participants by examining issues of personal responsibility for past and present behaviors. Helping participants understand how one can learn from past mistakes, how trust among individuals is built and maintained, and demonstrating the importance of planning and organizing, can all lead to a more positive and productive life during incarceration and after. Workshops and seminars in practical life-skills are also offered where the emphasis is on learning as a life-long process.

The Network in the Community Program was introduced in 1990 to deal with the critical challenge of finding ways to reintegrate former prisoners on parole or work release. Network in the Community seeks to disrupt the pattern of destructive, violent thought and behavior that led to imprisonment by helping ex-offenders learn alternative, non-aggressive modes of reaction while strengthening their identification with the community and helping them (re)learn the independent living skills and social behavioral patterns that can lead to a more stable and responsible life.

In addition to regular peer-support meetings, the range of services offered directly or through third-party linkages includes job training and placement referrals, direct job placement, health services, anger management, substance abuse referral, entitlement help, educational referrals, and housing search assistance. The program also offers regular workshops in Money Management, Job Readiness, Parenting, Conflict Resolution, Health Issues, Family Reunification, and Continuing Education. The result is an **impressively low recidivism rate of 13% among Network participants, vs. a national average recidivism rate of 67.5%**

Currently, our Network programs operate on a very limited budget with monies provided from private foundations and private donations. Without funding from the State to help sponsor ESS' Network programs, as well as other prisoner re-entry initiatives, they will cease to exist and we will fail so many who long for a second chance at becoming productive citizens. It is imperative that we do not abandon these earnest men and women, especially since it is in our best interest to support those seeking to make a successful re-entry into their communities.

The three types of programmatic outreach I have mentioned – medical care for foster children, psychotherapy for traumatized youth, and community reintegration of the formerly-incarcerated – are all areas in which ESS has demonstrated consistent, significant success in effecting positive change in the lives of those we serve. But all of these programs are in jeopardy if we cannot obtain support from the State to sustain and grow these most critical programs and services.

Today I ask for your support to ensure the current multi-year cost-of-living adjustments (COLAs) are again provided to the human services sector this year and that they be extended for an additional three years to prevent a lag in the provision of COLAs to this sector of employees.

I also ask that the COLAs be extended to a few key programs that have been overlooked. As a provider of day care and mental and medical care services to foster children and the working poor, recruiting and retaining qualified staff to work with our clients is one of the most difficult challenges we face.

Not-for-profit agencies like ESS suffer from high turnover rates and overtime pay requirements because adequate financial resources are not available and thus we lose employees to City and State agencies, United Healthcare Workers East (1199SEIU), and other unionized contracted agencies that are keeping up with the high cost of living. We are grateful the FY07-08 Enacted Budget supported the continuation of multi-year COLAs for a number of social service programs. ESS offers the following recommendations for the continuation of these important COLAs:

- A continuation of the current COLAs should be reset to the most recent Consumer Price Index (CPI) and reset each subsequent year.
- Providers should receive 100% of COLAs, indexed exactly to the CPI. In some areas, the full amount of the enacted COLA was not passed on to providers.
- Implementation flexibility must be maintained. Providers as well as City and State agencies agree that the current COLA was executed easily and efficiently because the implementation guidelines were not overly cumbersome.

While we are thankful for the many service areas already covered, several key areas did not benefit from the **FY06-07** Enacted Budget adjustments. To ensure that workers across the human services sector are treated equitably, the following additional program areas necessitate COLA investments this year, in addition to the continuation of the current COLAs in future years:

- Runaway and Homeless Youth, Youth Development and Delinquency Prevention, and Special Delinquency Prevention programs.
- Social Adult Day Care and Naturally Occurring Retirement Communities (NORCs).
- Single Room Occupancy (SRO) facilities and Family Homeless Services (state match).

Additionally, Early Intervention (EI) programs have not received the first two years of the three-year COLA that was approved in the FY06-07 budget. COLAs should be provided to EI programs for the past two fiscal years, as well as the current year.

Please consider extending the current multi-year COLAs for an additional three years and include human service programming previously left out.

In conclusion, these programs need your help. Through additional funding, medical care, mental health care, and programs for the formerly incarcerated will continue to help all New Yorkers in need of these services. Without your help and your funding some of New York's most vulnerable populations will have less of a chance to live more positive and productive lives.

Thank you.