



TESTIMONY OF  
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PRESENTED TO THE  
NEW YORK STATE SENATE FINANCE COMMITTEE  
AND  
NEW YORK STATE ASSEMBLY COMMITTEE ON WAYS AND MEANS

REGARDING THE  
NEW YORK STATE EXECUTIVE BUDGET PROPOSALS FOR  
MENTAL HYGIENE  
STATE FISCAL YEAR 2017–2018

FEBRUARY 6, 2017

## SUMMARY OF RECOMMENDATIONS

### **1. Invest in Not-for-Profit Workforce**

- Support State agency appropriations for worker level funding.
- Support cost-of-living increases for not-for-profit agencies to allow for the funding of salary and fringe benefits increases.
- Support the principals of fair and equitable rate setting for private child welfare agencies and 853 schools (including an increase to the state issued rates for 2017–18).
- Support a \$1 million investment to create opportunities for our workforce to attain higher education, including:
  - \$500,000 for the New York State Child Welfare Worker Incentive Scholarship.
  - \$500,000 for the New York State Child Welfare Worker Loan Forgiveness Incentive Program.
- Support a \$15 million appropriation to fortify the capital needs of foster care.

### **2. Expand Physician Loan Repayment**

- Expand the recommended \$1.5 million increase (\$3 million total) for physician loan repayment awards to include private not-for-profit organizations, licensed clinics, and preventive services programs.

### **3. Support Transition to Managed Care**

- Reinstate the previous budget’s funding to support voluntary foster care agencies in their efforts to transition foster care youth from Medicaid fee-for-service to managed care.

### **4. Assess the Impact of the Justice Center for the Protection of People with Special Needs**

- Identify areas and ways to improve client safety, worker retention, and public faith.
- Review of the legislation and its impacts upon client safety and protection, and worker retention.

Good afternoon. My name is William Gettman and I am the CEO of Northern Rivers Family of Services located in Capital District.

### **About Northern Rivers Family of Services**

[Northern Rivers Family of Services](#) was established in 2012 through affiliation with long-standing family services agencies **Parsons Child & Family Center and Northeast Parent & Child Society**. Together, the 1,300-strong workforce of Northern Rivers and affiliates serve more than 14,000 children and families in 40 counties each year, with \$85 million invested through more than 70 social services programs. Northern Rivers builds a strong, successful, and healthy future for our children, families, and communities through quality services, collaboration and innovative leadership. Our program areas include:

- Residential and community-based child welfare programming including foster care, preventive service, postadoption services, and evidence-based home visiting programs;
- Educational services for 400 students including early learn Pre-K and Head Start as well as accredited middle–high school 853 schools;
- Community-based mental health and crisis services programs for children and adults including mobile crisis, school-based services, and licensed clinic programs;
- Community-based waiver programs for children and adults including health home services.

I would like to thank Chairman Farrell and Chairwomen Young and members of the Assembly Ways and Means and Senate Finance Committees for this opportunity to testify on the Governor’s Executive Budget for State Fiscal Year 2017–2018. Governor Cuomo’s \$152.3 billion Executive Budget in conjunction with prior enacted budgets and one-time revenue

closes structural billion-dollar deficits, while aiming to strengthen our State's education system, improve the infrastructure, increase county and education efficiency, and improve our economy.

Northern Rivers Family of Services is grateful for many of the measures the Governor and the Legislature have taken over the past few years to stabilize the State's economy and help to build a better New York. **Despite these improvements, more needs to be accomplished to make New York State a great place to live, raise a family, and operate a business.**

We all understand the challenges we face today. Economic challenges are forcing critical conversations and new approaches to innovation at the state, local, and not-for-profit sector level. These conversations and innovative approaches can help us meet the complex needs of families and children and achieve improved outcomes.

The Governor's Executive Budget takes some steps to improve the lives of children such as maintaining preventive services funding for at-risk families, expanding homeless housing programs, increased support for education and Pre-K education on a statewide basis, implementing managed care for adults and children and continuing to reform the juvenile justice system.

Following are specific recommendations in regard to the proposed budget.

## **1. Invest in Not-for-Profit Workforce**

New York's families have faced many challenges in the past seven years: the down economy, joblessness, homelessness, opiate/substance abuse, and violence in already plagued communities.

When families are in crisis and children are at risk, New York's network of not-for-profit children and family services providers are on the job. **The men and women in the not-for-profit workforce are Human Services First Responders for at-risk and vulnerable families, children, and individuals.**

Throughout the state, not-for-profit human services and not-for-profit child welfare agencies respond to family crises around the clock, and our workers are not immune from the trauma that affects victims. They too are under stress. The expectations are unrelenting. We must support these front line workers who play critical first responder type roles when a family is in crisis.

New York's not-for-profit workforce is not only hard working but also an economic engine. Across New York State, 1 in 7 workers is employed by a not-for-profit organization. These workers contribute billions to the State's economic health; including the payment of income, sales, and property tax. Beyond the economic impact, the not-for-profit workforce, especially the direct care staff in child welfare, mental health, child care, aging, health, and developmental disability programs care for hundreds of thousand individuals with unique and special mental health, social, health, and physical needs. These consumers, ranging from young children in foster care and daycare settings, to teens and adults served in outpatient clinics, day programs, and specialized treatment settings often require 24-hour care, intensive supervision, and caring support.

**Today, thousands of job opening exist in the not-for-profit world. Not-for-profit executives report that starting about five years ago they have trouble filling jobs because of the low pay for challenging work, which has historically paid more than the minimum wage.**

Upcoming minimum wage increases and growing competition from other employers are expected to make recruiting and retaining staff even more challenging. In addition turnover rates are increasing, ranging from 25 percent to 44 percent depending on the position.

While the state's minimum-wage increase is good for many, it will have unintended and negative consequences for the not-for-profit sector. In order for not-for-profits to compete with the private sector for quality workforce, they will need state support to help pay for rising salaries.

**More than ever, we must make the human services workforce a priority. I urge Governor Cuomo and the Legislature to provide workforce increases for the not-for-profit sector.**

**This level of support must include:**

- **State agency appropriations for worker level funding, and**
- **Cost-of-living increases for not-for-profit agencies to allow for the funding of salary and fringe benefits increases.**

**Failure to provide the revenue to pay for the increased wages will result in program closures, reduced client services, and job layoffs.**

We will be serving our vulnerable children, adults, and families for years to come, and we must have a workforce ready for those changes by being fairly compensated, well-trained, and equipped for the challenges that lie ahead. The investment and impact will be good for all of New York State's citizens and communities and guarantee a brighter future.

Over the past several years, not-for-profit agencies have worked with government on countless new initiatives to reduce costs, focus on outcomes, use of evidence-based practices, and improve quality services. These efforts come in a climate where the rates and contracts our agencies receive are frozen or lowered. These staff, who we expect to do such vital work, are facing staffing cutbacks, frozen salaries, reduced health benefits, and little or no contributions to their pensions. Not-for-profit agencies have always raised funds from private donors to supplement government resources.

A wage increase for these (and all) workers is particularly essential now that the minimum wage for fast-food and tipped workers has been increased, leaving health and human services employers at a significant competitive disadvantage.

The special challenge here is that, in many cases, employers in this sector are not-for-profit organizations funded to care for people through State programs or public contracts. For these not-for-profit employers to be able to cover the wage increase without cutting hours or services, New York State needs to increase rates, fees, and contracts associated with the provision of these services. In addition, an increase in the minimum wage creates a “compression” impact on other staff positions. Any wage increase must reflect the compression impact.

Other workforce actions must also be supported to ensure that the most vulnerable members of our community are prepared for a life of success and self-sufficiency. These proposals include:

- **Support the principals of fair and equitable rate setting for private child welfare agencies and 853 schools (including an increase to the state issued rates for 2017–18).**

- **Support a \$1 million investment to create opportunities for our workforce to attain higher education.** The child welfare workforce provides stability, trust, and confidence to the children and youth in our care who have often experienced profound trauma during their lifetime. We support the COFCCA Cares policy, which includes:
  - \$500,000 for the New York State Child Welfare Worker Incentive Scholarship to provide current employees a scholarship to obtain a degree that would enhance their ability to work in such agencies and continue to work full-time in the child welfare field for five years after receiving their degree.
  - \$500,000 for the New York State Child Welfare Worker Loan Forgiveness Incentive Program to encourage recent college graduates or incentivize current employees to pursue careers in the not-for-profit child welfare sector in New York State by providing loan forgiveness awards if they agree to work full-time in the field for five years.
- **Support a \$15 million appropriation to fortify the capital needs of foster care.** Due to years of stagnant rates, COFCCA agencies have not been able to financially support maintenance and repairs to the 60 residential facilities that provide shelter and therapeutic services for children and youth in care, let alone investments or enhancements.

## **2. Expand Physician Loan Repayment**

The Executive Budget proposes a \$1.5 million increase (\$3 million total) for physician loan repayment awards. Psychiatrists would be eligible for the awards if they meet the following criteria: work in hospitals or outpatient programs operated by New York State Office of Mental Health, work in underserved areas, and agree to work for five years.



**We recommend expanding this program to include private not-for-profit organizations, licensed clinics, and preventive services programs. In this regard, the need for trained professionals to work with children and youth is critical. We further recommend the creation of a state interagency level task force to develop recommendations to increase the number of qualified mental health professionals across New York State.**

Seventeen years ago, U.S. Secretary of Health and Human Services Donna Shalala sounded the alarm on a crisis that was leaving millions of ill children without proper care. The problem, outlined [in a report on the country's mental health system](#), was a “dearth” of child psychiatrists that forced primary care doctors to treat mentally ill youngsters, creating a “triage” environment that it said needed to change.

It has not.

Instead, the crisis is arguably getting worse, as the United States grapples with an increase in depression and suicides among young people, and the number of child psychiatrists remains far too meager to help them.

Compounding the issue is that fewer child psychiatrists accept insurance, repelled by low reimbursement rates and the effort required to appeal. More of them are approaching retirement. And not enough medical students want to enter the field.

There are only about 8,500 child psychiatrists in the United States, not nearly enough for the estimated 15 million children who need one, according to the American Academy of Child and Adolescent Psychiatry. On the local level, the shortfall becomes more pronounced. [No individual state meets the AACAP's standard](#) of 47 child psychiatrists for every 100,000 children younger

than age 17. Only Washington, D.C., enjoys what the group calls “sufficient supply,” with one child psychiatrist for every 1,797 children.

The shortage of psychiatrists in the United States is driven in part by a growing need for behavioral health services. Consider that in the United States:

- One in every five adults experiences some form of a mental illness: nearly 1 in 20.
- 13.6 million adults live with a serious mental illness.
- 60 percent of adults with a mental illness received no mental health services in the previous year.
- Suicide is the third leading cause of death in youth ages 10–24, and the tenth leading cause of death for adults.
- The average delay between the onset of mental health symptoms and intervention is 8–10 years.
- More than \$193 billion in lost earnings annually as a result of serious mental illness.
- 24 percent of state prisoners have “a recent history of a mental health condition.”

These alarming statistics and trends make it imperative to consider the availability of psychiatric services, particularly because the entire subject of mental illness has for so long been avoided by both policy makers and the public.

### **3. Support Transition to Managed Care**

The Governor’s previous budget included funding to support voluntary foster care agencies in their efforts to transition foster care youth from Medicaid fee-for-service to managed care. The proposed budget does not include this level of support. The funds will support training and

consulting services for voluntary agencies to prepare for the transition of foster care youth into Medicaid managed care, including the ability to use health information technology.

**Given the importance of ensuring a smooth transition to improve the outcomes for vulnerable children, I recommend continuation of this critical investment!**

#### **4.. Assess the Impact of the Justice Center for the Protection of People with Special Needs**

More than three years ago the Legislature unanimously passed legislation creating the New York State Justice Center for the Protection of People with Special Needs. Since implementation, the Justice Center has played an important role in protecting vulnerable adults and children in licensed and regulated residential and community programs.

From day one, the Justice Center has implemented positive procedures including creating a toll-free number for reporting statewide clearance of prospective employees, establishing the staff exclusion list, implementing statewide training, and cultivating increased provider awareness. With three years of data and trends, mandated reporting is clearly happening and patterns are stable. For example:

- The majority of allegations occur in OPWDD and OMH facilities.
- The substantiation rate is approximately 30 percent to 31 percent.
- Intake reporting and calls have remained stable.
- More than 300 individuals are on the staff exclusion list.
- The majority of allegations and findings are neglect not abuse.

Despite these accomplishments, unintended consequences of the legislation have had an impact on workforce retention and practice and the delivery of services by public and private providers.

With more than three years of data, information, and feedback, it is important to assess the impact of the legislation and identify areas of improvement that will improve client safety, worker retention, and public faith. We encourage a review of the legislation and its impacts upon client safety and protection, and worker retention.

## **Conclusion**

In closing, we urge the Legislature to negotiate a budget with the Governor that ensures that the State remains committed to the programs that produce positive outcomes for children, families, and individuals and one that ultimately saves the state money on more expensive interventions such as foster care, unnecessary medical care, homeless shelters, and the juvenile justice system. I also strongly encourage the Legislature to support the need of direct care workers and other specialized titles. Failure to fund an increase for not-for-profit agencies will have a significant negative impact on the ability of individuals and families to receive services.

Simply stated, I recommend investments in our workforces and communities that yield positive outcomes for all New Yorkers. We must make New York State a great place to live, raise a family, and operate a business.

Thank you for the opportunity to testify.