



Leadership, voice and vision for child welfare in New York State

TESTIMONY SUBMITTED TO  
THE NEW YORK CITY COUNCIL  
COMMITTEE ON CONTRACTS

Hearing Regarding

Oversight: Reviewing the City's Indirect Cost Rate Funding Initiative During the COVID-19 Pandemic.  
Wednesday, November 25, 2020

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CEO

Council of Family and Child Caring Agencies

Good morning, Chairperson Ben Kallos, and good morning to the members of the New York City Council Committee on Contracts. My name is Jim Purcell and I represent the Council of Family and Child Caring agencies, also known as COFCCA. COFCCA represents over fifty New York City child welfare agencies, organizations that provide foster care and child maltreatment prevention services to many thousands of families. Our members range from large multiservice agencies to small community-based preventive services programs in community districts around the city. We thank the Committee for the invitation to testify about the Indirect Cost Rate and its intersection with the COVID-19 epidemic.

The nonprofit agencies that provide family and child welfare services in New York are charged with doing everything possible to ensure children are safe and well-cared-for, whether they are living with their parents or kin, living in a foster home, or living in an agency-staffed group home or residential center. These agencies have long struggled to operate and meet the city's needs while being funded at rates less than what it costs to do the work. The Council's introduction of the Indirect Cost Rate as a way for agencies to submit documentation of real costs - and be *paid* at rates that reflect real costs - was welcomed by our COFCCA members and seen as the City finally acknowledging the agencies' reality. Agencies that applied early in the ICR implementation process had the funds to maintain a solid infrastructure, which thus supports stronger programs. But before February, few recognized just how important infrastructure and program support would be.



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When New York City effectively shut down for COVID-19 in March, children and families' needs didn't stop - - on the contrary, the job of keeping the City's children safe and healthy was made even more difficult. Foster care didn't stop, but now foster care caseworkers had to complete their work from home or from the field as offices closed. Family visits didn't stop, but now caseworkers had to help children, their parents and their foster parents acquire and use new technology. Services to prevent children from coming in to foster care didn't stop, but families' needs increased and prevention case workers had to come up with new ways to get the families the resources they needed. Group facilities didn't close, and the staff who worked at these locations needed to put things in place to protect themselves and the youth in their care. A prime example of infrastructure supporting program at this time is the agencies' information technology managers, who each had to rapidly source and deploy hardware, software, and security solutions to manage an unplanned shift to a mostly- or totally-remote workforce model. It stands to reason that those agencies with strong, well-funded infrastructures were able to make this shift faster and more effectively than those without.

Since the ICR is key to appropriately funding human services when we're *not* in a crisis situation, it is incredible that the City would consider cutting ICR funding in FY21 (the fiscal year that started five months ago). It is truly reprehensible to cut funding retroactively from agencies' FY20 payments, especially given that these agencies dropped everything to shift resources and increase services to keep the City's children safe with the assurances that they could spend what they had to in order to get this important work done. These cuts undermine the scope and effectiveness of essential services during a time of continuing and growing need. And since human services direct workers are predominantly people of color, mostly women, who serve populations historically disadvantaged due to race, sexual orientation, sexual identity, immigration status, health and mental/behavioral health issues, and income inequality, these cuts disproportionately hurt the City's already-marginalized citizens.



The City needs to maintain its commitment to pay providers for the full costs of services. When a contractor paves a road or paints a bridge, as long as the contractor presents a truthful accounting of reasonable costs, the City pays the bill. Child welfare services are at least as important as our roads and bridges (I would argue "more important"). It should not be acceptable for the City to acknowledge the full child welfare costs and yet say, "but we're not going to pay you the full amount," and worse, "and we're going to cut what we promised you last year," money the agencies already spent. We urge the Committee and Council to reject any cuts to the Indirect Cost Rate funding for FY20, FY21, and going forward.

We at COFCCA would be happy to answer any questions the Council members may have, or to arrange for members to see their local child welfare agencies in action. We thank you for allowing us to submit our testimony.

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