



New York City Council
City Preliminary Budget Hearing - Children and Youth Services Committee
Testimony submitted by Michelle Avila, Director of Public Policy
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On behalf of Children's Aid, I would like to thank Chair Althea Stevens and members of the Children and Youth Committee for the opportunity to submit testimony on the Fiscal Year 2027 preliminary city budget.

For over 170 years, Children's Aid has been committed to ensuring that there are no boundaries to the aspirations of young people, and no limits to their potential. By offering a continuum of services throughout childhood, Children's Aid prepares young people to succeed at every level of education and every milestone of life. Today, nearly 2,000 dedicated full and part time staff members serve nearly 50,000 children, youth, and families across more than 40 sites in New York City. Through our early childhood centers, community schools, community hubs, and health clinics, Children's Aid creates trusted spaces where families can access the full range of supports they need, close to home.

In addition to direct service delivery, Children's Aid engages in policy and advocacy work at all levels of government. Our policy priorities are informed by what we know works for children and families and by the persistent barriers our organization and staff encounter while serving the one in four New York City children living in poverty. To this end, Children's Aid is a proud member of numerous city-level coalitions including the Campaign for Children (C4C), the Human Services Council, the Council of Family and Child Caring Agencies (COFCCA), New York City Coalition for Adult Literacy (NYCCAL) and Fair Futures. Through these networks and alliances, we fully support their policy agendas.

A thriving New York City requires a strong and dynamic ecosystem of programs that support children, youth, and families. The human services sector is essential to the City's social safety net, and organizations like Children's Aid are on the frontlines, partnering with government to ensure that communities remain resilient and empowered. As the City navigates ongoing fiscal uncertainty, we remain committed to caring for children and supporting families. Our work is critical, not just for today, but for building a stronger future for all New Yorkers.

However, our ability to provide these vital services is threatened by governmental decisions that disproportionately impact Community-Based Organizations (CBOs). Procurement delays, contracting issues, background check policies, RFP processes, and funding decisions at the city, state, and federal levels consistently undermine our financial stability and daily operations. In the face of ongoing economic and social instability, these systemic

challenges further constrain our ability to focus on delivering critical programs. As a large, long-established organization, Children's Aid is frequently impacted by these sector-wide issues. Smaller organizations—who are also doing essential work in communities across the city—are made especially vulnerable by these same challenges.

Across the Administration for Children's Services (ACS) and the Department of Youth and Community Development (DYCD), we urge the Council to prioritize investments that strengthen prevention and family supports, expand access to high-quality opportunities for children, youth, and families, and stabilize the human services workforce. To support these goals, we respectfully recommend that the Council:

- **Protect and expand ACS prevention funding** and ensure contracts reflect the true cost of services.
- **Sustain and expand supports for youth with foster care experience**, including renewing and increasing funding for the Young Women's Initiative, which provides critical services for transition-age foster youth, and strengthening support for Fair Futures.
- **Fully fund child care assistance**, including matching state investments in CCAP vouchers and eliminating the current waitlist of 17,000 children.
- **Restore and expand Promise NYC to \$50 million** so children and families otherwise not eligible for child care assistance can receive care.
- **Strengthen youth development programs**, including COMPASS/SONYC afterschool, Summer Rising, Beacon and Cornerstone centers, and SYEP.
- **Increase investment in adult literacy programs**
- **Stabilize the human services workforce** through salary parity, wage increases, and annual cost-of-living adjustments.
- **Address operational barriers for providers**, including contracting delays, background clearance processing, and reimbursement policies.

I. Administration for Children Services (ACS)

Children's Aid remains deeply committed to building a child welfare system that keeps families safely together, reduces the racial and economic inequities that continue to shape system involvement, and partners meaningfully with communities. Poverty is too often mistaken for neglect, and Black and Brown families continue to be disproportionately reported, investigated, and separated. A stronger, more equitable child welfare system requires investments that address these root causes of instability and support families long before a crisis escalates.



We value our longstanding partnership with the Administration for Children’s Services (ACS) and the City Council, and we recognize the progress the City has made in expanding prevention, prioritizing kinship, and increasing low-stigma access to help through Family Enrichment Centers. At the same time, the FY27 Preliminary Budget reflects both promising investments and areas of concern that directly impact our ability, as a provider, to stabilize families and serve children and youth effectively.

1. Supporting Mandated Services

As a contracted foster care and prevention provider for the NYC Administration for Children’s Services (ACS), Children’s Aid supports families through a continuum of critical services. In FY25, we served 941 youth through foster care programs, and 2,898 children and 1,349 families in preventive services. These services are foundational to family stability, safety, and long-term well-being.

In the FY27 Preliminary Budget, ACS’s Foster Care Services line increases by \$62 million, bringing the total to \$905 million, including \$263.1 million baselined to meet the State foster care mandate. These investments are essential, but their impact is limited without significant investment in the child welfare workforce responsible for delivering these services.

Children’s Aid, like nearly all ACS-contracted providers, faces persistent staffing challenges. In FY25, our Child Welfare and Family Services Division experienced an 11.8% vacancy rate, and a 29.5% turnover rate. Struggles to hire and retain staff are directly tied to salary disparities between community-based organizations, public sector agencies, and the private sector. These disparities, often totaling \$15,000–\$30,000 annually, make it extremely difficult to attract and retain qualified case planners, clinicians, and social workers. These gaps undermine the quality and stability of care: research shows that every case planner turnover can extend a young person’s stay in foster care by 6 to 18 months, delaying permanency and compounding trauma.

To meet the needs of children in care, we join COFCCA in urging the Council to:

- Invest in workforce stabilization across foster care, including retention supports, and tuition assistance
- Ensure foster care and preventive contracts reflect true operating costs, including inflation, supervision, transportation, insurance, and safety-related requirements.

2. Prevention Services

Prevention remains one of the most effective and cost-efficient strategies for promoting family stability and reducing entries into foster care. In New York City, the number of children who came into foster care declined 10% from 2022 to 2025.¹ Today, fewer than 6,500 NYC children and youth are in foster care, compared to nearly 45,000 in the 1990s.² These meaningful declines are due in part to investments in prevention. At Children's Aid, 99% of families engaged in our prevention services do not enter care, reflecting both the strength of the model and the deep trust families place in community-based supports.

The City must continue investing in prevention programming and the staffing that makes these services possible. Prevention contracts, now approaching year six of a nine-year term, have not received the salary and rate updates needed to match rising labor costs, rental increases, and the operational realities of today's nonprofit sector. As a result, vacancies remain high, slots go unfilled, and families experience longer wait times. These challenges are structural, not reflective of reduced need.

We urge the Council to:

- Protect and expand investments in ACS prevention programs, and
- Invest in salary adjustments and contract right-sizing to stabilize the prevention workforce and ensure families receive timely, high-quality support.

3. Wrap-Around Support for Transitional-Aged Foster Youth

Through the City Council's Young Women's Initiative, Children's Aid, alongside Graham Windham and Forestdale, provides flexible, wrap-around supports to transition-age youth with foster care experience and systems involvement. This initiative enables our coaches and credible messengers to deliver rapid, individualized assistance, including housing support, food, emergency financial aid, workforce readiness, and connections to long-term services for an underserved population. City Council funding allows each agency to expand Life Coaching services for youth ages 13–26 in partnership with community-based organizations. It also strengthens workforce pathways, including paid internships, and provides emergency financial assistance for housing, food, and other urgent needs.

This funding is unique: it reaches youth regardless of their foster care agency of origin and fills critical gaps not covered by Fair Futures, which—while essential—does not fully meet the needs of older youth or those who have already transitioned out of care. Fair Futures funding for ages 21–26 is tied to the number of youth currently in care, leaving many former foster youth without access to coaching, internship stipends, or comprehensive

¹ ACS Strategic Priorities Fall 2025 ://www.nyc.gov/assets/acs/pdf/about/2025/strategic-priorities-fall-2025-2026.pdf

² Ibid



college success services. It also provides only partial support for trauma-informed mental health care, resulting in significant unmet needs across the city. With nearly 1,000 young people exiting foster care each year, sustaining this investment is vital. This flexible model addresses gaps left by existing funding streams and represents exactly the kind of low-barrier, high-impact investment that promotes stability and prevents further marginalization and crisis.

We respectfully ask the Council to renew and expand this initiative, ensuring continuity and reach across all boroughs.

4. Strengthening Supports for Older Youth with a Foster Care Background

Children's Aid is a proud partner of Fair Futures, through which youth ages 11-26 in foster care and those aging out, receive long-term coaching, academic supports, and workforce development services. Coaching is the backbone of youth stability and equity; sustained relationships improve on-time grade progression, high school completion, post-secondary persistence, and employment readiness. We commend the City for baselining Fair Futures and urge continued protection and growth of this investment in FY27.

Alongside Fair Futures, Children's Aid partners on initiatives that remove remaining barriers to persistence, including College Choice, Career Choice/Workforce Ready, Girls Just Us, and Assertive Community Engagement & Success (ACES).

At our Next Generation Center (NGC) in the South Bronx, Children's Aid operates Fair Futures coaching for approximately 100 youth ages 13-26 from across the five boroughs, in addition to supporting transition-age youth with Young Women's Initiative (YWI) funding. NGC is also a Community Center and Boys & Girls Club serving over 300 youth ages 14-26, integrating education, workforce, and mental health supports in one trusted space. Our work focuses on two primary goals: 1) connecting youth to positive influences (school, work, and relationships with caring adults); and 2) diverting youth from negative influences (crime and incarceration).

We ask the Council to sustain and expand funding for Fair Futures, and protect investments in coaching, education, housing supports, and mental health services for youth 13-26.

5. Foster Youth Success Alliance

Children's Aid proudly houses the Fostering Youth Success Alliance (FYSA), a statewide coalition advocating for responsive policies and programs that support youth with foster care experience. FYSA leads the annual Foster Youth Shadow Day, which brings young



people to City Hall to share their stories directly with policymakers. We deeply appreciate the Council's ongoing partnership in making this event possible.

We encourage the Council to continue supporting FYSA and its citywide policy priorities, which are aligned with the needs expressed by youth and families throughout the child welfare system.

5. Child Care Block Grant (CCBG) and CCAP Vouchers:

Child care vouchers are a critical support for working families, helping parents afford care so they can remain in the workforce while ensuring their children are in safe, stable learning environments. However, demand for vouchers in New York City far exceeds available funding. ACS recently reported that roughly 17,000 children are on the City's waitlist for Child Care Assistance Program (CCAP) vouchers after the City stopped enrolling new families due to funding constraints in May 2025.

As the state finalizes its annual investment in the CCAP program, it is critical that the City ensure sufficient funding is available to match state resources and fully support eligible families. At the same time, programs like Promise NYC play a vital role in filling gaps for families who are not eligible for federally funded assistance.

Children's Aid urges the Council to:

- **Ensure the City provides sufficient funding to match state investments in CCAP vouchers and eliminate the current waitlist.** With 17,000 children currently waiting for assistance, expanding voucher access would provide immediate relief for working families and help stabilize the city's child care system.
- **Restore and expand funding for Promise NYC at \$50 million to provide assistance for children otherwise not eligible for child care assistance.** Last year, this program was funded at \$25 million and served 1,071 families. Restoring and expanding funding will ensure that even more families can access affordable child care and fully participate in the workforce.

6. Transportation Needs of Students in Foster Care

Timely transportation is essential for foster youth to attend school, a critical place of stability. The Every Student Succeeds Act (ESSA) and the Fostering Connections Act mandate that local school districts and child welfare agencies collaborate to ensure that students remain in their original schools when they enter foster care or change placements, unless it is not in their best interest to do so.

While the New York City Public Schools (NYCPS) Office for Students in Foster Care has made significant progress in addressing transportation needs, considerable challenges remain. Students frequently wait weeks or even months for bus routes to be assigned, creating substantial barriers to their education. The primary issue with the NYCPS Office of Pupil Transportation is the excessive wait time between requesting a route and actually being assigned one. To mitigate this delay, NYCPS has implemented ride vouchers, but caregivers are unable to utilize the vouchers until they have waited a minimum of 10 days for a bus route.

During this waiting period, an adult must accompany the student. However, since many foster parents are either employed or have other children in the home, the responsibility for transporting these children often falls on child welfare staff. This diversion of child welfare resources is problematic, as it pulls staff away from their crucial roles in supporting family permanency.

At Children's Aid, we have made considerable efforts to ensure that children can attend school, but this has come at a significant financial cost and has led to staff burnout. Staff members often begin their days as early as 4:00 am to transport children to school before continuing their full workday. This not only contributes to staff fatigue but also diverts them from their core responsibilities. Moreover, there are serious safety concerns as staff are tasked with navigating transportation for students during this interim period. For example, students with Individualized Education Plans (IEPs) that include transportation as a safety requirement are often transported by staff, putting both the students and staff at risk. One of our Education Specialists was involved in a severe car accident shortly after dropping a student off at school. She was devastated by the thought that the child could have been in the car at the time. The car was totaled, and the employee was out on disability for an extended period.

Additionally, just a few months ago, a new case planner was charged with escorting a child with special needs to school when the child broke free and ran toward a busy intersection. The case planner, understandably shaken by the incident, resigned shortly thereafter. These examples highlight not only the financial burden and the loss of valuable human resources but also the dangers posed by the lack of safe transportation options. It is perplexing that this issue has not been made a priority. This is not merely a matter of convenience; it is a matter of safety.

Financially, while the Administration for Children's Services (ACS) provides a \$200 daily transportation allotment, actual costs can reach up to \$600 per day, excluding the cost of staff time, and there is often a long wait for reimbursement. In response, Children's Aid is hiring additional staff specifically for transportation and acquiring more vehicles for staff use. However, when bus routes are delayed, both students and the families we serve



suffer, as the divided attention of case planning teams undermines their ability to provide consistent support.

Practical solutions exist: contracting with vetted transportation providers that do not require chaperones (such as Kid Car or HopSkipDrive), using ACS or other city vehicles with escorts, creating a dedicated interim transportation service for students awaiting bus routes, hiring aides to accompany rideshares, or at minimum reimbursing chaperone costs and increasing the daily cap.

We urge the City to invest \$3 million to provide interim transportation for students in foster care awaiting bus service, ensuring uninterrupted access to school at a critical moment in their lives.

II. Department of Youth and Community Development (DYCD)

Children's Aid holds over 50 contracts with the Department of Youth and Community Development (DYCD), including contracts through the city's Comprehensive Afterschool System (COMPASS), Summer Youth Employment Program (SYEP), Deaf and Hard of Hearing program, adult literacy programs, Saturday Night Lights, and Beacon.

We know that enriching and accessible youth programs are a vital component of a healthy city. For children and youth ages 5–18, high-quality afterschool, summer and work development programs are foundational to academic success, social-emotional development, and safety. And, for working families, the hours between 3:00–6:00 PM and the summer months represent some of the greatest child care gaps. Reliable, affordable out-of-school time programming strengthens family economic stability—particularly for low-income families—as it relieves families from making the difficult choices between employment and supervision.

To help alleviate the affordability crisis for working families with children, the City must continue to invest in child and youth-serving programs. While we were thrilled to see the Preliminary budget reflect deepened investments in programs like COMPASS and Summer Rising, we call on the Council to further investment in other essential programs like SYEP and Beacon, while reducing administrative burdens for providers and investing in workforce development and pay.

1. COMPASS and SONYC:



Children's Aid operates 17 DYCD COMPASS and SONYC afterschool programs, serving over 3,100 youth. These programs take place in our five community centers and across the majority of our 19 community schools.

As an afterschool provider, we know firsthand that these programs are a critical lifeline for New York City families, forming the foundation of their support systems. These programs address pressing issues including learning loss, social-emotional development, workforce readiness, and the need for reliable hours to support working parents. According to the Afterschool Alliance, 90% of parents report that their child's afterschool program helps them interact with peers and develop social skills, while 82% say it boosts their confidence and 73% say it fosters responsible decision-making. Moreover, regular attendance in quality afterschool programs is linked to higher standardized test scores and improved school attendance.

The evidence is clear: high-quality, accessible programs delivered by community-based organizations in partnership with DYCD are essential to the success of New York City's young people.

However, these programs can only succeed if contracts allow providers to fairly compensate staff, manage administrative requirements, and offer programming that meets the full range of community needs. Without thoughtful implementation, the expansion of afterschool programming risks placing unsustainable financial pressure on providers and creating inequities across the system.

While we are encouraged that the Preliminary Budget includes funding for afterschool expansion, the current reimbursement structure is insufficient to sustain high-quality programming. The per-participant rates proposed in the new COMPASS RFP—approximately \$6,800 for full-year COMPASS and \$3,900 for school-year SONYC—would allow providers to recover only about 60–70% of program costs in the first year, with the gap widening over the six-year contract due to the absence of annual cost escalators. As a result, providers must either subsidize programs with other funding sources or offer staff wages that do not reflect their responsibilities and expertise, creating inequities in the quality and stability of programming available to families across neighborhoods.

Recognizing the disruption of service delivery that would result from pulling the current RFP, we are not calling on the Administration to alter the base rates. However, we do urge the City to pursue complementary solutions that reduce administrative burdens for providers, promote equitable implementation of afterschool expansion, and move the system toward long-term financial stability.

To that end, we urge the Council to work with DYCD on the following:

- **Release contract awards for the most recent COMPASS RFP** as soon as possible so providers can plan for programming beginning in August 2026.
- **Include annual cost-of-living adjustments (COLAs) in all new contracts** to prevent the erosion of wages and operating budgets over time.
- **Reimburse providers for their approved indirect cost rates (ICRs)**, rather than defaulting to de minimis or capped rates that understate actual overhead.
- **Invest in a long-term transition toward a year-round out-of-school-time system** that seamlessly integrates afterschool and summer programming.
- **Prioritize access for students** in temporary housing, foster care, English language learners, and students with disabilities, including
 - Investing in the City's capital plan to ensure youth-serving facilities are ADA accessible.
 - Supporting paraprofessional staffing in afterschool programs to ensure continuity for students who require services during both the school day and afterschool hours.

2. Summer Rising:

Every child deserves access to high-quality, enriching summer programming that meets their individual needs. In recent years, Summer Rising has become one of the few free, widely available summer options for New York City families, providing both academic enrichment and a critical child care solution for working parents during the summer months.

Children's Aid was encouraged to see the Preliminary Budget baseline \$126 million for Summer Rising, recognizing the importance of stable and predictable support for summer programming. Continued investment in this program is essential to ensure families can rely on high-quality summer opportunities year after year.

However, while Summer Rising has significantly expanded access to summer programming, providers continue to experience operational challenges that limit the program's effectiveness and create barriers for both families and community-based organizations.

To strengthen Summer Rising and ensure it continues to meet the needs of youth and families, we respectfully urge the Council to work with DYCD on the following:

- **Improved enrollment systems and provider flexibility.** The current centralized enrollment system managed by New York City Public Schools (NYCPS) does not integrate effectively with DYCD Connect, creating challenges for CBOs in managing enrollment and attendance. Creating a centralized enrollment system would make it

easier for providers to enroll students on-site and manage waitlists to ensure program slots are fully utilized.

- **Consistent paraprofessional staffing:** DYCD and NYCPS must ensure paraprofessionals are available for the full duration of summer programming so students who require additional support can fully participate.
- **Strengthen early planning, coordination, and communication across agencies:** Establish a full-time team to work across DYCD, NYCPS, and provider organizations to support early planning and coordination for Summer Rising. This investment would ensure schools and CBOs are made aware of student needs in advance and that families receive clear, accessible information by February, enabling effective program design and a seamless and impactful experience for students.

3. Beacon and Cornerstone

Significant disparities in funding and support across different types of summer programs must be addressed to ensure equity. Center-based programs—including Beacons and Cornerstones—serve as vital community hubs and often operate for longer hours than school-based programs, making them especially valuable for working families.

Children's Aid operates a Beacon program at our Charles Drew campus in the Bronx, and this school-based community center serves roughly 600 children and adults annually. Our Beacon operates as a true community hub, that is highly trusted and well known by families in the area and available during accessible hours; the center remains open until 10:00 PM on weekdays and from 8:00 AM to 6:00 PM on weekends, with additional summer safety programming extending hours until 11:00 PM, seven days a week.

Additionally, because Beacons are required to host hundreds of events annually, this center leverages strong partnerships with city initiatives and other community-based organizations to deliver a wide range of events and services. These include ESL classes, open gym and team sports, mentorship programs, dance and drama programs, SYEP-connected workforce workshops, and special events like field trips, holiday fairs and clothing drives. The Beacon also connects families to critical supports such as health and mental health services and food access, serving thousands of community members each year through pantry services alone. Together, this breadth of programming and extended availability positions the Beacon as a consistent, high-impact resource for the entire neighboring community—not just an afterschool program for school-aged youth.

Despite strong demand, center-based programs frequently receive lower reimbursement rates than school-based programs within the Summer Rising initiative. And, the preliminary budget proposes decreased spending on these programs in FY27.

We urge the Council to work with DYCD to address these inequities by:

- **Increasing reimbursement rates for center-based programs** to reflect the true cost of delivering quality services
- **Offering additional funding opportunities to meet demand**, including expanding program slots.
- **Including center-based programs in planning and resource allocation**, with equal access to resources and support as Summer Rising programs.

4. Summer Youth Employment Program (SYEP)

The Summer Youth Employment Program (SYEP) is transformative for the young people it serves, many of whom receive their first paid work experience through the program. In FY25, SYEP served 97,000 youth citywide – and, through support from this program, Children’s Aid was able to match over 3,400 young people with paid work opportunities.

While the City has made significant progress in expanding access to SYEP in recent years, demand continues to far exceed available slots. In FY25, the program served only 53% of eligible applicants, leaving nearly half of interested youth without access to this critical opportunity. At the same time, the FY27 Preliminary Budget reflects an investment approximately \$21 million below the February 2026 Financial Plan, raising concerns that this gap could widen rather than shrink.

SYEP is an investment in young people’s long-term success. Expanding access and reducing barriers to participation will ensure that more youth can gain meaningful work experience, build critical skills, and develop pathways to future employment.

To build on the success of SYEP and ensure that more young people can access and benefit from the program, Children’s Aid recommends the following:

- **Increase investment in SYEP** to expand the number of available slots and better meet demand among eligible youth.
- **Fund OMNY cards for SYEP participants** to ensure reliable transportation to worksites and remove cost barriers to participation.
- **Provide child care supports for SYEP participants**, including child care waivers and related assistance, to ensure youth with caregiving responsibilities can fully participate.
- **Allow younger participants to earn hourly wages instead of a fixed stipend.** The current \$700 stipend is no longer competitive and can limit participation; transitioning to hourly wages would improve engagement and equity across age groups.

5. Adult Literacy Programs

Adult literacy education is a critical pathway to economic opportunity and community integration for New Yorkers. Through DYCD's Adult Literacy initiative and Adult Literacy Forward, Children's Aid is able to provide instruction and programs to roughly 225 adult learners annually across our community school campuses in Washington Heights. Through English language instruction, digital literacy training, high school equivalency preparation, and civics education, these programs help adults gain the skills they need to participate fully in the workforce and civic life.

Across New York City, the need for adult literacy services is both significant and growing. Approximately 2.2 million city residents need adult literacy instruction, and more than 75% of these students are immigrants. Despite this need, the funding landscape for adult literacy is increasingly uncertain. The City currently invests approximately \$103.5 million across federal, state, and local funding streams, including more than \$24 million from the federal Workforce Innovation and Opportunity Act (WIOA) Title II Adult Education and Family Literacy Act. However, the Trump administration has previously proposed eliminating WIOA Title II, which could significantly reduce access to services.

Without proactive City investment, these changes could result in fewer program slots, reduced services, and diminished access for New Yorkers seeking to build skills and participate fully in the workforce.

To support adult learners and protect access to these critical services, we join the New York City Adult Literacy Coalition (NYCCAL) in recommending the following investments:

- **Create a new \$20 million city funding stream for adult literacy through Education for Integration and Equity.** This investment would expand access to English language, basic education, digital literacy, high school equivalency, and civics education classes for New Yorkers who might otherwise be ineligible for services and help offset potential federal funding losses.
- **Increase City Council discretionary funding for adult literacy from \$14.5 million to \$18 million.** Council discretionary funding has become a vital source of support for the 63 community-based organizations, CUNY colleges, and library programs that provide adult literacy services. Increasing this funding would allow these programs to serve thousands more adults in need.
- **Consolidate City Council discretionary adult literacy initiatives under Adult Literacy Forward.** Adult Literacy Forward is a nationally recognized and innovative funding model that has demonstrated strong outcomes since its launch as a City Council pilot in FY22. Consolidating Council-funded adult literacy initiatives under



this model would streamline program requirements, improve coordination, and allow the City Council to track outcomes through the NYC RISE data system.

In total, these investments would increase City funding for adult literacy from \$26.5 million to \$50 million, allowing around 7,000 more adults to receive services.

6. Runaway and Homeless Youth

While Children's Aid is not a direct provider of Runaway and Homeless Youth (RHY) shelters, we see the consequences of a system that is under-resourced and unable to meet the scale of need. Across New York City, there are not enough RHY beds or supportive services to ensure that young people experiencing homelessness have a safe place to go. As a result, far too many youth—particularly older youth—are forced into unsafe and unstable living situations and remain at high risk of prolonged homelessness.

We join RHY providers and advocates in urging the City to take immediate action to strengthen and stabilize the RHY system by:

- **Expand housing capacity for older youth ages 21-24**, ensuring that all 100 planned beds for this population are brought online (currently only 60 beds are operational).
- **Increase RHY bed rates** to accurately reflect the true cost of operating shelter beds and ensure providers can deliver safe, high-quality services. In addition, release the pending Request for Proposals to procure the full RHY shelter system.
- **Baseline \$1.6 million for Peer Navigators**, who provide mentorship, advocacy, and connections to critical services for youth and young adults navigating the DYCD RHY continuum.
- **Baseline \$1.6 million for Housing Navigators** to support youth in securing stable housing and transitioning successfully out of shelter settings.

III. Additional Operational Challenges & Recommendations

In addition to the programmatic investments outlined above, several operational challenges continue to limit the ability of community-based organizations to deliver services effectively. Addressing these issues will strengthen program implementation, support providers, and ensure that youth and families receive consistent, high-quality services.

1. Background Clearances

To ensure that Community-Based Organizations (CBOs) can effectively fill vacancies and provide uninterrupted services to youth and families, it is essential that the background clearance process be expedited. While the implementation of the Fingerprint and Application Management System (FAMS) has led to improvements, delays and communication gaps in the clearance process continue to hinder providers' ability to hire staff and fully staff programs in a timely manner.

When staff clearances are delayed, programs may be forced to operate understaffed or postpone services, which ultimately affects the youth and families who rely on these programs.

To address these challenges, we urge the Council to work with DYCD and other relevant agencies on the following:

- **Further streamline the background clearance process** to ensure faster processing times so providers can fill vacancies quickly and maintain adequate staffing levels.
- **Improve communication with CBOs** by providing consistent and timely updates when applications encounter issues or delays, allowing providers to resolve problems quickly and avoid unnecessary disruptions.

Improving the efficiency and transparency of the clearance process will allow CBOs to maintain staffing levels and continue providing high-quality services without interruption.

2. Contract Payments

Human service providers continue to face significant delays in contracting, which harm both nonprofit organizations and the communities they serve. Because the City only reimburses providers once contracts are registered, organizations are often forced to begin work without payment or delay the start of critical services. Both scenarios create operational and financial strain for providers and disrupt services for families.

These delays place significant pressure on nonprofit organizations, many of which must take on lines of credit to cover operating costs while awaiting reimbursement. Interest payments divert limited resources away from program delivery, and in some cases, providers are forced to reduce staff, scale back services, or close programs entirely.

Delays in contract registration or amendment processing can also prevent providers from fully utilizing allocated funds. If programming cannot begin until a contract is registered, organizations may not have enough time within the fiscal year to spend the full budget.

Similarly, late amendments can limit providers' ability to shift funds to address evolving program needs.

To address these challenges, we urge the Council to work with the Administration to:

- **Immediately pay all outstanding invoices for DYCD programs** so that organizations are paid for the services they already provided before any new programs are implemented.
- **Ensure timely contract registration and reimbursement**, allowing providers to begin programming on schedule and operate programs effectively throughout the fiscal year.
- **Make partial invoice payments** a standard practice across agencies.
- **Fully launch and expand ContractStat** to track delays in the contracting process from start to finish, including payments.
- **Invest in structural improvements** to PASSport.
- **Increase contract processing capacity** and increase headcounts at human services agencies to enable timely contract management.

Timely contracting is essential to ensuring that youth-serving programs operate smoothly and that communities receive the services they depend on.

3. Human Services Staff Retention

Like many human services providers, Children's Aid is experiencing high turnover among frontline staff—including social workers, teachers, education professionals, and mental health practitioners—who are leaving for sectors that offer higher pay. Current contracts do not provide adequate compensation for youth workers, making it difficult for providers to remain competitive in the labor market.

Without targeted investments in the youth services workforce, providers will continue to struggle to recruit and retain qualified staff, which directly affects the quality and stability of programs available to young people and families. Human service workers are predominantly female (66%), with over two-thirds being full-time workers of color (68%) and nearly half (46%) women of color. Investing in this workforce is therefore critical not only to maintaining strong youth services but also to addressing persistent racial and gender wage disparities.

To strengthen the youth services workforce, we urge the Council to work with DYCD and ACS to:

- **Raise base wages** in human service contracts to reflect current inflation and establish an appropriate wage floor for both part-time and full-time workers, enabling providers to offer competitive salaries and retain qualified staff.
- **Include annual cost-of-living adjustments (COLAs)** in all contracts to prevent future erosion of wages and operating budgets.
- **Reimburse providers for their approved indirect cost rates (ICRs)** rather than defaulting to de minimis or capped rates that understate actual overhead.
- **Provide resources to support staff retention strategies**, including retention bonuses and professional development opportunities.

Investing in the youth services workforce will help ensure that programs remain staffed by experienced professionals who can meet the complex needs of the children and families they serve.

IV. Closing

We recognize the challenges the City faces in meeting the needs of its young people, but we believe that balancing the budget should not come at the expense of our children and families. Children's Aid sincerely thanks the New York City Council for its unwavering support of children, youth, families, and communities in the city. We look forward to continuing our partnership to advance these critical issues.

Thank you again for the opportunity to submit testimony on these crucial issues. Please feel free to contact me at mavila@childrensaidnyc.org with any questions regarding this testimony.