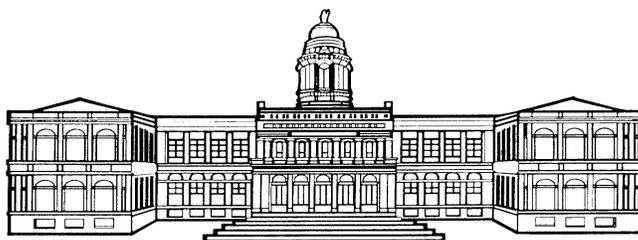


New York City Council



BUDGET REPORT

Finance Division

March 2009

***Analysis of the
Fiscal 2010 Preliminary Budget
and
Fiscal 2009 Preliminary Mayor's Management Report
for the
Administration for Children's Services
Monday, March 23, 2009***

Hon. Christine C. Quinn
Speaker

Hon. Bill De Blasio, Chair
Committee on General Welfare

Hon. Darlene Mealy, Chair
Committee on Women's Issues

Preston Niblack, Director

Jeffrey Rodus, First Deputy Director

Latonia McKinney, Deputy Director

Pakhi Sengupta, Senior Legislative
Financial Analyst

PREFACE

On March 23, 2009, at 12 pm., the Committee on General Welfare, chaired by the Hon. Bill De Blasio, jointly with the Committee on Women's Issues, chaired by the Hon. Darlene Mealy, will hold a hearing on the Mayor's Fiscal 2010 Preliminary Budget and Fiscal 2009 Preliminary Mayor's Management Report for the Administration for Children's Services.

Section 236 of the New York City Charter requires the Mayor to submit by January 16th a preliminary budget for the upcoming fiscal year.^a In addition, under section 12 of the City Charter, the Mayor must make public and submit to the Council by January 30th the Preliminary Mayor's Management Report (PMMR) for the current fiscal year.^b Among other things, the PMMR must contain "proposed program performance goals and measures for the next fiscal year reflecting budgetary decisions made as of the date of submission of the preliminary budget."^c The Charter also requires the Council to hold hearings on the preliminary budget and to submit recommendations to the Mayor by March 25th.^d This year, the Council will hold joint hearings on the Fiscal 2010 Preliminary Budget and the Fiscal 2009 Preliminary Mayor's Management Report.

Beginning with the Fiscal Year 2008 Adopted Budget, the Council and the Mayor's Office of Management and Budget agreed to an additional budget presentation, referred to by OMB as the budget function analysis, and by the Council as the program budget. Two agencies were initially presented in the program budget form. Beginning with the January 2008 Financial Plan (Fiscal 2009 Preliminary Budget), a total of 16 agencies are now in program budget form. The Administration for Children's Services is a program budget agency.

This report was prepared by Pakhi Sengupta, Senior Legislative Financial Analyst, under the supervision of Deputy Director Latonia R. McKinney.

^a The Charter prescribes specific actions that are required as part of the annual budget submission process during a fiscal year. The Charter allows for changes, via local law, in the dates in the submission of the PMMR, as well as an extension for subsequent steps in the budget process. This year, Local Law 03 of 2009 changed the date for the submission of the Preliminary Budget to January 30th, and the date for the Council's Response to the Preliminary Budget to April 8th.

^b Local Law 03 of 2009 changed the date of submission of the PMMR to February 13, 2009.

^c New York City Charter, §12(b)(2).

^d *See id.* at §247.

Administration for Children's Services (068)

The Administration for Children's Services (ACS) is responsible for protecting the City's children from abuse and neglect. ACS investigates child abuse and neglect reports involving approximately 92,000 children annually and provides preventive services to an average of 31,000 children. ACS provides foster care for approximately 17,000 children through 41 foster care agencies citywide, and helps arrange for the adoption of approximately 1,600 children a year. ACS also funds and supports 253 child care centers and enrolls over 103,000 children in child care programs through contracted providers. Furthermore, ACS funds 18,123 children in Head Start programs.

PROGRAM TO ELIMINATE THE GAP

Since the Fiscal 2009 Budget was adopted in June, the Office of Management and Budget has twice asked agency heads to submit Programs to Eliminate the Gap (PEGs) proposals. In the first round, in September, OMB sought PEG submissions equal to five percent of agency City tax-levy budgets for Fiscal 2010, with a further seven percent sought in December.

PEGs reduce the City's budget gap either by reducing an agency's City tax-levy Expense Budget spending, or by increasing City revenues. The chart below indicates the proposed PEG amounts for the ACS based on the Fiscal 2010 forecast at the time the Fiscal 2009 Budget was adopted (June 2008).

November and January Plan PEGs for Fiscal 2010 <i>(in 000s)</i>	
Fiscal 2010 Forecast at Fiscal 2009 Adoption (June 2008)	\$783,647
Expense PEGs	(\$83,654)
Revenue PEGs	--
Total Fiscal 2010 PEGs	(\$83,654)
PEGs as a Percent of the Fiscal 2010 Forecast	10.67%

PRELIMINARY BUDGET HIGHLIGHTS

In November 2008, the Administration for Children's Services (ACS) claimed that it had a \$62 million budget gap in the current fiscal year due to rising costs and reduced funding from the State and federal government. ACS stated that such a deficit necessitated immediate cuts to child care, closing classrooms in 21 centers. After several conversations with Council staff, that number was later reduced to 14 centers and then to seven centers. The plan proposed the following:

- Identify one-time revenues and eliminate duplicate funding;
- Reduce ACS payments to centers receiving Department of Education (DOE) Universal Pre-Kindergarten funds;
- Shift kindergarteners to DOE schools and Department for Youth and Community Development "Out-of-School Time" programs;
- Close classrooms and eliminate funding to centers that have been chronically under-enrolled

Concurrent with ACS' November strategy to reduce child care services immediately, the Administration released its Fiscal 2010 November Financial Plan. The Plan included approximately \$34 million in total cuts (to both City tax-levy funding and non-City funding) for the current fiscal year and approximately \$58 million in total cuts (to both City tax-levy funding and non-City funding) for Fiscal 2010. Reductions in spending for adoption, congregate care, child welfare support services, child care, and child protective services, were among the several problematic components of the Plan. Perhaps the most concerning, however, was the elimination of 127 child protective staff for Fiscal 2010, now requiring Child Protective Level I Supervisors to carry a full caseload.

Fiscal 2010 November Financial Plan cuts and critical issues within the child care budget for ACS provide a backdrop for the discussion regarding the overall agency budget for Fiscal 2010. The Fiscal 2010 Preliminary Budget proposes a total budget of approximately \$2.6 billion for ACS. When compared to the Fiscal 2009 Adopted Budget, the Fiscal 2010 Preliminary Budget reflects a four percent decrease, which is partially attributable to the exclusion of multiple Council-funded programs that total approximately \$6 million. The table below lists the Council initiatives that were included in the Fiscal 2009 Adopted Budget.

Council Initiatives	Funding
Child Safety Initiative	\$3,700,000
Provider's Choice	\$1,200,000
Working Parents for a Working New York	\$300,000
CONNECT Domestic Violence Program	\$270,000
Local Initiatives	\$558,500
TOTAL	\$6,028,500

Additional cuts to the ACS budget for Fiscal 2010 include Programs to Eliminate the Gap (PEGs) totaling \$84 million in City tax-levy funds for Fiscal 2010. A review of the nine program categories within ACS' budget, reveal several decreases in spending when comparing the Fiscal 2009 Adopted Budget to the Fiscal 2010 Preliminary Budget. Examples of program areas in which projections for Fiscal 2010 are significantly less than the Adopted Budget for Fiscal 2009 include, Foster Care Services, Child Care Services, and Protective Services. Such sharp differences in spending reflect cuts to these program areas, as well as the acknowledgment of Intra-City, State, and federal funding that are received throughout the year.

In addition, the Fiscal 2010 Preliminary Budget reflects an elimination of 860 child care slots for families who are categorized as "low priority" as they are not receiving public assistance and/or do not have an open protective or preventive ACS case. Considering the number of children currently in need of subsidized or low cost child care in New York City, ACS' plans to close centers and reduce slots is extremely problematic. Discussions between the City Council and ACS will continue to take place in the coming fiscal year, to plan for how to address the current budget gap for child care services.

Furthermore, it is significant to note that the Fiscal 2010 Preliminary Budget also includes a reduction of 973 ACS positions from various program areas including child welfare, child protective services, and administrative services. More details on all these cuts are outlined in the appropriate program budget analysis section below.

Lastly, on March 5, 2009, ACS testified at a joint hearing of the City Council General Welfare and Education Committees, regarding the Administration’s plans to transition kindergarten-aged children from ACS child care centers to public schools. As noted previously in this report, ACS announced this plan as a cost-saving measure to address the \$62 million child care budget deficit. At the joint hearing, however, ACS refused to address any budgetary questions, leaving the Committees and members of the public unclear as to how this would result in cost-savings to the City, as well as the capacity of other City agencies to absorb the additional influx of children. To this end, a letter from the Council dated March 12th was sent to both Commissioner John Mattingly of ACS and Chancellor Joel Klein of DOE, requesting information on these and other related budgetary issues. It is the Council’s intent to get clarity of these issues as well as understand how they will impact the Fiscal 2010 Budget.

PROGRAM FUNDING OVERVIEW

Program budgets, as the name suggests, present an agency’s budget and headcount by discrete program areas, in contrast to the broader unit of appropriation breakouts which exist for every agency (see unit of appropriation table below). The tables below present an overview of the ACS budget by those programmatic functions performed by the agency.

Program Funding	2008 Actual Expenses	2009 Adopted Budget	2009 Current Modified	2010 Preliminary Budget
Adoption Services	\$399,833,146	\$391,279,735	\$392,361,867	\$386,568,788
Child Care Services	\$802,274,458	\$741,728,197	\$761,812,129	\$726,476,508
Child Welfare Support	\$51,364,757	\$52,158,124	\$52,308,051	\$53,537,364
Dept. of Ed. Residential Care	\$87,552,809	\$65,730,241	\$65,730,241	\$59,157,217
Foster Care Services	\$656,204,590	\$632,773,634	\$631,822,115	\$597,929,692
Foster Care Support	\$54,471,067	\$57,058,505	\$57,058,505	\$59,775,192
General Administration	\$132,977,709	\$134,488,168	\$137,253,490	\$109,558,298
Head Start	\$201,213,551	\$188,978,297	\$207,210,366	\$178,978,297
Preventive Homemaking Services	\$29,515,685	\$30,302,796	\$28,827,796	\$30,302,796
Preventive Services	\$206,798,723	\$195,462,007	\$201,071,314	\$193,753,819
Protective Services	\$232,320,633	\$228,114,798	\$228,186,116	\$205,419,982
Total	\$2,854,527,127	\$2,718,074,502	\$2,763,641,990	\$2,601,457,953

PROGRAM HEADCOUNT OVERVIEW

Headcount by Program	2009 Adopted Budget	2009 Current Modified	2010 Preliminary Budget
Adoption Services	87	87	87
Child Care Services	376	376	308
Child Welfare Support	830	830	824
Foster Care Support	904	904	886
General Administration	982	982	742
Head Start	93	93	93
Preventive Services	199	199	199
Protective Services	3,678	3,678	3,037
Total	7,149	7,149	6,176

PROGRAM FUNDING ANALYSIS

Adoption Services

Adoption services recruits potential adoptive parents, evaluates their suitability and coordinates the adoption process from the initial planning to final court proceedings and provides subsidies to qualified adoptive families. Adoption subsidies are given to families to help with the costs of care of “special needs” children. Special needs children are defined as those who, for various reasons, are more challenging to match with adoptive parents. Subsidies provide monetary support for the adopted child’s care without imposing an undue financial burden on the adoptive family.

Although there are no City budget actions pertaining to this program area within the Fiscal 2010 Preliminary Budget, the 2009-2010 State Executive Budget includes \$228 million, an increase of \$6 million, for the State’s share of subsidies provided to families that adopt children with special needs. These funds will support approximately 48,000 children in adoptive homes. Conversely, however, the 2009-2010 State Executive Budget includes an elimination of the 5.6 percent cost-of-living adjustment (COLA), originally projected for Fiscal 2009-2010. This affects providers who receive funding through the following human services programs:

- Adoption
- Foster Care
- Committee on Special Education
- Office of Mental Health Waiver
- Bridges to Health Medicaid Waiver
- New York/New York III

These adjustments are planned to resume April 1, 2010, and the budget recommends extending the COLA for a third year in Fiscal 2012-2013. The Fiscal 2009-2010 savings is \$55 million and the Fiscal 2010-2011 savings is \$64 million.

Child Care Services

ACS's Division of Child Care and Head Start oversees the largest municipal childcare system in the country. Most children are served through contracts with hundreds of private, non-profit organizations that operate childcare programs in communities across the city. Children, ages two months through 12 years, are cared for either in group childcare centers that are licensed by the Department of Health or in the homes of childcare providers that are registered by the Department of Health. ACS also issues vouchers to eligible families that may be used by parents to purchase care from any legal childcare provider in the City. In order for a family to receive subsidized childcare services, the family must meet specific financial and social eligibility criteria that are determined by federal, state, and local regulations.

As stated previously, in the “Preliminary Budget Highlights” section of this report, ACS is claiming a current budget deficit for child care of approximately \$62 million, due to rising costs and decreasing support from the State and federal government. In September 2008 ACS began implementing Project Full Enrollment (PFE), a citywide effort to fully enroll ACS child care centers. As a result of ACS’ gap closing measures, the agency began modifying the contract and payment system to compensate each program for the actual number of children enrolled in and attending the program rather than the program’s budgeted

capacity. This initiative was intended to serve as an incentive for centers to achieve and maintain full enrollment. Advocates, however, raised several concerns regarding PFE. Specifically, natural fluctuations in enrollment that occur throughout the year in child care centers citywide, may result in classroom closures, teacher layoffs, or cuts to food service, custodial, and other personnel hours.

Additionally, in November 2008, ACS rolled out its plan for reducing their current child care budget deficit, which includes an overall reduction in citywide contract center capacity by 18 percent. Part of the agency's plan to reduce its current deficit, is to end ACS provision of kindergarten services, and transfer those children to the Department of Education (DOE) and the Department of Youth and Community Development (DYCD) for Out-of-School Time (OST) services. It is unclear, however, how the City will achieve a savings if funds for these slots are simply being shifted from ACS to other city agencies. Furthermore, questions on capacity continue to arise, as both DOE and DYCD OST programs are already attempting to address overcrowding in their programs.

Reduction in Child Care Services

In addition to the proposed gap closing measures, the Fiscal 2010 Preliminary plan includes one cut to the budget for child care. The agency will achieve savings of \$7.1 million in City tax-levy funds for Fiscal 2010 and in the outyears, by reducing child care for families who do not have a mandate for care, affecting about half the children currently receiving ACS child care. These families are those not on public assistance and those who do not have open child protective or preventive cases. This PEG will affect 860 children who are categorized as low priority and will now be without care as of Fiscal 2010. This is problematic because of the fact that child care slots will already be lost as a result of the ACS plan to reduce the child care deficit.

Capacity

According to the Preliminary Mayor's Management Report (PMMR), the average total contracted child care capacity filled was 92.3 percent for the first four months of Fiscal 2009 which is an increase from the average rate of 87.3 percent during the same period of Fiscal 2008. This increase was primarily driven by a 5.5 percentage point increase in the total contracted child care capacity filled for group child care, from 83.7 percent to 89.2 percent. While there was a small decrease in the total number of children using vouchers for child care, from 75,129 children to 74,010 children during the first four months of Fiscal 2009, there was a large decrease in the number of children in low-income working families using vouchers, from 23,949 children to 22,003 children during the first four months of Fiscal 2009. The average Head Start occupancy rate increased 5.6 percentage points from 87.6 percent during the first four months of Fiscal 2008 to 93.2 during the first four months of Fiscal 2009. These fairly steady increases in the utilization of the ACS child care, again, point to the serious issues with reducing capacity for care in New York City. At a time of fiscal crisis, when families are struggling to obtain and maintain steady employment, adequate child care is essential.

Child Welfare Support

In this program area, funding provides support to all areas of child welfare, including protective, preventive, and foster care services. Typically, families who come in contact with the child welfare system have multiple needs that cut across systems, such as health, housing, and education. The Mayor's Interagency Task Force on Child Safety, created in 2006, called for increased communication and

collaboration among school, hospital, law enforcement, and ACS staff. In this context, the term “community” extended beyond public and private social service agencies to include local residents, faith-based organizations, businesses, and other nonprofit institutions, all of whom have a stake in the well-being of children residing in their community. The opportunity to draw on community resources through coalition partnerships adds great value to ACS’ ability to keep children safe, address system gaps, reduce duplication, and coordinate care. It is for these reasons that the Community Partnership Initiative (CPI) was created.

Halt Expansion of Community Partnership Initiative

Through community partnerships, providers both within and outside ACS draw on the experiences of local staff and residents to better understand how policies and procedures can be improved. More positive relations between the community and ACS can lead to greater trust, enabling both ACS and the community to be more effective in the work of protecting children and families. In addition, the CPI promotes the engagement of community partners to support families as they try to navigate the system, increasing the potential for child safety and family reunification.

CPI comprises coalitions in 11 communities throughout NYC including Children’s Services, child welfare agencies, Head Start and Child Care provider agencies and other stakeholders. Plans are for coalitions that will include all 59 New York City community districts. However, the Fiscal 2010 Preliminary Budget includes the elimination of the planned expansion of four Community Partnership Initiative (CPI) sites, saving a total of \$1.2 million (\$930,000 in City tax-levy funds) in Fiscal 2010 and in the outyears. Although, none of the eleven existing CPI pilot sites will be affected by this PEG, expansion of this program continues to be needed and desired by the City’s residents.

Family Support Services and Family Permanency Services

While CPI has an overarching goal of improving the City’s child welfare system as a whole, the division of Family Support Services (FSS) and the division of Family Permanency Services (FPS) work directly with families to meet their individual child welfare needs, and keep children with their families whenever safely possible. FSS provides preventive services, parenting education and homemaking services to families throughout New York City, through a network of community-based non-profit organizations. These services are designed to strengthen and stabilize families, prevent the need for “out of home care,” expedite permanency and prevent the replacement of children into foster care. The Division provides case management services to pregnant and parenting teens; works with foster care agencies to improve the quality of family visits with children in care; and builds partnerships between early childhood education and child welfare programs in order to strengthen families with young children. The Division also provides clinical support to all child welfare programs to address the needs of children and families through direct services and individual case consultation in the areas of health, mental health, substance abuse, and domestic violence. In the event that placing a child in “out of home care” becomes unavoidable, the division of Family Permanency Services (FPS) provides oversight and technical assistance to contracted provider agencies ensuring high quality services for children in “out of home care” in New York City. Providers assist families who are determined to retain or regain custody of their children and find safe, caring, committed, and permanent families for children who cannot be returned to their parents.

Reduction to FSS and FPS Staff

Programs offered through both FSS and FPS are vital to high-risk families facing child welfare challenges. It is for this reason that cuts to this area are particularly problematic. The Fiscal 2010 Preliminary Budget includes layoffs of 315 ACS staff in Family Permanency and Family Support Services. ACS is looking to streamline operations in the office of contract agency case management, technical assistance units, and directly operated prevention programs. The layoffs will provide ACS with a total cost savings of approximately \$18 million (approximately \$8 million in City tax-levy funds) and approximately \$22 million (approximately \$10 million in City tax-levy funds) in the outyears.

Fiscal 2009-2010 State Budget Actions

Lastly, changes within the State budget for child welfare are worthy to note, as they will have an impact on NYC families. Currently, local districts are given federal Temporary Assistance to Needy Families (TANF) allocations from the state Flexible Fund for Family Services (FFFS) that they can direct according to local priorities to fund a variety of TANF-eligible programs, including child welfare services. The Fiscal 2009-2010 State Executive Budget increases FFFS by \$311 million, to \$1.3 billion. Conversely, the Fiscal 2009-2010 State Executive Budget eliminates funding for Community Optional Preventive Services (COPS), which supports an array of non-mandated programs, as well as Office of Children and Family Services (OCFS) contracted preventive services for youth and families in the child welfare system. It is positive to see an increase in FFFS funding, however, the elimination of COPS funding is particularly problematic. Although this cut will not affect mandated programs, OCFS preventive programs provide vital services for those families who may be struggling and/or are on the cusp of being mandated for child welfare services. These programs support and prevent families from entering the system, whenever possible.

Additionally, the centerpiece of the child welfare financing system is the provision of 64 percent State reimbursement for preventive and child protective services. Since child welfare services funding is preserved at the ratio of 64 percent to the State and 36 percent to local entities, districts can choose to support services for families and youth at imminent risk of foster care, formerly provided by OCFS-contracted preventive services providers. Although it is positive that the funding ratio is being maintained, local entities may have to sacrifice funding in other program areas to provide those services which were formerly administered by OCFS. Local districts will also be asked to increase the amount they spend on child welfare from their FFFS allocations in order to achieve both State and local child welfare savings.

Department of Education Residential Care

In this program area funds support the room and board for non-foster care children placed by the Committee for Special Education into residential facilities. Although this program area does not have any direct budget actions, projections in spending for Fiscal 2010 are interesting to note. The Fiscal 2009 Adopted budget for this program area was approximately \$66 million. The projection for Fiscal 2010 is close to that amount at \$59 million. Fiscal 2008 actual spending, however, was much higher at approximately \$88 million. This suggests that the budget for the Department of Education Residential Care undergoes mid-year modifications, and yet the Fiscal 2009 current modified budget remains the same as the Fiscal 2009 Adopted budget (\$66 million), with only four months remaining in the current fiscal year. Clarification on sources of mid-year funding, as well as the necessity of such funds need to be obtained.

Foster Care Services

When ACS needs to place children in foster care, it generally contracts with a private agency that, depending on the child's needs, places the child either with a foster family or in a congregate care (group home) facility. Contract Foster Care (CFC) payments to service providers are given for per diem care and maintenance for foster care children, along with other miscellaneous payments. These monies cover such costs as food, clothing, shelter, daily supervision, school supplies, a child's personal incidental items, liability insurance with respect to a child, and reasonable travel arrangements (i.e. to the child's home for visitation).

Placement Indicators

Although there are no budget actions pertaining to this program area within the Fiscal 2010 Preliminary Budget, the Preliminary Mayor's Management Report (PMMR) indicates that, the percent of children who re-entered foster care within a year of discharge to their family increased from 10.6 percent during the first four months of Fiscal 2008 to 15 percent during the same period in Fiscal 2009. Also, the percent of children placed in foster care within their own community districts decreased from 11.4 percent to 10.2 percent. These indicators are problematic, as ACS has repeatedly reinforced its commitment to reducing recidivism and the importance of maintaining children within their own community districts to minimize trauma.

Although the percent of children placed in their home boroughs upon admission to foster care increased slightly, to 52.3 percent from 51.7 percent, the fact that approximately half of foster care children are potentially being negatively impacted through placement in unfamiliar boroughs remains very concerning. Indicators for the number of children in foster care with relatives reflect a similar trend. Although placement with relatives increased 3.9 percent from 5,370 to 5,579, and there was a slight increase in the percent of children entering care who are placed with relatives from 23.8 percent during the first four months of Fiscal 2008 to 23.9 percent during the same period in Fiscal 2009, the vast majority of foster care children continue to be placed with families completely unknown to them. It is interesting to note, however, that the number of children placed in congregate care decreased by 11.1 percent between the first four months of Fiscal 2008 and the first four months of Fiscal 2009. This indicates that although children may not necessarily be placed in their communities or with family members, ACS is improving its efforts to keep children out of congregate care.

Foster Care Support

In this program area funding provides support services related to foster care, including pre-placement, child evaluation, contract agency assistance and foster-parent recruitment. The area of foster care support works to ensure one of ACS' main performance goals, which is to ensure that children placed in foster care settings are eventually moved to a lower level of care. Although creating incentives for provider agencies to meet their targets is positive, linking performance with funding is potentially problematic. It is for this reason that the Foster Parent Support PEG in the Fiscal 2010 Preliminary Budget raises serious concerns.

Reduction to Foster Parent Support

ACS intends to achieve a total savings of \$1.8 million (\$909,000 in City tax-levy funds) for Fiscal 2010 and in the outyears, by reimbursing case management agencies handling such cases at a lower rate. In the

event that children are moved laterally or placed in a higher level of care, providers will see a reduction in payments from ACS. ACS anticipates a 10 percent reduction in payments to those providers not meeting ACS performance goals. As the Foster Parent Support program is intended to assist “hard-to-place” young people in foster boarding homes, it seems contradictory to tie funding for this area with performance. Many factors contribute to a child remaining at the same level of care or perhaps needing more intensive care, as this is a high-risk population with multiple barriers to improvement. Additionally, a cost savings may not actually be achieved if providers refer to a lower level of care for fear of losing funding. This, in turn, may cause further complications if children are being referred to a lower level of care before they are actually ready for the transition.

Reduction to Foster Boarding Home Administrative Rates

In addition to the Foster Parent Support PEG, ACS will recognize a total cost savings of \$7.4 million (\$5.7 million in City tax-levy funds) for Fiscal 2010 and in the outyears, by reducing foster boarding home administrative rates by five percent. This funding is the administrative rate paid to not-for-profits to monitor foster boarding homes. Although this PEG appears to be an administrative reduction, it is likely that it will lead to layoffs and cause severe issues with service delivery, as this is a direct cut to the overall budgets of provider agencies. According to child welfare advocates and providers, layoffs would severely affect caseload sizes, which are already above standards of 11-12 children per worker. Excessive case loads would undermine the ability to provide high-risk families with comprehensive services aimed at keeping children safe and prevent the risk of out-of-home placements. Higher caseloads would also lead to fewer monthly contacts with each family. As a result, this may potentially cause delays in achieving permanent placement of children, which is a main ACS performance goal, as indicated by the Preliminary Mayor’s Management Report. Providers also claim that difficulty in implementing the ACS reform of Improved Outcomes for Children (IOC) would increase greatly. Lastly, provider agencies would lose matching federal funds that support their programs. For these reasons, it is clear that although this PEG will not affect the stipend provided to foster families, it will have a direct impact on service delivery.

Fiscal 2009-2010 State Budget Actions

In addition to actions within the Fiscal 2010 Preliminary Budget affecting City tax-levy funding, provisions within the State budget for children and family services, are significant to note. The Fiscal 2009-2010 State Executive Budget includes the Foster Care Block Grant which is maintained at \$434 million and provides counties with a clear incentive to reduce the number of children in foster care. Under the Block Grant, savings that result from reduced use of foster care can be reinvested in locally-designed child welfare initiatives that strengthen preventive services or better serve high-needs children. In the face of an unprecedented budget deficit, base-level funding for this program has been preserved. Additionally, the Fiscal 2009-2010 State Executive Budget includes the Bridges to Health Medicaid Waiver, designed to enhance services to foster care children with multiple needs and prevent them from entering institutional care. Funding will be maintained at its current projected level of 610 slots until Fiscal 2011-2012 when the remaining 2,695 slots will begin phasing in again. As both are vital to New York City’s foster care children and families, it is positive to see that funding is maintained in these areas.

General Administration

This program area includes funding for all administrative functions, such as the agency's budget and contract offices, which cannot be clearly linked to specific program areas. Although child and family advocates may agree that during a time of fiscal crisis it is better to cut administrative costs before cutting funding for direct services, the Fiscal 2010 Preliminary Budget includes some particularly problematic cuts to the budget for administration. Of the five proposed, the cut to administrative personnel appears to potentially have the worst impact.

Reductions to General Administration

ACS intends to save approximately \$17.4 million (approximately \$7.6 million in City tax-levy funds) for Fiscal 2010, and approximately \$20 million (approximately \$9 million in City tax-levy funds) in the outyears by laying off 293 agency-wide staff in both child care administration and general administration. Although it remains to be seen how this will affect overall administrative operations at the agency, it is reasonable to assume that such a large number of layoffs will inevitably cause long term issues. As a result of the layoffs, ACS will terminate leases at two facilities and relocate remaining staff to the main offices at 150 William Street, in lower Manhattan. This will provide a total cost savings of approximately \$1.8 million (\$796,000 in City tax-levy funds) for Fiscal 2010, and total cost savings of approximately \$2.1 million (\$938,000 in City tax-levy funds) in the outyears.

Similarly, ACS intends to achieve a total cost savings of \$499,000 (\$218,000 in City tax-levy funds) for Fiscal 2010, and in the outyears, by turning over the "Crossroads" congregate care facility to a private provider, thus eliminating site maintenance costs. This will have no impact to direct services.

Contract Reductions

Additionally, ACS intends to implement reductions in contracts for training, policy and planning. ACS will suspend the Masters of Social Work Scholarship Program, and eliminate both the Media Campaign Budget, as well as payment for private agency fingerprinting of daycare workers. This cut will now require those workers to subsidize payment for fingerprinting on their own. Although these contracts provide important professional development services to ACS staff, it is preferable to find savings in these areas instead of cutting direct services to families. As a result of this PEG, ACS will save approximately \$3.9 million (approximately \$1.8 million in City tax-levy funds) for Fiscal 2010, and approximately \$4.1 million (approximately \$1.9 million in City tax-levy funds) in the outyears.

Lastly, ACS will reduce its expenditures for administrative contracts and supplies agency-wide, saving a total of approximately \$8.9 million (approximately \$3.9 million in City tax-levy funds) for Fiscal 2010 only. Details on which contracts will specifically be affected by this PEG are yet to be determined.

Head Start

The Head Start program is a federally funded, family-centered, child development program for low-income children ages 3-5, that promotes intellectual, social, emotional and physical growth, in order to develop each child's potential for successful living. Head Start offers educational programs for children and a wide variety of opportunities and support services for their families. Head Start is one of ACS' oldest programs, begun in 1965. The agency sponsors more than 250 Head Start centers in neighborhoods throughout New York City, offering an environment where both children and parents come to learn and

grow and achieve. Overall funding in Fiscal 2010 for this program area reflects a \$10 million or five percent decrease when compared to the Fiscal 2009 Adopted Budget. There are no city or State budget actions within this program area.

Preventive Homemaking Services

Homemaking services provide childcare and household management services to families who need assistance in providing a safe, nurturing environment for their children. Through training and support, homecare service providers help families to manage their households independently. Overall funding in Fiscal 2010 for this program area remains unchanged when compared to the Fiscal 2009 Adopted Budget. There are no city or State budget actions within this program area.

Preventive Services

General Preventive services are intended to avert the need for foster care placement, expedite the discharge of children from foster care, and to assist in the reunification of families. Overall funding in Fiscal 2010 remains relatively unchanged when compared to the Fiscal 2009 Adopted Budget. There are no city or State budget actions within this program area.

Protective Services

Protective Services investigates reports of child abuse, maltreatment, and neglect. When necessary, child protective workers aid in the removal of children from their homes and place them into foster care, until it is deemed safe for them to be reunited with their families of origin. Protective services also include rehabilitative services to children, parents, and other family members involved, with the goal of preventing further abuse or neglect.

Protective Services Reductions – Preliminary Plan

The Fiscal 2010 Preliminary Budget includes two major cuts to the budget for protective services. These actions are likely to be the most problematic of all the Fiscal 2010 cuts, as they include layoffs of 361 ACS staff in this program area. First, ACS will eliminate 234 child protective staff, as various child welfare units are reorganized. This PEG will require the Family Preservation Program (FPP) to reconfigure its model and focus more on severe short-term cases. FPP serves high-risk families with an open child protective case, providing intensive, at-home crisis intervention and family preservation services through trained caseworkers and mentors, who work with only two families at a time. Caseworkers and mentors provide support, parenting advice, tutoring for children and assistance with job and education searches. Mentors currently remain with their families for up to 10 months, typically for 20 hours per week. As result of the reorganization of the FPP unit and the 234 layoffs, much of the current FPP caseload will be served by the Family Services Unit (FSU) or contracted preventive providers. This will save a total of \$7.9 million (approximately \$3.6 million in City tax-levy funds) for Fiscal 2010 and approximately \$16 million (approximately \$7 million in City tax-levy funds) in the outyears. This may be very problematic for FSU and contracted providers who may not be able to absorb the additional influx of cases.

Protective Services Reductions – November Plan

In addition to the 234 layoffs of child protective staff, the Fiscal 2010 November Financial Plan included a cut to the current ACS child protective services staffing model by 127 positions. It is significant to note that the elimination of these 127 positions are also layoffs. This PEG will require Child Protective Level I Supervisors to carry a full caseload, focusing on more complex investigations. Although the City Council was successful in negotiating with the Administration to reinstate funding to ACS for Fiscal 2009, ACS will cut spending in this area by \$8.6 million (\$3.8 million in City tax-levy funds) for Fiscal 2010 and in the outyears.

Child Abuse and Neglect Indicators

These cuts are being implemented at a particularly disturbing time when reports of child abuse and neglect are on the rise. According to the Preliminary Mayor's Management Report (PMMR), the trend in the increase in the number of reports of child abuse and neglect continued during the first four months of Fiscal 2009, with the rate of increase reaching five percent. The trend is due, in large part, to an increase in reports made by education and social service personnel. It is, at the very least, positive to note that the percentage of abuse and neglect reports responded to within 24 hours increased slightly from 97.0 percent in the first four months of Fiscal 2008 to 97.2 percent in the first four months of Fiscal 2009.

Similarly, the average daily number of children receiving preventive services through ACS contracted programs increased by 4.5 percent, from 30,809 in the first four months of Fiscal 2008 to 32,203 in the first four months of Fiscal 2009. This is particularly concerning when discussed in the context of the 234 layoffs in child protective services and the reorganization of the FPP unit, therefore requiring contracted preventive service providers to absorb the additional caseload.

Conversely, the percent of children with substantiated reports followed by a second substantiated report within one year decreased from 14.1 percent in the first four months of Fiscal 2008 to 12.9 percent in Fiscal 2009. This decrease is positive since it reflects that ACS' approach to investigations and service delivery, including ChildStat, ACS' weekly data and case review process, is improving.

AGENCY FUNDING OVERVIEW

Agency Funding Sources	Fiscal 2009 Adopted Budget	Fiscal 2009 Modified as of 1/30/2009	Fiscal 2010 Preliminary Budget
City	\$796,925,046	\$796,925,046	\$716,094,158
Other Categorical	\$0	\$276,967	\$0
Capital IFA	\$0	\$0	\$0
State	\$657,623,632	\$669,712,439	\$644,021,820
Community Development	\$3,494,514	\$3,494,514	\$3,292,000
Federal-Other	\$1,243,874,266	\$1,261,535,532	\$1,231,892,931
Intra-City	\$16,157,044	\$31,697,492	\$6,157,044
Total	\$2,718,074,502	\$2,763,641,990	\$2,601,457,953

HEADCOUNT OVERVIEW

Headcount	Fiscal 2009 Adopted Budget	Fiscal 2009 Modified as of 1/30/2009	Fiscal 2010 Preliminary Budget
City	6,936	6,936	5,966
Non-City	213	213	210
Total	7,149	7,149	6,176

UNITS OF APPROPRIATION

The operating budget of an agency is structured into several levels, each of which provides varying levels of detail on an agency's spending plans. The City Charter requires that U/A's represent the amount appropriated for personal services (i.e. salaries) or Other Than Personal Services (i.e. supplies) for a particular program, purpose, activity or institution. The table below presents the Administration for Children's Services budget, comparing the Fiscal 2009 Adopted Budget to the Fiscal 2010 Preliminary Budget. The Fiscal 2009 Modified Budget reflects this year's budget at the time this financial plan was released.

U/A#	U/A Name	Fiscal 2009 Adopted Budget	Fiscal 2009 Modified as of 1/30/2009	Fiscal 2010 Preliminary Budget	Percent Change from Adoption
001	Personal Services	\$298,491,044	\$298,562,112	\$285,091,211	-4.49%
003	OCSE/Headstart/Daycare	\$20,921,581	\$20,921,581	\$17,899,128	-14.45%
005	Administrative	\$81,239,922	\$81,389,849	\$69,172,357	-14.85%
	Total PS	\$400,652,547	\$400,873,542	\$372,162,696	-7.11%
002	Other Than Personal Services	\$77,463,443	\$80,226,564	\$65,361,863	-15.62%
004	OCSE/Headstart/Daycare-OTPS	\$906,605,873	\$944,924,075	\$884,376,637	-2.45%
006	Child Welfare-OTPS	\$1,333,352,639	\$1,337,617,809	\$1,279,556,757	-4.03%
	Total OTPS	\$2,317,421,955	\$2,362,768,448	\$2,229,295,257	-3.80%
	Total Agency	\$2,718,074,502	\$2,763,641,990	\$2,601,457,953	-4.29%

PRELIMINARY BUDGET ACTIONS (in 000s)

The following table is a summary of the Preliminary Plan actions for Fiscal 2009 and Fiscal 2010 that are described in the Program Budget section above. The Non-City actions include State, Federal, Other Categorical, Intra-City and Capital Inter-Fund Agreement (IFA) funding changes for the ACS.

Description	Fiscal 2009			Fiscal 2010		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as per the November Plan	\$782,777	\$1,951,238	\$2,734,015	\$750,524	\$1,909,474	\$2,659,998
January Plan Programs to Eliminate the Gap (PEGs)						
Agency wide Administrative Savings	\$0	\$0	\$0	(\$3,895)	(\$5,026)	(\$8,921)
Federal Revenue for Food Program Administration	\$0	\$0	\$0	(\$819)	\$819	\$0
Community Partnership Initiative	\$0	\$0	\$0	(\$930)	(\$270)	(\$1,200)
Reduce Agency Support Contracts	\$0	\$0	\$0	(\$1,842)	(\$2,074)	(\$3,916)
5% Reduction to Foster Boarding Home Administrative Rates	\$0	\$0	\$0	(\$5,700)	(\$1,655)	(\$7,355)
Foster Parent Support	\$0	\$0	\$0	(\$909)	(\$263)	(\$1,172)
Child Protective Personnel	(\$3,568)	(\$4,379)	(\$7,947)	(\$7,343)	(\$8,989)	(\$16,332)
Child Welfare Personnel	\$0	\$0	\$0	(\$8,156)	(\$10,513)	(\$18,669)
Administrative Personnel	\$0	\$0	\$0	(\$7,586)	(\$9,780)	(\$17,366)
Lease Savings	\$0	\$0	\$0	(\$796)	(\$1,027)	(\$1,823)
Low Priority Child Care	\$0	\$0	\$0	(\$7,089)	\$0	(\$7,089)
Eliminate Facility Maintenance Expenses	\$0	\$0	\$0	(\$218)	(\$281)	(\$499)
Increase Level I Supervisor Caseloads	\$3,763	\$0	\$3,763	\$0	\$0	\$0
Child Protective Supervisors	\$0	\$4,704	\$4,704	\$0	\$0	\$0
Total PEGs	\$195	\$325	\$520	(\$45,283)	(\$39,059)	(\$84,342)
January Plan New Needs						
Total New Needs	\$0	\$0	\$0	\$0	\$0	\$0
January Plan Other Adjustments						
Collective Bargaining	\$6,418	\$8,279	\$14,697	\$9,790	\$12,632	\$22,422
Technical Adjustment	(\$500)	(\$877)	(\$1,377)	(\$500)	(\$877)	(\$1,377)
CEO: Individual Development Accounts for Foster Care Youth	\$0	\$0	\$0	\$206	\$68	\$274
Fringe Benefit Offset	(\$235)	(\$376)	(\$611)	\$1,357	\$1,245	\$2,602
FY 09 Adjustments	\$0	\$7,687	\$7,687	\$0	\$1,881	\$1,881
New York New York III Youth	\$0	\$1,663	\$1,663	\$0	\$0	\$0
Total Other Adjustments	\$5,683	\$16,376	\$22,059	\$10,853	\$14,949	\$25,802
Total January Plan Budget Changes	\$5,878	\$16,701	\$22,579	(\$34,430)	(\$24,110)	(\$58,540)
Agency Budget as per the January Plan	\$788,655	\$1,967,939	\$2,756,594	\$716,094	\$1,885,364	\$2,601,458

Fiscal 2010 Capital Plan

Agency Overview

ACS is responsible for over 200 facilities, including day care centers, a network program field office, congregate care homes for children in foster care, the ACS Children's Center and administrative offices. The ACS capital program goals include improvements to children's service facilities, including upgrades to community-based field offices throughout the City, renovation and reconstruction of congregate care facilities for foster children, renovation and expansion of child care facilities, and to upgrade and expand telecommunication and computer technology for improved connectivity within and between agency locations.

Current Budget Summary

The January 2010 Capital Commitment Plan includes \$153.1 million in Fiscal 2009-2013 for the Administration for Children's Services (including City and Non-City funds). This represents less than one percent of the City's total \$50.55 billion January Plan for Fiscal 2007-2010. The agency's January Commitment Plan for Fiscal 2009-2013 is essentially equal to the November Commitment Plan, with a decrease of \$100,000.

Over the past three years, the Administration for Children's Services has only committed an average of 13.91 percent of its annual capital plan. Therefore, it is assumed that a large portion of the agency's Fiscal 2009 capital plan will be rolled into Fiscal 2010 thus greatly increasing the size of the Fiscal 2010-2014 Capital Plan. Since adoption last June, the Capital Commitment Plan for Fiscal 2009 has decreased from \$73.4 million to \$73.3 million, a decrease of \$100,000 or less than one percent.

Currently, the Administration for Children's Services appropriations total \$76.9 million in City funds for Fiscal 2009. These appropriations are to be used to finance the Administration for Children's Services \$72.1 million City-funded Fiscal 2009 Capital Commitment program. The agency has over 6.7 percent more funding than it needs to meet its entire capital commitment program for the current fiscal year.

In January the Mayor announced his intention to reduce the City's capital plan by 30 percent. The objective of the capital cut is to reduce the amount of debt service as a percentage of total revenues. The 30 percent reduction in the Ten-Year Capital Plan Fiscal 2010 – Fiscal 2019 would reduce the long-term average annual growth in debt service costs to 3.4 percent, equal to the level of forecast growth in City revenues. The capital cut would eliminate nearly \$7 billion in planned commitments from the current Plan.

The Administration for Children’s Services Capital Commitments for the last five years are shown below:

FIVE YEAR HISTORY - CAPITAL BUDGET
 (\$ in millions)

	FY04	FY05	FY06	FY07	FY08
CITY	\$10	\$5	\$1	\$23	\$6
NON-CITY	0	0	0	0	0
TOTAL	\$10	\$5	\$1	\$23	\$6

The Adopted Five-Year Capital Plan is shown below:

ADOPTED FIVE YEAR CAPITAL BUDGET – NOVEMBER 2008
 (\$ in millions)

	FY09	FY10	FY11	FY12	FY13	FY’s 09-13
CITY	\$72.8	\$11.2	\$22.9	\$8.3	\$34.7	\$149.9
NON-CITY	0.6	0.8	0.9	0.5	0.5	3.3
TOTAL	\$73.4	\$12.0	\$23.8	\$8.8	\$35.2	\$153.2

The Preliminary Five-Year Capital Plan is shown below:

PRELIMINARY FIVE YEAR CAPITAL PLAN – JANUARY 2009
 (\$ in millions)

	FY09	FY10	FY11	FY12	FY13	FY’s 09-13
CITY	\$72.7	\$11.2	\$22.9	\$8.3	\$34.7	\$149.8
NON-CITY	0.6	0.8	0.9	0.5	0.5	3.3
TOTAL	\$73.3	\$12.0	\$23.8	\$8.8	\$35.2	\$153.1

PRELIMINARY BUDGET ISSUES

Ten Year Capital Strategy. The Administration for Children's Services \$163.2 million Ten-Year Capital Plan focuses on the continued improvement of the delivery of services to children and families through the improvements of community-based field offices and the enhancement of integrated management information systems to better track outcomes. The agency's Plan is divided into four main components: Equipment, Telecommunications, & MIS (\$92.3 million); Administrative & Field Offices (\$35.6 million); Child Care Facilities (\$22.7 million); Child Welfare Facilities (\$12.6 million).

ACS Children Center Computers (\$5.8 million), ACS Wide Area Network (\$12.3 million), ACS LAN (\$9.1 million), and Network Consolidation (\$8.3 million) were redirected towards Child Care and Head Start projects, as well as projects for imaging Child Status System and various information technology projects. This shift in funding was the result of a reprioritization of new needs by the agency.

As part of the formulization of the Fiscal 2009 Adopted Capital Budget agencies were required to reduce their capital plans by twenty percent in each year from Fiscal 2009 to Fiscal 2012. The funds pushed-out from these four years could roll into the fifth year of the plan, Fiscal 2013. As such, even with the inevitable roll of projects from Fiscal 2008 which have yet to be committed, the Fiscal 2009-2013 plan is significantly less than the plan presented in May 2008. The Administration for Children's Services' Fiscal 2009-2013 Adopted Capital Plan is \$42.3 million greater than the Executive Capital Plan released in May. When taking into account the \$61.8 million of uncommitted projects rolled from Fiscal 2008, the increase of \$42.3 million is actually a decrease of \$19.5 million over the five years of the plan.

Capital Plan Highlights

The following are highlights from the Fiscal 2010 Capital Commitment Plan. Although there are several projects with ACS that are currently pending (which are not discussed in this section), these are those projects that reflect changes in the Plan (i.e projects being pushed-out to later fiscal years).

- 7.8 million added in Fiscal 2009 toward Daycare renovations city-wide. \$10 million in additional funding for these renovations are added in Fiscal 2013 and in the outyears 2014-2017.
- \$250,000 in funding for facility improvements at Belmont Community, the Hannah Senesh and the Tremont Crotona daycare centers are pushed to Fiscal 2012.
- \$3.1 million in funding for construction at the Mid-Bronx Childcare/Community Center pushed to out Fiscals 2011 and 2013.

Administration for Children's Services

2010 January Plan

The Administration for Children's Services (ACS) is responsible for protecting the City's children from abuse and neglect. ACS investigates child abuse and neglect reports involving approximately 92,000 children annually and provides preventive services to an average of 31,000 children. ACS provides foster care for approximately 17,000 children through 41 foster care agencies citywide, and helps arrange for the adoption of approximately 1,600 children a year. ACS also funds and supports 253 Head Start centers and enrolls 103,000 children in child care programs through contracted providers.

	2008 Actuals	2009 Adopted Budget	2009 November Plan	2009 January Plan	2010 January Plan
Spending by Program					
Adoption Services	\$399,833,146	\$391,279,735	\$389,367,979	\$389,529,556	\$386,568,788
Child Care Services	\$802,274,458	\$741,728,197	\$756,425,391	\$759,048,737	\$726,476,508
Child Welfare Support	\$51,364,757	\$52,158,124	\$52,350,776	\$53,128,788	\$53,537,364
Dept. of Ed. Residential Care	\$87,552,809	\$65,730,241	\$62,443,729	\$62,443,729	\$59,157,217
Foster Care Services	\$656,204,590	\$632,773,634	\$623,409,370	\$623,559,370	\$597,929,692
Foster Care Support	\$54,471,067	\$57,058,505	\$56,603,414	\$58,790,498	\$59,775,192
General Administration	\$132,977,709	\$134,488,168	\$133,940,068	\$135,507,453	\$109,558,298
Head Start	\$201,213,551	\$188,978,297	\$201,425,371	\$207,212,567	\$178,978,297
Preventive Homemaking Services	\$29,515,685	\$30,302,796	\$30,302,796	\$28,827,796	\$30,302,796
Preventive Services	\$206,798,723	\$195,462,007	\$209,344,155	\$211,184,964	\$193,753,819
Protective Services	\$232,320,633	\$228,114,798	\$218,401,014	\$227,362,545	\$205,419,982
Total	\$2,854,527,127	\$2,718,074,502	\$2,734,014,063	\$2,756,596,003	\$2,601,457,953
Funding					
City Funds	NA	\$796,925,046	\$782,776,565	\$788,656,141	\$716,094,158
Federal - Community Development	NA	\$3,494,514	\$3,494,514	\$3,494,514	\$3,292,000
Federal - Other	NA	\$1,243,874,266	\$1,249,815,039	\$1,259,331,071	\$1,231,892,931
Intra City	NA	\$16,157,044	\$31,697,492	\$31,697,492	\$6,157,044
Other Categorical	NA	\$0	\$4,692	\$276,967	\$0
State	NA	\$657,623,632	\$666,225,761	\$673,139,818	\$644,021,820
Total	NA	\$2,718,074,502	\$2,734,014,063	\$2,756,596,003	\$2,601,457,953
Full-Time Positions	7,081	7,149	7,022	6,915	6,176
Contracts	NA	1,299	1,299	1,294	1,292

Adoption Services

Adoption services recruits potential adoptive parents, evaluates their suitability and coordinates the adoption process from the initial planning to finalization court proceedings and provides subsidies to qualified adoptive families. Adoption subsidies are given to families to help with the costs of care of "special needs" children. Special needs means children who for various reasons are harder to match with adoptive parents. The subsidy provides monetary support for the adopted child's care without imposing an undue financial burden on the adoptive family.

	2008 Actuals	2009 Adopted Budget	2009 November Plan	2009 January Plan	2010 January Plan				
Spending									
Personal Services	\$4,077,740	\$4,883,744	\$4,885,066	\$5,046,643	\$5,130,729				
Other than Personal Services	\$395,755,405	\$386,395,991	\$384,482,913	\$384,482,913	\$381,438,059				
Total	\$399,833,146	\$391,279,735	\$389,367,979	\$389,529,556	\$386,568,788				
Funding									
City Funds	NA	\$55,303,392	\$55,308,822	\$55,379,366	\$53,410,280				
Federal - Other	NA	\$179,033,308	\$177,631,113	\$177,657,467	\$176,288,816				
State	NA	\$156,943,035	\$156,428,044	\$156,492,723	\$156,869,692				
Total	NA	\$391,279,735	\$389,367,979	\$389,529,556	\$386,568,788				
Full-Time Positions	67	87	87	87	87				
Contracts	NA	3	3	3	3				
Child Welfare Services	NA	3	3	3	3				
Performance Measures									
	Type of Measure	2006 Annual Target	2006 Annual Actual	2007 Annual Target	2007 Annual Actual	2008 Annual Target	2008 Annual Actual	2009 Annual Target	2010 Annual Target
Children eligible for adoption (average)	Demand	NA	2,805	NA	2,561	NA	2,098	NA	NA
Average time to complete adoption (years)	Outcome	3.0	3.5	3.0	3.4	3.0	3.4	3.0	3.0
Median length of stay in foster care before child is adopted (months)	Outcome	50.0	58.0	50.0	54.2	50.0	53.8	50.0	50.0
Children adopted	Output	2,500	1,831	2,500	1,562	2,500	1,472	NA	NA

Child Care Services

ACS's Division of Child Care and Head Start oversees the largest municipal childcare system in the country. Most children are served through contracts with hundreds of private, non-profit organizations that operate childcare programs in communities across the city. Children - ages two months through 12 years - are cared for either in group childcare centers that are licensed by the Department of Health or in the homes of childcare providers that are registered by the Department of Health. ACS also issues vouchers to eligible families that may be used by parents to purchase care from any legal childcare provider in the City. In order for a family to receive subsidized childcare services, the family must meet specific financial and social eligibility criteria that are determined by federal, state, and local regulations.

	2008 Actuals	2009 Adopted Budget	2009 November Plan	2009 January Plan	2010 January Plan
Spending					
Personal Services	\$18,407,082	\$19,084,039	\$19,078,903	\$19,720,647	\$16,061,586
Other than Personal Services	\$783,867,376	\$722,644,158	\$737,346,488	\$739,328,090	\$710,414,922
Total	\$802,274,458	\$741,728,197	\$756,425,391	\$759,048,737	\$726,476,508
Funding					
City Funds	NA	\$262,456,657	\$259,053,897	\$259,434,082	\$241,262,156
Federal - Community Development	NA	\$3,494,514	\$3,494,514	\$3,494,514	\$3,292,000
Federal - Other	NA	\$446,108,212	\$456,248,702	\$457,849,163	\$452,298,922
Intra City	NA	\$5,765,000	\$13,721,816	\$13,721,816	\$5,765,000
Other Categorical	NA	\$0	\$4,692	\$4,717	\$0
State	NA	\$23,903,814	\$23,901,770	\$24,544,445	\$23,858,430
Total	NA	\$741,728,197	\$756,425,391	\$759,048,737	\$726,476,508
Full-Time Positions	414	376	375	375	308
Contracts	NA	682	682	682	681
Contractual Services - General	NA	1	1	1	
Day Care Of Children	NA	681	681	681	681

Performance Measures		2006 Annual Target	2006 Annual Actual	2007 Annual Target	2007 Annual Actual	2008 Annual Target	2008 Annual Actual	2009 Annual Target	2010 Annual Target
Child care capacity filled (%)	Efficiency	99.0%	93.3%	99.0%	92.1%	99.0%	93.6%	99.0%	99.0%
Abuse and/or neglect reports for children in child care	Outcome	NA	295	NA	351	NA	375	NA	NA
Abuse and/or neglect reports for children in child care that are substantiated (%)	Outcome	NA	24.7%	NA	25.4%	NA	28.1%	NA	NA
Family child care (contract) (\$)	Unit Cost	NA	\$6,942	NA	\$7,194	NA	\$7,306	NA	NA
Family child care (voucher) (\$)	Unit Cost	NA	\$6,085	NA	\$6,959	NA	\$7,048	NA	NA
Group child care (contract) (\$)	Unit Cost	NA	\$9,510	NA	\$13,214	NA	\$13,095	NA	NA
Group child care (voucher) (\$)	Unit Cost	NA	\$6,956	NA	\$9,675	NA	\$9,874	NA	NA

Child Welfare Support

This program provides support to all areas of child welfare, including protective, preventive, and foster care services.

	2008 Actuals	2009 Adopted Budget	2009 November Plan	2009 January Plan	2010 January Plan
Spending					
Personal Services	\$51,364,757	\$52,158,124	\$52,350,776	\$53,128,788	\$53,537,364
Total	\$51,364,757	\$52,158,124	\$52,350,776	\$53,128,788	\$53,537,364
Funding					
City Funds	NA	\$14,159,941	\$14,240,065	\$14,576,497	\$14,753,203
Federal - Other	NA	\$25,560,704	\$25,596,458	\$25,726,527	\$25,794,807
State	NA	\$12,437,479	\$12,514,253	\$12,825,764	\$12,989,354
Total	NA	\$52,158,124	\$52,350,776	\$53,128,788	\$53,537,364
Full-Time Positions	898	830	830	824	824

Dept. of Ed. Residential Care

This program funds the room and board for non-foster care children placed by the Committee for Special Education into residential facilities.

	2008 Actuals	2009 Adopted Budget	2009 November Plan	2009 January Plan	2010 January Plan
Spending					
Other than Personal Services	\$87,552,809	\$65,730,241	\$62,443,729	\$62,443,729	\$59,157,217
Total	\$87,552,809	\$65,730,241	\$62,443,729	\$62,443,729	\$59,157,217
Funding					
City Funds	NA	\$39,640,145	\$37,668,238	\$37,668,238	\$35,494,331
State	NA	\$26,090,096	\$24,775,491	\$24,775,491	\$23,662,886
Total	NA	\$65,730,241	\$62,443,729	\$62,443,729	\$59,157,217

Foster Care Services

When ACS needs to place children in foster care, it generally contracts with a private agency that, depending on the child's needs, places the child either with a foster family or in a congregate care (group home) facility. Contract Foster Care (CFC) payments to service providers are given for per diem care and maintenance for foster care children along with other miscellaneous payments. These monies cover such costs as: food, clothing, shelter, daily supervision, school supplies, a child's personal incidentals, liability insurance with respect to a child, and reasonable travel arrangements, i.e. to the child's home for visitation.

		2008 Actuals	2009 Adopted Budget	2009 November Plan	2009 January Plan	2010 January Plan			
Spending									
Other than Personal Services		\$656,204,590	\$632,773,634	\$623,409,370	\$623,559,370	\$597,929,692			
Total		\$656,204,590	\$632,773,634	\$623,409,370	\$623,559,370	\$597,929,692			
Funding									
City Funds		NA	\$250,533,593	\$243,472,858	\$243,372,858	\$220,282,562			
Federal - Other		NA	\$160,718,583	\$154,467,870	\$154,467,870	\$151,738,681			
Other Categorical		NA			\$250,000	\$0			
State		NA	\$221,521,458	\$225,468,642	\$225,468,642	\$225,908,449			
Total		NA	\$632,773,634	\$623,409,370	\$623,559,370	\$597,929,692			
Contracts		NA	181	181	181	181			
Child Welfare Services		NA	111	111	111	111			
Children's Charitable Institutions		NA	70	70	70	70			
Performance Measures									
	Type of Measure	2006 Annual Target	2006 Annual Actual	2007 Annual Target	2007 Annual Actual	2008 Annual Target	2008 Annual Actual	2009 Annual Target	2010 Annual Target
Children in Foster Care (average)	Demand	NA	16,706	NA	17,004	NA	16,946	NA	NA
New children entering foster care (Preliminary)	Demand	NA	4,897	NA	5,651	NA	5,843	NA	NA
Abuse and/or neglect reports for children in foster care	Outcome	NA	1,256	NA	1,337	NA	1,649	NA	NA
Abuse and/or neglect reports for children in foster care that are substantiated (%)	Outcome	NA	14.9%	NA	22.5%	NA	29.1%	NA	NA
Children who re-enter foster care within a year of discharge to family (%) (Preliminary)	Outcome	8.6%	7.8%	8.6%	11.4%	8.0%	11.1%	10.0%	10.0%
Median length of stay in foster care before child is adopted (months)	Outcome	50.0	58.0	50.0	54.2	50.0	53.8	50.0	50.0
Cost per foster care case in a foster boarding home	Unit Cost	NA	\$54.58	NA	\$57.69	NA	\$63.46	NA	NA
Cost per foster care case in congregate care Level 1	Unit Cost	NA	\$144.57	NA	\$191.93	NA	\$201.88	NA	NA
Cost per foster care case in congregate care Level 2	Unit Cost	NA	\$186.29	NA	\$205.62	NA	\$215.82	NA	NA
Cost per foster care case in congregate care Level 3	Unit Cost	NA	\$200.02	NA	\$262.00	NA	\$271.07	NA	NA

Foster Care Support

This program provides services related to foster care, including pre-placement, child evaluation, contract agency assistance and foster-parent recruitment.

	2008 Actuals	2009 Adopted Budget	2009 November Plan	2009 January Plan	2010 January Plan
Spending					
Personal Services	\$54,471,067	\$57,058,505	\$56,603,414	\$58,790,498	\$59,775,192
Total	\$54,471,067	\$57,058,505	\$56,603,414	\$58,790,498	\$59,775,192
Funding					
City Funds	NA	\$12,264,839	\$11,803,680	\$12,758,561	\$13,091,621
Federal - Other	NA	\$33,012,710	\$33,014,469	\$33,371,182	\$33,567,699
State	NA	\$11,780,956	\$11,785,265	\$12,660,755	\$13,115,872
Total	NA	\$57,058,505	\$56,603,414	\$58,790,498	\$59,775,192
Full-Time Positions	865	904	886	886	886

Performance Measures

	Type of Measure	2006 Annual Target	2006 Annual Actual	2007 Annual Target	2007 Annual Actual	2008 Annual Target	2008 Annual Actual	2009 Annual Target	2010 Annual Target
Children in Foster Care (average)	Demand	NA	16,706	NA	17,004	NA	16,946	NA	NA
New children entering foster care (Preliminary)	Demand	NA	4,897	NA	5,651	NA	5,843	NA	NA
Children entering foster care who are placed with relatives (%) (Preliminary)	Outcome	NA	25.3%	NA	28.1%	NA	24.3%	NA	NA
Children placed in foster care in their community district (%) (Preliminary)	Outcome	23.0%	17.8%	23.0%	13.5%	20.0%	11.2%	20.0%	20.0%
Siblings placed simultaneously in the same foster home (%) (Preliminary)	Outcome	NA	90.2%	NA	85.3%	NA	79.7%	NA	NA
Children in foster care who had two or more transfers from one facility to another (%)	Service Quality	NA	45.1%	NA	43.4%	NA	41.4%	NA	NA

General Administration

This program includes funding for all administrative functions, such as the agency's budget and contract offices, which cannot be clearly linked to specific program areas.

	2008 Actuals	2009 Adopted Budget	2009 November Plan	2009 January Plan	2010 January Plan
Spending					
Personal Services	\$57,373,366	\$57,024,725	\$56,632,686	\$58,049,889	\$44,196,435
Other than Personal Services	\$75,604,342	\$77,463,443	\$77,307,382	\$77,457,564	\$65,361,863
Total	\$132,977,709	\$134,488,168	\$133,940,068	\$135,507,453	\$109,558,298
Funding					
City Funds	NA	\$43,896,691	\$42,509,470	\$43,131,469	\$32,957,194
Federal - Other	NA	\$47,556,296	\$47,777,216	\$48,519,153	\$44,185,518
Other Categorical	NA			\$22,000	\$0
State	NA	\$43,035,181	\$43,653,382	\$43,834,831	\$32,415,586
Total	NA	\$134,488,168	\$133,940,068	\$135,507,453	\$109,558,298
Full-Time Positions	1,003	982	966	972	742
Contracts	NA	100	100	95	95
Bank Charges - Public Assistance Accounts	NA	1	1		1
Cleaning Services	NA	11	11	11	11
Contractual Services - General	NA	22	22	22	22
Data Processing Equipment Maintenance	NA	4	4	4	4
Maintenance and Operation of Infrastructure	NA	1	1		
Maintenance and Repairs - General	NA	16	16	16	16
Maintenance and Repairs - Motor Vehicle Equip	NA	1	1	1	
Office Equipment Maintenance	NA	1	1	1	1
Payments to Delegate Agencies	NA	1	1		1
Printing Services	NA	3	3	3	3
Prof. Services - Accounting Services	NA	1	1	1	1
Prof. Services - Computer Services	NA	20	20	20	20
Prof. Services - Direct Educational Services to Students	NA	1	1		1
Prof. Services - Legal Services	NA	4	4	4	4
Prof. Services - Other	NA	1	1		1
Security Services	NA	6	6	6	6
Telecommunications Maintenance	NA	1	1	1	1
Temporary Services	NA	1	1	1	1
Training Program for City Employees	NA	1	1	1	1
Transportation Services	NA	3	3	3	

Head Start

The Head Start program is a federally funded, family-centered child development program for low-income children ages 3-5, that promotes intellectual, social, emotional and physical growth in order to develop each child's potential for successful living. Head Start offers educational programs for children ages 3 to 5, and a wide variety of opportunities and support services for their families. Head Start is one of ACS' oldest programs, begun in 1965. The agency sponsors more than 250 Head Start centers in neighborhoods throughout New York City, offering an environment where both children and parents come to learn and grow and achieve.

	2008 Actuals	2009 Adopted Budget	2009 November Plan	2009 January Plan	2010 January Plan
Spending					
Personal Services	\$4,044,278	\$5,016,582	\$5,018,783	\$5,016,582	\$5,016,582
Other than Personal Services	\$197,169,274	\$183,961,715	\$196,406,588	\$202,195,985	\$173,961,715
Total	\$201,213,551	\$188,978,297	\$201,425,371	\$207,212,567	\$178,978,297
Funding					
City Funds	NA		\$961		
Federal - Other	NA	\$178,978,297	\$183,839,897	\$189,628,935	\$178,978,297
Intra City	NA	\$10,000,000	\$17,583,632	\$17,583,632	\$0
State	NA		\$881		
Total	NA	\$188,978,297	\$201,425,371	\$207,212,567	\$178,978,297
Full-Time Positions	12	93	93	93	93
Contracts	NA	89	90	90	89
Head Start	NA	89	89	89	89
Maintenance and Repairs - General	NA	0	1	1	

Performance Measures

	Type of Measure	2006 Annual Target	2006 Annual Actual	2007 Annual Target	2007 Annual Actual	2008 Annual Target	2008 Annual Actual	2009 Annual Target	2010 Annual Target
Head Start capacity filled (%)	Efficiency	95.0%	94.7%	95.0%	93.5%	95.0%	92.0%	95.0%	95.0%
Cost per Head Start slot (\$)	Unit Cost	NA	\$8,797	NA	\$10,272	NA	\$10,461	NA	NA

Preventive Homemaking Services

Homemaking services provide childcare and household management services to families who need help providing a safe, nurturing environment for their children. Through training and support, homecare service providers help families to manage their households independently.

	2008 Actuals	2009 Adopted Budget	2009 November Plan	2009 January Plan	2010 January Plan
Spending					
Other than Personal Services	\$29,515,685	\$30,302,796	\$30,302,796	\$28,827,796	\$30,302,796
Total	\$29,515,685	\$30,302,796	\$30,302,796	\$28,827,796	\$30,302,796
Funding					
City Funds	NA	\$7,575,699	\$7,575,699	\$7,206,949	\$7,575,699
Federal - Other	NA	\$15,151,398	\$15,151,398	\$14,413,898	\$15,151,398
State	NA	\$7,575,699	\$7,575,699	\$7,206,949	\$7,575,699
Total	NA	\$30,302,796	\$30,302,796	\$28,827,796	\$30,302,796
Contracts					
Homemaking Services	NA	9	9	9	9

Preventive Services

General Preventive services are intended to avert the need for foster care placement and to expedite discharge of children from foster care and reunite them with their families.

	2008 Actuals	2009 Adopted Budget	2009 November Plan	2009 January Plan	2010 January Plan
Spending					
Personal Services	\$13,819,042	\$11,140,495	\$11,144,902	\$11,683,814	\$11,965,159
Other than Personal Services	\$192,979,681	\$184,321,512	\$198,199,253	\$199,501,150	\$181,788,660
Total	\$206,798,723	\$195,462,007	\$209,344,155	\$211,184,964	\$193,753,819
Funding					
City Funds	NA	\$70,255,182	\$74,274,857	\$74,378,896	\$65,882,725
Federal - Other	NA	\$31,564,770	\$31,565,489	\$31,653,386	\$31,603,273
Intra City	NA	\$392,044	\$392,044	\$392,044	\$392,044
State	NA	\$93,250,011	\$103,111,765	\$104,760,638	\$95,875,777
Total	NA	\$195,462,007	\$209,344,155	\$211,184,964	\$193,753,819
Full-Time Positions	235	199	199	199	199
Contracts	NA	135	136	136	136
Child Welfare Services	NA	135	135	135	135
Head Start	NA	0	1	1	1

Performance Measures

	Type of Measure	2006 Annual Target	2006 Annual Actual	2007 Annual Target	2007 Annual Actual	2008 Annual Target	2008 Annual Actual	2009 Annual Target	2010 Annual Target
Children receiving contract preventive services	Demand	NA	27,304	NA	29,498	NA	31,875	NA	NA

Protective Services

Protective Services investigates child abuse, maltreatment, and neglect reports and, if necessary, removes the children from their homes and places them into foster care until such time as it is deemed safe for them to return. Protective Services also provides rehabilitative services to children, parents, and other family members involved in order to prevent further abuse.

	2008 Actuals	2009 Adopted Budget	2009 November Plan	2009 January Plan	2010 January Plan
Spending					
Personal Services	\$194,409,585	\$194,286,333	\$185,512,549	\$194,473,830	\$176,479,649
Other than Personal Services	\$37,911,047	\$33,828,465	\$32,888,465	\$32,888,715	\$28,940,333
Total	\$232,320,633	\$228,114,798	\$218,401,014	\$227,362,545	\$205,419,982
Funding					
City Funds	NA	\$40,838,907	\$36,868,018	\$40,749,225	\$31,384,387
Federal - Other	NA	\$126,189,988	\$124,522,427	\$126,043,490	\$122,285,520
Other Categorical	NA			\$250	\$0
State	NA	\$61,085,903	\$57,010,569	\$60,569,580	\$51,750,075
Total	NA	\$228,114,798	\$218,401,014	\$227,362,545	\$205,419,982
Full-Time Positions	3,587	3,678	3,586	3,479	3,037
Contracts	NA	100	98	98	98
Child Welfare Services	NA	100	98	98	98

Performance Measures

	Type of Measure	2006 Annual Target	2006 Annual Actual	2007 Annual Target	2007 Annual Actual	2008 Annual Target	2008 Annual Actual	2009 Annual Target	2010 Annual Target
Substantiated investigations	Demand	NA	35.6%	NA	39.8%	NA	39.9%	NA	NA
Children in completed investigations with repeat investigations within a year (%)	Outcome	NA	21.4%	NA	22.0%	NA	21.4%	NA	NA
Children in substantiated investigations with repeat substantiated investigations within a year (%)	Outcome	10.0%	12.6%	10.0%	14.7%	12.0%	14.2%	12.0%	12.0%
Abuse and/or neglect reports responded to within 24 hours of receipt from the State	Service Quality	100.0%	94.3%	100.0%	96.0%	100.0%	97.3%	100.0%	100.0%