



**New York City Council**

Christine C. Quinn, Speaker

**Finance Division**

Preston Niblack, Director

Jeffrey Rodus, First Deputy Director

**Hearing on the Mayor's Fiscal Year 2011 Executive Budget**

**Administration for Children's Services (Agency for  
Child Development)**

**(Joint with Women's Issues Committee)**

May 18, 2010

**Committee on Finance**

Hon. Domenic M. Recchia, Jr., Chair

**Committee on General Welfare**

Hon. Annabel Palma, Chair

**Committee on Women's Issues**

Hon. Julissa Ferreras, Chair

Latonia McKinney, Deputy Director, Finance Division  
Pakhi Sengupta, Senior Legislative Financial Analyst

## Summary and Highlights

	2009 Actual	2010 Adopted	2010 Exec Plan	2011 Exec Plan	*Difference 2010 – 2011
Personal Services	\$721,551	\$672,063	\$738,234	\$782,668	\$110,605
Other than Personal Services	2,122,679	2,002,715	2,112,781	1,913,209	(89,506)
<b>Table Total</b>	<b>\$2,844,230</b>	<b>\$2,674,778</b>	<b>\$2,851,015</b>	<b>\$2,695,877</b>	<b>\$21,099</b>

*\*The difference of Fiscal 2010 Adopted compared to Fiscal 2011 Executive Plan funding.*

### Fiscal 2011 Executive Plan Highlights

- **Early Learn Concept Paper.** On April 2, 2010, ACS issued the "Concept Paper for EarlyLearn NYC: New York City's Early Care and Education Services." The Concept Paper is the first step in the process of restructuring the City's publicly-funded early care and education (ECE) system, and applies specifically to ACS contracted care. (see p. 9-10)
- **ACS Merger with the Department of Juvenile Justice.** The Executive Plan reflects \$123 million in funding being transferred from the Department of Juvenile Justice, as it has now merged with ACS. (see p.27-28)

### Fiscal 2011 Preliminary Plan Highlights

- **ACS Merger with the Department of Juvenile Justice.** On January 20, 2010, during his State of the City speech, Mayor Bloomberg announced an overhaul of the City's juvenile justice system by stating that the Department of Juvenile Justice (DJJ) would be integrated into ACS. According to ACS, with the merger, child welfare programs will be used to create long-term planning for youth and their families upon entering into the juvenile justice system.<sup>1</sup> It is the goal of both the Administration and the Agency to serve overlapping populations more efficiently. Although the City Council General Welfare Committee held a hearing on this topic on February 16, 2010, many details on the implementation of this merger are still forthcoming. (see page 27-28)
- **Child Care Center Closings.** ACS is proposing to eliminate 15 child care centers. This cut totals \$9 million in Fiscal 2011 and \$16.3 million in Fiscal 2012 and in the outyears. (see p. 9)
- **Foster Care Services Cuts.** ACS is anticipating an increase in adoptions and expedited family reunifications that may potentially lead to a decrease in the foster care census by 2012. As a result, ACS proposes to reduce funding in this area. (see p. 11 and p. 21-22)
- **Preventive Services Programs/Slots Cut.** ACS is proposing to cut various programs within preventive services, eliminating hundreds of general preventive slots as well as other services. (see p. 13-14)
- **Child Protective Staff Cuts.** ACS is proposing to eliminate 202 child protective staff positions through attrition. (see p. 16)

<sup>1</sup> See: [http://www.nyc.gov/html/acs/html/about/news\\_djj.shtml](http://www.nyc.gov/html/acs/html/about/news_djj.shtml).

## Fiscal 2010-2011 State Executive Budget Highlights

- **Child Welfare Performance Initiative.** The Executive Budget reflects a cut of \$5 million for Fiscal 2010-2011 in the child welfare system, associated with local social services districts developing and reporting on performance measures to improve outcomes for youth and families.
- **Improve the Quality of Child Care.** In October 2009, the State reached agreements with the Civil Service Employees Association and the United Federation of Teachers, the unions that represent home-based child care providers. The Executive Budget provides \$6 million pursuant to the agreements for quality improvement grants and a professional development fund for home-based child care providers.

## American Recovery and Reinvestment Act (ARRA) Funding Highlights

According to testimony from Deputy Mayor Gibbs' office, ACS received a total of \$83.5 million in stimulus funding for Fiscal 2010, in the form of three social services grants, as well as funding for Head Start programs. The breakdown of these funds, as reported by the Administration, is outlined below.

- **Title IV-E Funds (\$45 million).** Title IV-E funds are for the care and maintenance of both youth in foster care and those who are adopted from the foster care system. Funds may be used to provide clothing and other basic necessities, as well as supervision and tuition for residential programs. Title IV-E funds have been used to offset underfunding in the areas of adoption and foster care, to lessen the impact of budget cuts on ACS and its providers.
- **Child Care Development Block Grant (\$27.9 million).** The Child Care Development Block Grant funding is being used in two ways. First, \$10.5 million has been allocated to contracted child care centers, enabling the City to maintain 93 child care classrooms, originally slated for closure in Fiscal 2010. The balance is being used to pay retroactive Market Rate increases to voucher and Family Day Care Network providers serving low income children.
- **Head Start Funds (\$10.6 million).** Head Start stimulus funding will be spent in the following way. \$7 million has been spent to provide health insurance to 3,000 employees of Head Start programs over the last three months; and \$3.6 million of this funding will be used to make renovations to Head Start sites throughout the City. Details on which specific programs will be renovated are forthcoming.

# Administration for Children's Services

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.

## Key Public Services Areas

- Protect children from abuse and neglect.
- Provide preventive and foster care services to meet the needs of children and families.
- Ensure timely reunification or adoption services based on the needs of the child.
- Ensure access to quality, safe child care and Head Start services in communities.

## Critical Objectives

- Respond within 24 hours to every allegation of abuse and neglect, and perform thorough assessments of safety and risk.
- Increase access to quality, neighborhood-based services to support families and prevent placement or re-entry into foster care.
- Maximize rate of placement of children in foster homes within their own neighborhoods.
- Maximize rate of placement of children in foster care with family members and placement of children with their siblings as appropriate.
- Enhance family involvement in service planning for children in foster care.
- Provide a safe, stable foster care environment for children.
- Decrease the length of time children remain in foster care.
- Ensure availability and accessibility of child care services in communities.

*SOURCE: Mayor's Management Report*

**Administration for Children's Services Financial Summary***Dollars in Thousands*

	2008 Actual	2009 Actual	2010 Adopted	2010 Exec Plan	2011 Exec Plan	*Difference 2010-2011
<b>Budget by Program Area</b>						
Child Care Services	\$802,274	\$818,802	\$783,074	\$854,910	\$733,073	(\$50,001)
Foster Care Services	656,205	655,364	592,459	645,100	565,554	(26,905)
Preventive Services	206,799	206,738	201,835	209,893	185,851	(15,984)
Protective Services	232,321	231,691	212,474	223,042	209,197	(3,277)
Adoption Services	399,833	385,189	386,598	386,176	388,917	2,319
Child Welfare Support	51,365	55,842	55,445	48,646	48,001	(7,444)
Dept. of Ed. Residential Care	87,553	82,982	65,730	65,730	65,730	0
Foster Care Support	54,471	53,591	59,928	49,893	48,965	(10,963)
General Administration	132,978	133,534	109,429	117,274	119,314	9,885
Head Start	201,214	191,753	178,978	221,523	178,978	0
Preventive Homemaking Services	29,516	28,745	28,828	28,828	28,626	(202)
Juvenile Justice	N/A	N/A	N/A	N/A	123,671	123,671
<b>TOTAL</b>	<b>\$2,854,527</b>	<b>\$2,844,230</b>	<b>\$2,674,778</b>	<b>\$2,851,015</b>	<b>\$2,695,877</b>	<b>\$21,099</b>
<b>Funding</b>						
City Funds	N/A	N/A	\$726,254	\$700,270	748,341	\$22,087
Federal – CD	N/A	N/A	3,292	3,292	3,292	0
Federal – Other	N/A	N/A	1,334,610	1,349,399	1,267,814	(66,796)
Intra-City	N/A	N/A	6,157	50,556	1,157	(5,000)
Other Categorical	N/A	N/A	0	141	641	641
State	N/A	N/A	604,465	747,357	674,632	70,167
<b>TOTAL</b>	<b>\$2,854,527</b>	<b>\$2,844,230</b>	<b>\$2,674,778</b>	<b>\$2,851,015</b>	<b>\$2,695,877</b>	<b>\$21,099</b>
<b>Positions</b>						
Child Care Services	414	374	308	331	308	0
Preventive Services	235	245	199	146	134	(65)
Protective Services	3,587	3,439	3,144	3,340	3,138	(6)
Adoption Services	67	74	87	79	79	(8)
Child Welfare Support	898	815	824	705	690	(134)
Foster Care Support	865	824	886	757	738	(148)
General Administration	1,003	871	742	842	791	49
Head Start	12	N/A	N/A	N/A	N/A	0
Juvenile Justice	N/A	N/A	N/A	N/A	710	710
<b>TOTAL</b>	<b>7,081</b>	<b>6,642</b>	<b>6,190</b>	<b>6,200</b>	<b>6,588</b>	<b>398</b>

*\*The difference of Fiscal 2010 Adopted compared to Fiscal 2011 Executive Plan funding.*

## Council Initiatives and Funding

The City Council has routinely funded initiatives that support both preventive and child care programs. Additionally, the Council provided \$11 million restoring PEGs in the 2010 Adopted Budget, which prevented the closure of 31 ACS child care classrooms and prevented layoffs within the child welfare division. Details on the Council initiatives are in the appropriate program areas.

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### FY 2010 Council Changes at Adoption by Program Area

*Dollars in Thousands*

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#### Childcare Services

Providers Choice	1,200
Child Care Classroom Restoration	8,000
<b>Subtotal</b>	<b>\$9,200</b>

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#### Preventive Services

Child Safety Initiative	3,700
CONNECT	270
<b>Subtotal</b>	<b>\$3,970</b>

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#### Protective Services

Child Welfare Personnel PEG Restoration	3,000
<b>Subtotal</b>	<b>\$3,000</b>
<b>TOTAL</b>	<b>\$16,170</b>

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# Capital Program

The Agency's ten-year capital program totals \$211.4 million. ACS' capital program goals include improving children's service facilities, including meeting code compliance and handicapped accessibility; renovation of child care facilities; upgrade of telecommunications and computer technology for improved connectivity within and between agency locations; and the upgrade of field and central office facilities.

Additionally, the plan focuses on continued improvement of the infrastructure of community-based field offices and the enhancement and better integration of management information systems that track child welfare outcomes. Major projects include the development of a new child care information system to monitor the City's early childhood educational services and the development of a system to unify the agency's various child welfare data systems through a single portal.

## FY 2010 Adopted Capital Commitment Plan

<i>Dollars in Thousands</i>	2010	2011	2012	2013	2014- 2019
Child Welfare Facilities	\$9,424	\$2,101	\$0	\$2,850	\$0
Day Care Facilities	18,114	3,732	1,897	4,504	11,645
Equipment	45,373	11,603	4,582	10,794	44,923
Social Service Buildings	16,226	2,836	1,076	10,329	9,314
<b>TOTAL</b>	<b>\$89,137</b>	<b>\$20,272</b>	<b>\$7,555</b>	<b>\$28,477</b>	<b>\$65,882</b>

## Capital Budget Summary

The May 2010 Capital Commitment Plan includes \$87 million in Fiscals 2011-2014 for the Administration for Children's Services (including City and Non-City funds). This represents approximately 2 percent of the City's total \$39.14 billion January Plan for Fiscals 2011-2014. The agency's May Commitment Plan for Fiscals 2011-2014 is \$86.9 million. This is \$58.5 million less than the \$145.4 million scheduled in the September Commitment Plan.

Over the past five years the Administration for Children's Services has only committed an average of 13.9 percent of its annual capital plan. Therefore, it is assumed that a large portion of the agency's Fiscal 2010 capital plan will be rolled into Fiscal 2011 thus greatly increasing the size of the Fiscal 2011-2014 capital plan. Since adoption last June, the Capital Commitment Plan for Fiscal 2010 has decreased from \$89.1 million to \$67.9 million, a decrease of \$21.2 million.

Currently the Administration's appropriations total \$82.9 million in city-funds for Fiscal 2010. These appropriations are to be used to finance the agency's \$51.4 million city-funded Fiscal 2010 capital commitment program. The agency has \$ 31.5 million more funding than it needs to meet its entire capital commitment program for the current fiscal year.

# Program Areas

## Childcare 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. The proposed budget for child care for Fiscal 2011 is approximately \$50 million less than the Fiscal 2010 Adopted Budget. This can be attributed almost entirely to a decrease in City funding, as a result of the Fiscal 2011 PEG program and the exclusion of Fiscal 2010 Council funding.

<i>Dollars in Thousands</i>	2008 Actual	2009 Actual	2010 Adopted	2010 Exec Plan	2011 Exec Plan	*Difference 2010 vs. 2011
<b>Spending</b>						
<b>Personal Services</b>						
Full-Time Salaried – Civilian	\$17,258	\$20,627	\$15,444	\$17,151	\$16,384	\$940
Other Salaried and Unsalariated	8	163	0	11	11	11
Additional Gross Pay	942	873	678	656	656	(22)
Overtime - Civilian	199	71	400	391	391	(9)
<b>Subtotal</b>	<b>\$18,407</b>	<b>\$21,734</b>	<b>\$16,522</b>	<b>\$18,209</b>	<b>\$17,442</b>	<b>\$920</b>
<b>Other than Personal Services</b>						
Contractual Services	\$661,536	\$669,523	\$641,405	\$711,004	\$598,105	(\$43,300)
Fixed and Misc Charges	56,059	53,500	54,504	54,504	46,354	(\$8,150)
Other Services and Charges	52,241	55,032	55,567	55,594	56,096	529
Social Services	14,031	18,952	15,076	15,599	15,076	0
Supplies and Materials	0	61	0	0	0	0
<b>Subtotal</b>	<b>\$783,867</b>	<b>\$797,068</b>	<b>\$766,552</b>	<b>\$836,701</b>	<b>\$715,631</b>	<b>\$50,921</b>
<b>TOTAL</b>	<b>\$802,274</b>	<b>\$818,802</b>	<b>\$783,074</b>	<b>\$854,910</b>	<b>\$733,073</b>	<b>(\$50,001)</b>
<b>Funding</b>						
City Funds	N/A	N/A	\$274,496	\$260,937	\$225,134	(\$49,362)
Federal – CD	N/A	N/A	3,292	3,292	3,292	0
Federal Other	N/A	N/A	475,848	519,392	463,342	(\$12,506)
Intra City	N/A	N/A	5,765	29,658	765	(\$5,000)
State	N/A	N/A	23,673	41,631	40,540	\$16,867
<b>TOTAL</b>	<b>\$802,274</b>	<b>\$818,802</b>	<b>\$783,074</b>	<b>\$854,910</b>	<b>\$733,073</b>	<b>(\$50,001)</b>

\*The difference of Fiscal 2010 Adopted compared to Fiscal 2011 Executive Plan funding.

## Council Initiatives and Funding

### FY 2010 Council Changes at Adoption

*Dollars in Thousands*

#### Child Care Services

Providers Choice	\$1,200
Child Care Classroom Restoration	\$8,000
<b>TOTAL</b>	<b>\$9,200</b>

- **Providers Choice.** This \$1.2 million was allocated to 10,000 home-based family day care providers, as reimbursement funding for educational supplies and/or equipment.
- **Child Care Classroom Restoration.** This \$8 million was direct agency funding to prevent the closure of 31 classrooms in ACS child care centers, as a result of a proposed PEG by the Administration. (See below for further details).

## ACS Child Care Budget Deficit and Fiscal 2010 Cuts

In November 2008, ACS rolled out its plan for reducing its child care budget deficit, which included an overall reduction in citywide contract center capacity. Part of the agency's plan to reduce its current deficit included the termination of kindergarten services and the transfer of those children to the Department of Education (DOE) and the Department of Youth and Community Development (DYCD) for Out-of-School Time (OST) services. As of December 2009, the transition of five year olds to DOE was completed. As a result of the transfer of five-year-old children to DOE, approximately 124 classrooms were at risk of closure (at the time of Adoption for Fiscal 2010). The Administration saved 93 of those 124 classrooms (2,000 seats), by aging down those classrooms to serve three and four-year-old children. Council funding totaling \$8 million was added to the Fiscal 2010 Adopted Budget to save the remaining 31 classrooms. Classrooms were saved based on utilization rates, and notification to all programs has been completed. Additionally, the Fiscal 2010 Adopted Budget included an elimination of 3,000 child care voucher slots.

## Performance Measures

	FY 07	FY 08	FY 09	FY 10 4-Month Actual	Target FY 11
Total Contracted Child care capacity filled (%)	87.1%	89.1%	94.8%	87.7%	99%
Abuse and/or neglect reports for children in child care	352	377	426	121	N/A
Abuse and/or neglect reports for children in child care that are substantiated (%)	21.0%	26.8%	30.1%	36.4%	N/A
Family child care (contract) (\$)	\$7,194	\$7,306	\$7,457	N/A	N/A
Family child care (voucher) (\$)	\$6,959	\$7,048	\$7,151	N/A	N/A
Group child care (contract) (\$)	\$13,214	\$13,095	\$12,710	N/A	N/A
Group child care (voucher) (\$)	\$9,675	\$9,874	\$10,080	N/A	N/A

## Fiscal 2011 Preliminary Plan Actions

- **Child Care Reduction.** The Fiscal 2011 Preliminary Budget includes further cuts to the area of child care. First, the Agency is proposing to eliminate 15 child care centers (total of 16 programs). (Outlined below) This cut totals \$9 million in Fiscal 2011 and \$16.3 million in Fiscal 2012 and in the outyears.

Program Name	Council Member	Zip Code	Borough	Total Site Capacity
Hammels Arverne DCC	Eric Ulrich	11693	Queens	55
Originals of Jamaica DCC	Thomas White	11435	Queens	55
Sheldon R. Weaver DCC	James Sanders	11691	Queens	90
Puerto Rican Council	Margaret Chin	10002	Manhattan	105
Harbor Morningside Children	Inez E. Dickens	10027	Manhattan	90
Court Street Day Care Center	Bradford Lander	11231	Brooklyn	50
Farragut Day Care Center	Leticia James	11201	Brooklyn	45
Bethel Baptist DC + Strong Place*	Stephen Levin	11217	Brooklyn	95
Salvation Army Fiesta	Sara M. Gonzalez	11231	Brooklyn	65
Martha Udell EDC	Leticia James	11238	Brooklyn	85
Alonzo Daughtry #3	Albert Vann	11205	Brooklyn	90
BBCS Duffield Children's Center	Leticia James	11201	Brooklyn	90
Bedford Avenue Day Care Center	Albert Vann	11216	Brooklyn	95
La Puerta Abierta CCC –PAL	Domenic M. Recchia	11224	Brooklyn	70
Learner's Haven DCC	Mathieu Eugene	11203	Brooklyn	85
			<b>Total</b>	<b>1165</b>

\*Co-located site (2 programs operating at site)

The full impact of this cut remains to be seen. Selection of the centers outlined above was based on an analysis of all centers within the current system. The major factors considered were duration and cost of the leases, condition of facilities, vacancies/use of actual physical space within centers, and the community need within districts. According to ACS, its goal was to maintain capacity in the form of subsidies, even though the elimination of facilities was necessary. Of approximately 1,200 total child care seats being proposed to be eliminated, 753 are currently enrolled. ACS has made assurances that all children currently enrolled in one of these fifteen centers will be offered an alternate contracted seat or a child care voucher for continued child care. Therefore, no child should be without care. Details on the transition of children to new seats, however, have not yet been fully determined. Issues with the transfer of children to new sites, families receiving child care vouchers within a timely manner without disruption of service, and proximity of services to families are a few of the issues to monitor.

- **Day Care Center Renovation Cut.** In addition to the elimination of 15 child care sites, ACS plans to reduce expense funding for renovations and repairs to day care centers. This cut totals \$2 million in Fiscal 2011 and \$1 million in Fiscal 2012 and in the outyears. The agency plans to use capital funding for eligible projects.
- **EarlyLearn NYC Concept Paper.** On April 2, 2010, ACS issued the "Concept Paper for EarlyLearn NYC: New York City's Early Care and Education Services." The Concept Paper is the first step in the process of restructuring the City's publicly-funded early care and education (ECE) system, and specifically applies to ACS contracted care. EarlyLearn NYC contemplates a higher level of service provision in several

areas, as ACS plans to designate resources to improve teacher to child ratios, establish more enhanced curricula for children, improve professional development, and provide support services for families. ACS also plans to invest in administrative staff.

Under the new model, programs will be located based on the number of eligible children and the level of community need for ECE services. In this RFP, ACS will prioritize bids that offer services in high-need communities, which ACS will determine based on an analysis of eligibility, concentration of other ECE services, poverty rates, and other factors measuring neighborhood condition. ACS will also use its August 2008 Community Needs Analysis report to identify the highest needs communities, which includes the capacity in each neighborhood to recruit families who are able to pay private market rates. Providers will be expected to serve both subsidized and non-subsidized children, and to demonstrate that they can successfully market their facilities to both populations, therefore leveraging as much funding as possible. Lastly, the concept paper clearly envisions a model that blends several different types of funding, including City tax-levy, federal Child Care and Development Block Grant (CCDBG), federal Head Start and State Universal Pre-Kindergarten funding.

ACS' goals within EarlyLearn NYC appear to be to increase quality, resources, jobs, and accountability within the ECE system. There are numerous concerns, however, about what resources will be available to centers to meet the newly created goals, whether jobs will be created at the cost of others, and whether the accountability mechanisms built into the proposed RFP will have a punitive effect on centers. In addition, because the Council has significantly invested in early child education over the last several years in order to maintain capacity and to strengthen the system's infrastructure, the Council is particularly concerned that overall subsidized child care capacity may be lost.

## 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. The proposed budget for foster care services for Fiscal 2011 is approximately \$27 million less than the Fiscal 2010 Adopted Budget. This can be attributed to a decrease in City funding as a result of the Fiscal 2011 PEG program, outlined below. The remaining cut is the result of a proposed decrease in Title IV-E funding and Temporary Aid for Need Families (TANF) grants from the federal government.

<i>Dollars in Thousands</i>	2008 Actual	2009 Actual	2010 Adopted	2010 Exec Plan	2011 Exec Plan	*Difference 2010 vs. 2011
<b>Spending</b>						
Other Than Personal Services						
Contractual Services	\$587,055	\$595,117	\$535,914	\$588,357	\$509,009	(\$26,905)
Fixed and Misc Charges	1	250	0	75	0	0
Other Services and Charges	0	0	417	417	417	0
Social Services	69,149	59,997	56,128	56,251	56,128	0
<b>TOTAL</b>	<b>\$656,205</b>	<b>\$655,364</b>	<b>\$592,459</b>	<b>\$645,100</b>	<b>\$565,554</b>	<b>(\$26,905)</b>
<b>Funding</b>						
City Funds	N/A	N/A	\$203,284	\$218,586	\$203,733	\$449
Federal – Other	N/A	N/A	163,319	140,835	135,952	(27,367)
Other Categorical	N/A	N/A	0	75	641	641
State	N/A	N/A	225,856	285,604	225,228	(628)
<b>TOTAL</b>	<b>\$656,205</b>	<b>\$655,364</b>	<b>\$592,459</b>	<b>\$645,100</b>	<b>\$565,554</b>	<b>(\$26,905)</b>

*\*The difference of Fiscal 2010 Adopted compared to Fiscal 2011 Executive Plan funding.*

## Fiscal 2011 Preliminary Plan Actions

- Reductions to Foster Care.** The Fiscal 2011 Preliminary Budget includes two cuts to the area of foster care. The first is a \$9.9 million reduction in Fiscal 2011 and \$13.7 million in Fiscal 2012 and in the outyears. This cut pertains to an overall policy shift at ACS. The agency is anticipating an increase in adoptions and expedited family reunifications that may potentially lead to a decrease in the foster care census by 2012. As a result, ACS proposes to reduce funding in this area. ACS is working closely with various components within the foster care system, including foster care providers, the Department of Juvenile Justice, and the family court system. ACS has not yet determined whether providers will receive incentives for improving targets or penalties for not doing so.

The second cut to foster care is a relatively minimal one totaling \$641,000 for Fiscal 2011 and in the outyears. In the past, ACS has not required families to pay into the foster care system. The agency will now require non-public assistance families with children in foster care to make support payments, thus reducing City tax-levy funding. ACS estimates that the average collection will be \$3,000 per child, annually.

**Performance Measures**

	FY 07	FY 08	FY 09	FY 10 4-Month Actual	Target FY 11
Children in Foster Care (average)	16,854	16,701	16,439	15,924	N/A
New children entering foster care (preliminary)	5,651	5,843	5,926	1,846	N/A
Abuse and/or neglect reports for children in foster care	1,336	1,650	1,940	682	N/A
Abuse and/or neglect reports for children in foster care that are substantiated (%)	19.5%	30.0%	31.8%	35.2%	N/A
Children who re-enter foster care within a year of discharge to family (%) (Preliminary)	11.4%	11.1%	14.1%	10.5%	10%
Median length of stay in foster care before child is adopted (months)	54.2	53.8	53.7	N/A	50
Cost per foster care case in a foster boarding home	\$57.69	\$63.46	\$66.94	N/A	N/A
Cost per foster care case in congregate care (Level 1)	\$191.93	\$201.88	\$213.44	N/A	N/A
Cost per foster care case in congregate care (Level 2)	\$205.62	\$215.82	\$225.35	N/A	N/A
Cost per foster care case in congregate care (Level 3)	\$262.00	\$271.07	\$294.63	N/A	N/A

## 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. The proposed budget for preventive services for Fiscal 2011 is approximately \$16 million less than the Fiscal 2010 Adopted Budget. This can be attributed to a \$10 million decrease in City funding as a result of the Fiscal 2011 PEG program, outlined below. The remaining decrease in this area can be attributed to a drop in State “preventive services” funding.

<i>Dollars in Thousands</i>	2008 Actual	2009 Actual	2010 Adopted	2010 Exec Plan	2011 Exec Plan	*Difference 2010 vs. 2011
<b>Spending</b>						
<b>Personal Services</b>						
Full-Time Salaried - Civilian	\$13,057	\$13,233	\$11,321	10,029	9,404	(\$1,917)
Other Salaried and Unsalari ed	10	36	0	0	0	0
Additional Gross Pay	716	678	548	548	548	0
Overtime - Civilian	36	22	139	139	139	0
<b>Subtotal</b>	<b>\$13,819</b>	<b>\$13,969</b>	<b>\$12,008</b>	<b>\$10,716</b>	<b>\$10,091</b>	<b>(\$1,917)</b>
<b>Other than Personal Services</b>						
Contractual Services	\$167,944	\$167,109	\$161,121	\$173,769	\$145,523	(\$15,598)
Fixed and Misc Charges	4,480	3,800	3,800	3,700	3,800	0
Other Services and Charges	0	0	13,606	958	9,628	(3,978)
Social Services	20,556	21,860	11,300	20,750	16,809	5,509
<b>Subtotal</b>	<b>\$192,980</b>	<b>\$192,769</b>	<b>\$189,827</b>	<b>\$199,177</b>	<b>\$175,760</b>	<b>(\$14,067)</b>
<b>TOTAL</b>	<b>\$206,799</b>	<b>\$206,738</b>	<b>\$201,835</b>	<b>\$209,893</b>	<b>\$185,851</b>	<b>(\$15,984)</b>
<b>Funding</b>						
City Funds	N/A	N/A	\$75,011	\$33,410	\$25,971	(\$49,040)
Federal Other	N/A	N/A	31,706	91,876	91,662	59,956
Intra City	N/A	N/A	392	392	392	0
State	N/A	N/A	94,726	84,215	67,826	(26,900)
<b>TOTAL</b>	<b>\$206,799</b>	<b>\$206,738</b>	<b>\$201,835</b>	<b>\$209,893</b>	<b>\$185,851</b>	<b>(\$15,984)</b>

\*The difference of Fiscal 2010 Adopted compared to Fiscal 2011 Executive Plan funding.

## Council Initiatives and Funding

### FY 2010 Council Changes at Adoption

*Dollars in Thousands*

<b>Preventive Services</b>	
Child Safety Initiative	\$3,700
CONNECT	270
<b>TOTAL</b>	<b>\$3,970</b>

- **Child Safety Initiative.** This \$3.7 million allocation was provided directly to the agency to allow ACS’ contracted preventive service providers to reduce caseloads toward the national standard of 12 families per caseworker.
- **CONNECT.** This \$270,000 was provided to the CONNECT domestic violence program for preventive services to domestic violence victims and their families.

**Performance Measures**

	FY 07	FY 08	FY 09	FY 10 4-Month Actual	Target FY 11
Children receiving contract preventive services	29,498	31,875	31,752	30,047	N/A

**Fiscal 2011 Preliminary Plan Actions**

- Reductions to Preventive Services.** The Fiscal 2011 Preliminary Budget includes a significant cut to preventive services. The proposed cut totals \$3.6 million in City tax-levy (\$9.9 million total funding) for Fiscal 2011 and in the outyears. Several areas in both general and specialized preventive services will be adversely affected. First, 343 general preventive slots will be eliminated, potentially affecting abuse and neglect cases—the most vulnerable of those being served by ACS. Secondly, rates for Persons in Need of Supervision (PINS) providers will be reduced by five percent. These providers offer information and assistance to families placing children in foster care through a PINS petition.<sup>2</sup> Thirdly, the Family Treatment Program will lose 100 slots. Fourthly, The Family Based Respite Program (for sexually abusive/”acting out” youth) will be eliminated. Finally, homemaking service hours for those families with open preventive cases will be cut.

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<sup>2</sup> As per the Family Court Act of 1962, a “Person in Need of Supervision” is defined as “truant, incorrigible, ungovernable or habitually disobedient and beyond the lawful control of a parent.” A non-status offense, PINS is not criminal and is not punitive. (Source: [www.nyc.gov](http://www.nyc.gov))

## 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. The proposed budget for protective services for Fiscal 2011 is approximately \$3 million less than the Fiscal 2010 Adopted Budget. This can be attributed to a decrease in both Title IV-E funding (federal) and Foster Care Block Grant funding (State) in this area. The effect is minimal as other forms of State and federal funding, such as Medicaid and State “preventive services” funding are being used to offset the majority of this decrease.

<i>Dollars in Thousands</i>	2008 Actual	2009 Actual	2010 Adopted	2010 Exec Plan	2011 Exec Plan	*Difference 2010 vs. 2011
<b>Spending</b>						
<b>Personal Services</b>						
Full-Time Salaried – Civilian	\$172,616	\$185,653	\$168,779	\$183,355	\$171,179	\$2,400
Other Salaried and Unsalariated	191	173	244	241	241	(3)
Additional Gross Pay	7,346	7,335	6,577	6,323	6,305	(272)
Fringe Benefits	3	1	0	0	0	0
Overtime – Civilian	14,254	8,806	7,934	4,157	4,157	(3,777)
<b>Subtotal</b>	<b>\$194,410</b>	<b>\$201,968</b>	<b>\$183,534</b>	<b>\$194,076</b>	<b>\$181,882</b>	<b>(\$1,652)</b>
<b>Other than Personal Services</b>						
Contractual Services	\$29,585	\$24,994	\$22,680	\$22,681	\$21,580	(\$1,100)
Social Services	7,715	4,728	6,260	6,285	5,735	(525)
Supplies and Materials	611	0	0	0	0	0
<b>Subtotal</b>	<b>\$37,911</b>	<b>\$29,723</b>	<b>\$28,940</b>	<b>\$28,966</b>	<b>\$27,315</b>	<b>(\$1,625)</b>
<b>TOTAL</b>	<b>\$232,321</b>	<b>\$231,691</b>	<b>\$212,474</b>	<b>\$223,042</b>	<b>\$209,197</b>	<b>(\$3,277)</b>
<b>Funding</b>						
City Funds	N/A	N/A	\$18,614	\$37,463	\$33,155	\$14,541
Federal -- Other	N/A	N/A	167,099	109,015	104,904	(62,195)
Other Categorical	N/A	N/A	0	26	0	0
State	N/A	N/A	26,761	76,538	71,138	44,377
<b>TOTAL</b>	<b>\$232,321</b>	<b>\$231,691</b>	<b>\$212,474</b>	<b>\$223,042</b>	<b>\$209,197</b>	<b>(\$3,277)</b>

*\*The difference of Fiscal 2010 Adopted compared to Fiscal 2011 Executive Plan funding.*

## Performance Measures

	FY 07	FY 08	FY 09	FY 10 4-Month Actual	Target FY 11
Number of State Central Register Intakes	64,196	64,653	64,748	18,030	N/A
Children in completed investigations with repeat investigations within a year (%)	22.0%	21.4%	21.7%	21.4	N/A
Children in substantiated investigations with repeat substantiated investigations within a year	14.7%	14.2%	14.7%	15.1%	8%
Abuse and/or neglect reports responded to within 24 hours of receipt from the State Central Register (%)	96.0%	97.3%	97.6%	94.3%	100%

## **Fiscal 2011 Preliminary Plan Actions**

- **Staff Reductions.** The Fiscal 2011 Preliminary Budget contains one cut to the area of protective services. The proposed cut totals \$5.9 million in City tax-levy (\$13.8 million total funding) for Fiscal 2011 and approximately \$6 million in City tax-levy (\$14 million total funding) for Fiscal 2012 and in the outyears. The agency will reduce child protective staffing positions by 202. This will be done through attrition and **not** layoffs, however there could be an impact on caseloads. ACS has made assurances that caseloads will remain below the State mandated ratio of 12:1.

## Adoption

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. The proposed budget for adoption for Fiscal 2011 is approximately \$2 million more than the Fiscal 2010 Adopted Budget. While State and federal funding remain relatively unchanged, City funding will be increased slightly to support ACS’ overall policy goal of reducing lengths of stay for children in foster care, therefore increasing the number of adoptions.

<i>Dollars in Thousands</i>	2008 Actual	2009 Actual	2010 Adopted	2010 Exec Plan	2011 Exec Plan	*Difference 2010 vs. 2011
<b>Spending</b>						
<b>Personal Services</b>						
Full-Time Salaried - Civilian	\$3,668	\$3,697	\$4,692	\$4,271	\$4,274	(\$418)
Other Salaried and Unsalariated	41	42	37	37	37	0
Additional Gross Pay	273	227	248	248	248	0
Overtime - Civilian	96	6	183	183	183	0
<b>Subtotal</b>	<b>\$4,078</b>	<b>\$3,972</b>	<b>\$5,160</b>	<b>\$4,739</b>	<b>\$4,742</b>	<b>(\$418)</b>
<b>Other than Personal Services</b>						
Contractual Services	\$1,186	\$1,182	\$1,173	\$1,172	\$1,173	\$0
Other Services and Charges	0	0	22	22	22	0
Social Services	394,569	380,035	380,243	380,243	382,980	2,737
<b>Subtotal</b>	<b>\$395,755</b>	<b>\$381,217</b>	<b>\$381,438</b>	<b>\$381,437</b>	<b>\$384,175</b>	<b>\$2,737</b>
<b>TOTAL</b>	<b>\$399,833</b>	<b>\$385,189</b>	<b>\$386,598</b>	<b>\$386,176</b>	<b>\$38,8917</b>	<b>\$2,319</b>
<b>Funding</b>						
City Funds	N/A	N/A	\$51,218	\$57,764	\$55,788	\$4,570
Federal – Other	N/A	N/A	181,599	169,877	172,490	(\$9,109)
State	N/A	N/A	153,781	158,535	160,639	6,858
<b>TOTAL</b>	<b>\$399,833</b>	<b>\$385,189</b>	<b>\$386,598</b>	<b>\$386,176</b>	<b>\$38,8917</b>	<b>\$2,319</b>

*\*The difference of Fiscal 2010 Adopted compared to Fiscal 2011 Executive Plan funding.*

## Performance Measures

	FY 07	FY 08	FY 09	FY 10 4-Month Actual	Target FY 11
Children eligible for adoption (average)	2,561	2,098	1,839	1,786	N/A
Average time to complete adoption (years)	3.4	3.4	3.2	3.3	3
Median length of stay in foster care before child is adopted (months)	54.2	53.8	53.7	N/A	50
Children adopted	1,562	1,472	1,344	298	N/A

**Fiscal 2011 Preliminary Plan Actions**

- **ACS Policy Change.** The Fiscal 2011 Preliminary Budget does not include any direct cuts to the area of adoption. It is significant to note, however, that ACS anticipates an increase in adoptions and expedited family reunifications (as noted in the "Foster Care" section of this report) in 2012. The Council will work closely with ACS in the upcoming fiscal year to determine what additional funding and/or programming will be necessary to most appropriately serve the increased population in this area.

## Child Welfare Support

This program provides support to all areas of child welfare, including protective, preventive, and foster care services. The proposed budget for adoption for Fiscal 2011 is approximately \$7 million less than the Fiscal 2010 Adopted Budget. This can be attributed to a decrease in City funding (details below) as well as a decrease in federal Title IV-E funding for child welfare support.

<i>Dollars in Thousands</i>	2008 Actual	2009 Actual	2010 Adopted	2010 Exec Plan	2011 Exec Plan	*Difference 2010 vs. 2011
<b>Spending</b>						
<b>Personal Services</b>						
Full-Time Salaried – Civilian	\$48,057	\$52,945	\$52,695	\$46,248	\$45,603	(\$7,092)
Other Salaried and Unsalariated	374	423	233	233	233	0
Additional Gross Pay	1,889	1,934	1,410	1,375	1,375	(35)
Overtime - Civilian	1,045	540	1,107	790	790	(317)
<b>TOTAL</b>	<b>\$51,365</b>	<b>\$55,842</b>	<b>\$55,445</b>	<b>\$48,646</b>	<b>\$48,001</b>	<b>(\$7,444)</b>
<b>Funding</b>						
City Funds	N/A	N/A	\$15,568	\$11,200	\$10,853	(\$4,715)
Federal – Other	N/A	N/A	26,099	22,503	22,697	(\$3,402)
State	N/A	N/A	13,778	14,943	14,451	673
<b>TOTAL</b>	<b>\$51,365</b>	<b>\$55,842</b>	<b>\$55,445</b>	<b>\$48,646</b>	<b>\$48,001</b>	<b>(\$7,444)</b>

*\*The difference of Fiscal 2010 Adopted compared to Fiscal 2011 Executive Plan funding.*

## Council Initiatives and Funding

### FY 2010 Council Changes at Adoption

*Dollars in Thousands*

<b>Protective Services</b>	
Child Welfare Personnel PEG Restoration	3,000
<b>TOTAL</b>	<b>\$3,000</b>

- Child Welfare Layoffs.** For Fiscal 2010, the Council restored \$3 million in City funding for ACS to avert over 100 child welfare layoffs, proposed in the Fiscal 2010 Preliminary Budget. As Council funding is renegotiated annually and allocated on a one-time basis, funding for these positions is not included in the Fiscal 2011 Executive Budget. Therefore, these layoffs are in addition to the 202 child protective staff layoffs proposed in the Fiscal 2011 Preliminary Budget.

## Performance Measures

None reported. The Council urges the agency to include, at a minimum, statistics on the types of support provided to the various program areas.

## Department of Education Residential Care

This program funds the room and board for non-foster care children placed by the Committee for Special Education into residential facilities. The budget for this program area remains unchanged from the Fiscal 2010 Adopted Budget.

<i>Dollars in Thousands</i>	2008 Actual	2009 Actual	2010 Adopted	2010 Exec Plan	2011 Exec Plan	*Difference 2010 vs. 2011
<b>Spending</b>						
<b>Personal Services</b>						
Social Services	\$87,553	\$82,982	\$65,730	\$65,730	\$65,730	\$0
<b>TOTAL</b>	<b>\$87,553</b>	<b>\$82,982</b>	<b>\$65,730</b>	<b>\$65,730</b>	<b>\$65,730</b>	<b>\$0</b>
<b>Funding</b>						
City Funds	N/A	N/A	\$41,303	\$41,510	\$41,510	\$207
State	N/A	N/A	\$24,427	\$24,220	\$24,220	(207)
<b>TOTAL</b>	<b>\$87,553</b>	<b>\$82,982</b>	<b>\$65,730</b>	<b>\$65,730</b>	<b>\$65,730</b>	<b>\$0</b>

*\*The difference of Fiscal 2010 Adopted compared to Fiscal 2011 Executive Plan funding.*

### Performance Measures

None reported. The Council urges the agency to include, at a minimum, statistics on the number of non-foster care children assisted with this funding.

## Foster Care Support

This program provides services related to foster care, including pre-placement, child evaluation, contract agency assistance and foster-parent recruitment. The proposed budget for foster care support for Fiscal 2011 is approximately \$11 million less than the Fiscal 2010 Adopted Budget. This can be attributed to a decrease in City funding as a result of the Fiscal 2011 PEG program, outlined below. The decrease is also partially attributed to a drop in federal Title XX Social Services Block Grant funding for foster care support.

	2008 Actual	2009 Actual	2010 Adopted	2010 Exec Plan	2011 Exec Plan	*Difference 2010 vs. 2011
<b>Spending</b>						
<b>Personal Services</b>						
Full-Time Salaried – Civilian	\$48,622	\$48,120	\$52,951	\$43,910	\$42,981	(\$9,970)
Other Salaried and Unsalariated	2,043	1,971	2,080	2,080	2,080	0
Additional Gross Pay	3,105	2,983	3,206	2,871	2,872	(334)
Overtime - Civilian	678	495	1,691	1,032	1,032	(659)
P.S. Other	23	22	0	0	0	0
<b>TOTAL</b>	<b>\$54,471</b>	<b>\$53,591</b>	<b>\$59,928</b>	<b>\$49,893</b>	<b>\$48,965</b>	<b>(\$10,963)</b>
<b>Funding</b>						
City Funds	N/A	N/A	\$13,157	\$9,592	\$9,154	(\$4,003)
Federal – Other	N/A	N/A	33,592	23,422	23,519	(10,073)
State	N/A	N/A	13,179	16,879	16,292	3,113
<b>TOTAL</b>	<b>\$54,471</b>	<b>\$53,591</b>	<b>\$59,928</b>	<b>\$49,893</b>	<b>\$48,965</b>	<b>(\$10,963)</b>

*\*The difference of Fiscal 2010 Adopted compared to Fiscal 2011 Executive Plan funding.*

## Performance Measures

	FY 07	FY 08	FY 09	FY 10 4-Month Actual	Target FY 11
Children in Foster Care (average)	16,854	16,701	16,439	15,924	N/A
New children entering foster care (preliminary)	5,651	5,843	5,926	1,846	N/A
Children entering foster care who are placed with relatives (%) (Preliminary)	28.1%	24.3%	24.5%	24.2%	N/A
Children placed in foster care in their community (%)	33.9%	29.1%	32.7%	32.3%	N/A
Siblings placed simultaneously in the same foster home (%) (Preliminary)	85.3%	79.7%	80.9%	83.8%	N/A
Children in foster care who had one or fewer transfers from one facility to another (%)	56.8%	58.6%	59.2%	58.2%	N/A

## Fiscal 2010 Foster Boarding Home Reduction

In 2009, ACS implemented a cut of \$5.7 million in City tax-levy (\$7.4 million total funding) 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 was an administrative reduction to ACS, it led to layoffs within provider agencies and impacted service delivery, as it was a direct cut to the overall budgets of provider agencies.

According to child welfare advocates and providers, layoffs affected caseload sizes, which are already above standards of 11-12 children per worker. Providers also claimed that difficulty with implementing the ACS reform of Improved Outcomes for Children (IOC) increased. Therefore, although this cut did not affect the stipend provided to foster families, it did have a direct impact on service delivery.

### **Fiscal 2011 Preliminary Plan Actions**

- **Delay in Implementation of Increased Administrative Rates.** The Fiscal 2011 Preliminary Budget includes a further cut to this area. ACS is now proposing to reduce rates and delay the implementation of a scheduled increase in the administrative rates for foster boarding home agencies. This action will save the agency approximately \$7 million in City tax-levy (\$9 million total funding) for Fiscal 2011 and \$1.5 million in City tax-levy (\$2 million total funding) in Fiscal 2012 only. The daily rate per child that agencies currently receive is \$32. As of Fiscal 2011, this daily rate will go down to \$31.77 per child. Although it is unclear as to what the full impact of this cut will be, this additional hit to foster boarding homes may potentially lead to provider agency layoffs.

## 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. The proposed budget for general administration for Fiscal 2011 is approximately \$10 million more than the Fiscal 2010 Adopted Budget. This can be attributed to an increase in State "preventive services" funding and Foster Care Block Grant funding.

<i>Dollars in Thousands</i>	2008 Actual	2009 Actual	2010 Adopted	2010 Exec Plan	2011 Exec Plan	*Difference 2010 vs. 2011
<b>Spending</b>						
<b>Personal Services</b>						
Full-Time Salaried – Civilian	\$53,938	\$53,691	\$42,248	\$49,111	\$46,758	\$4,510
Other Salaried and Unsalariated	225	277	220	211	221	1
Additional Gross Pay	2,610	2,140	1,839	1,841	1,841	2
Fringe Benefits	50	85	0	55	0	0
Overtime - Civilian	613	480	1,311	581	626	(685)
P.S. Other	(63)	(66)	0	0	0	0
<b>Subtotal</b>	<b>\$57,373</b>	<b>\$56,607</b>	<b>\$45,618</b>	<b>\$51,799</b>	<b>\$49,446</b>	<b>\$3,828</b>
<b>Other than Personal Services</b>						
Contractual Services	\$19,855	\$18,010	\$5,016	\$9,474	\$10,239	\$5,223
Fixed and Misc Charges	4	63	125	0	125	0
Other Services and Charges	49,197	52,837	54,339	52,853	52,606	(1,733)
Property and Equipment	1,876	1,579	613	312	1,688	1,075
Supplies and Materials	4,673	4,438	3,718	2,836	5,210	1,492
<b>Subtotal</b>	<b>\$75,605</b>	<b>\$76,927</b>	<b>\$63,811</b>	<b>\$65,475</b>	<b>\$69,868</b>	<b>\$6,057</b>
<b>TOTAL</b>	<b>\$132,978</b>	<b>\$133,534</b>	<b>\$109,429</b>	<b>\$117,274</b>	<b>\$119,314</b>	<b>\$9,885</b>
<b>Funding</b>						
City Funds	N/A	N/A	\$26,396	\$22,602	\$22,182	(\$4,214)
Federal – Other	N/A	N/A	61,956	57,049	59,270	(2,686)
Other Categorical	N/A	N/A	0	40	0	0
State	N/A	N/A	21,077	37,583	37,862	16,785
<b>TOTAL</b>	<b>\$132,978</b>	<b>\$133,534</b>	<b>\$109,429</b>	<b>\$117,274</b>	<b>\$119,314</b>	<b>\$9,885</b>

*\*The difference of Fiscal 2010 Adopted compared to Fiscal 2011 Executive Plan funding.*

### Fiscal 2010 Cuts

The Fiscal 2010 Preliminary Budget included a reduction in expenditures for administrative contracts and supplies agency-wide, saving approximately \$3.9 million in City tax-levy (\$8.9 million total funding) for Fiscal 2010. The Fiscal 2010 Executive Budget added to this cut by reducing spending in this area further for an additional cost savings of approximately \$1.1 million in City tax-levy (\$2.6 million total funding) for Fiscal 2010.

### Fiscal 2011 Preliminary Plan Actions

- **Reductions in Overtime and Supplies.** The Fiscal 2011 Preliminary Budget includes further reductions to this area. The agency is proposing to cut \$2.5 million in City tax-levy (\$6.2 million total

funding) by reducing staff overtime hours and agency-wide supplies. ACS has not yet stated what percentage of each area will be cut in order to achieve the PEG.

- **Funding Swap.** ACS will save \$2.4 million in City tax levy, which funds 48 administrative staff, by using both State and federal funding for Fiscal 2011 and in the outyears. According to the agency, no layoffs or changes in headcount are expected to occur.

## Head Start

The Head Start program is a federally funded, family-centered child development program for low-income children ages 3-5, which 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. The budget for this program area remains unchanged from the Fiscal 2010 Adopted Budget.

<i>Dollars in Thousands</i>	2008 Actual	2009 Actual	2010 Adopted	2010 Exec Plan	2011 Exec Plan	*Difference 2010 vs. 2011
<b>Spending</b>						
<b>Personal Services</b>						
Full-Time Salaried - Civilian	\$3,860	\$413	N/A	N/A	N/A	N/A
Additional Gross Pay	183	20	N/A	N/A	N/A	N/A
Overtime - Civilian	1	0	N/A	N/A	N/A	N/A
<b>Subtotal</b>	<b>\$4,044</b>	<b>\$433</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Other than Personal Services</b>						
Contractual Services	\$152,907	\$145,609	\$132,556	\$168,359	\$132,556	\$0
Fixed and Misc Charges	43,309	44,888	44,275	51,825	44,275	0
Supplies and Materials	954	823	2,147	1,339	2,147	0
<b>Subtotal</b>	<b>\$197,170</b>	<b>\$191,320</b>	<b>\$178,978</b>	<b>\$221,523</b>	<b>\$178,978</b>	<b>0</b>
<b>TOTAL</b>	<b>\$201,214</b>	<b>\$191,753</b>	<b>\$178,978</b>	<b>\$221,523</b>	<b>\$178,978</b>	<b>\$0</b>
<b>Funding</b>						
Federal – Other	N/A	N/A	\$178,978	\$201,017	\$178,978	\$0
Intra City	N/A	N/A	0	20,506	0	0
<b>TOTAL</b>	<b>\$201,214</b>	<b>\$191,753</b>	<b>\$178,978</b>	<b>\$221,523</b>	<b>\$178,978</b>	<b>\$0</b>

*\*The difference of Fiscal 2010 Adopted compared to Fiscal 2011 Executive Plan funding.*

As noted in the table above, ACS no longer utilizes Head Start funding for personal services costs. All Head Start funding is used for other than personal services costs including contract agency expenditures, pensions, insurance and administrative supplies. This change was implemented in Fiscal 2010, as there are no longer any ACS employees who work solely in Head Start programs. Many are employed by a combination of Head Start and other child care programs. Therefore, personal services costs are reflected in other program areas

## Performance Measures

	FY 07	FY 08	FY 09	FY 10 4-Month Actual	Target FY 11
Head Start capacity filled (%)	93.5%	92.0%	96.0%	93.7%	95%
Cost per Head Start slot (\$)	\$10,272	\$10,461	\$10,820	N/A	N/A

## 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. The proposed budget for preventive homemaking services for Fiscal 2011 remains relatively unchanged from the Fiscal 2010 Adopted budget.

<i>Dollars in Thousands</i>	2008 Actual	2009 Actual	2010 Adopted	2010 Exec Plan	2011 Exec Plan	*Difference 2010 vs. 2011
<b>Spending</b>						
<b>Other than Personal Services</b>						
Contractual Services	\$29,516	\$28,745	\$28,041	\$28,041	\$27,839	(\$202)
Other Services and Charges	0	0	787	787	787	0
<b>TOTAL</b>	<b>\$29,516</b>	<b>\$28,745</b>	<b>\$28,828</b>	<b>\$28,828</b>	<b>\$28,626</b>	<b>(\$202)</b>
<b>Funding</b>						
City Funds	N/A	N/A	\$7,207	\$7,207	\$7,157	(\$50)
Federal – Other	N/A	N/A	14,414	14,414	14,313	(101)
State	N/A	N/A	7,207	7,207	7,156	(51)
<b>TOTAL</b>	<b>\$29,516</b>	<b>\$28,745</b>	<b>\$28,828</b>	<b>\$28,828</b>	<b>\$28,626</b>	<b>(\$202)</b>

*\*The difference of Fiscal 2010 Adopted compared to Fiscal 2011 Executive Plan funding.*

## Performance Measures

None reported. The Council urges the agency to include, at a minimum, statistics on the families receiving homemaking services and the extent to which these services prevent improve welfare.

## Juvenile Justice

On January 20, 2010, during his State of the City speech, Mayor Bloomberg announced an overhaul of the City's juvenile justice system by stating that the Department of Juvenile Justice (DJJ) would be integrated into ACS. Citing recent findings about the success of alternative to placement programs in reducing juvenile recidivism rates when compared to "dangerously dysfunctional" State residential facilities, the Mayor stated that, through integration, the City would be able to provide better services for those in detention and to provide stronger supervision for those who can be safely maintained in the community.<sup>3</sup> ACS will now administer two programs aimed at the population most similarly served by DJJ, namely, the Juvenile Justice Initiative (JJI) and the Person in Need of Supervision (PINS) system.

JJI provides intensive services for youth involved in the juvenile justice system. The program's goals are: "to reduce the number of delinquent youth in [state] residential facilities; shorten lengths of stay for those youth that are placed in [state] residential care; reduce recidivism; and improve individual and family functioning."<sup>4</sup> JJI consists of two programs, one which provides services to youth who would otherwise serve time in state institutional settings (the Alternative-to-Placement program), and another that provides services to youth who are returning home from state placement in non-secure facilities (Intensive Preventive Aftercare Program). The New York State Family Court Act defines PINS as a "person less than eighteen years of age who does not attend school... or is incorrigible, ungovernable or habitually disobedient and beyond the lawful control of a parent..."<sup>5</sup> The PINS diversion program is known as the Family Assessment Program (FAP), which is jointly administered by ACS and the Department of Probation. FAP provides support to families to help them resolve problems such as truancy, running away or unruly behavior – examples of complaints driving parents to file PINS petitions.

<i>Dollars in Thousands</i>	2008 Actual	2009 Actual	2010 Adopted	2010 Exec Plan	2011 Exec Plan	*Difference 2010 vs. 2011
<b>Spending</b>						
Personal Services						
Full-Time Salaried – Civilian	N/A	N/A	N/A	N/A	\$24,836	\$24,836
Other Salaried and Unsalariated	N/A	N/A	N/A	N/A	29	29
Additional Gross Pay	N/A	N/A	N/A	N/A	1,355	1,355
Fringe Benefits	N/A	N/A	N/A	N/A	19	19
Overtime - Civilian	N/A	N/A	N/A	N/A	1,387	1,387
Amounts to be Scheduled	N/A	N/A	N/A	N/A	2,651	2,651
<b>Subtotal</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$30,277</b>	<b>\$30,277</b>
<b>Other than Personal Services</b>						
Contractual Services	N/A	N/A	N/A	N/A	\$24,558	\$24,558
Other Services and Charges	N/A	N/A	N/A	N/A	68,037	68,037
Property and Equipment	N/A	N/A	N/A	N/A	17	17
Supplies and Materials	N/A	N/A	N/A	N/A	782	782
<b>Subtotal</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$93,394</b>	<b>\$93,394</b>
<b>TOTAL</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$123,671</b>	<b>\$123,671</b>
<b>Funding</b>						
City Funds	N/A	N/A	N/A	N/A	\$113,704	\$113,704
Federal – Other	N/A	N/A	N/A	N/A	688	688
State	N/A	N/A	N/A	N/A	9,279	9,279
<b>TOTAL</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$123,671</b>	<b>\$123,671</b>

<sup>3</sup> Mayor Michael Bloomberg's State of the City Address, January 20, 2010.

<sup>4</sup> *Id.*

<sup>5</sup> New York State Family Court Act, §712.

Mayor Bloomberg's decision to incorporate DJJ into ACS is, in theory, a rational one, as both agencies deal with overlapping populations that have similar needs. A major concern, however, is that ACS, already charged with a broad mandate, is being given the responsibility for administering yet another large and complicated system – the City's entire juvenile detention system. It is conceivable that giving ACS even more responsibility than it already has may negatively affect the quality of both its and DJJ's existing programs.

## Appendix A: Budget Actions Since Fiscal Year 2010 Adoption

<i>Dollars in Thousands</i>	FY 2010			FY 2011		
	City	Non-City	Total	City	Non-City	Total
<b>Agency Budget as per the June 2009 Plan</b>	<b>\$726,255</b>	<b>\$1,948,524</b>	<b>\$2,674,779</b>	<b>\$702,690</b>	<b>\$1,910,762</b>	<b>\$2,613,452</b>
<b>Program to Eliminate the Gap (PEGs)</b>						
Day Care Center Consolidation	\$0	\$0	\$0	(\$9,000)	\$0	(\$9,000)
Day Care Center Renovations	0	0	0	(2,000)	0	(2,000)
Foster Boarding Home Rate Delay	0	0	0	(6,994)	(2,089)	(9,083)
Agencywide Overtime and Administrative Savings	(1,799)	(2,595)	(4,394)	(2,548)	(3,677)	(6,225)
Preventive Services	0	0	0	(3,602)	(6,320)	(9,922)
Foster Care Support Collection	0	0	0	(641)	641	0
Administrative Cost Allocation	0	0	0	(2,408)	2,408	0
Prior Year Revenue	(29,362)	29,362	0	(8,848)	8,848	0
One Year Home Foster Care Permanency Campaign	0	0	0	(9,929)	(695)	(10,624)
Child Protective Staffing Reestimate	0	0	0	(5,897)	(7,861)	(13,758)
CEO -- Youth Financial Empowerment	(50)	0	(50)	0	0	0
Federal Reimbursement for Foster Care and Adoption (ARRA)	0	0	0	(10,083)	10,083	0
Improved State and Federal Reimbursement for Administration	0	0	0	(21,224)	0	(21,224)
<b>Total, PEGs</b>	<b>(\$31,211)</b>	<b>\$26,767</b>	<b>(\$4,444)</b>	<b>(\$83,174)</b>	<b>\$1,338</b>	<b>(\$81,836)</b>
<b>Other Adjustments</b>						
Collective Bargaining	\$1,676	\$2,048	\$3,724	\$1,676	\$2,048	\$3,724
CEO -- Youth Financial Empowerment	0	0	0	96	0	96
Fringe Benefit Offset	0	0	0	1,555	1,598	3,153
Low Priority Child Care Vouchers	8,077	0	8,077	0	0	0
Revenue U/A Realignment	(8,847)	30,149	21,302	8,847	12,376	21,223
Restoration of Foster Boarding Home Administrative Rate Reduction	5,700	1,655	7,355	5,700	1,655	7,355
Additional Foster Care Reimbursement	(4,151)	4,151	0	(4,742)	4,742	0
UPK Child Care/Head Start (Intra-City)	0	39,220	39,220	0	0	0
Technical Adjustment	2,743	39,372	42,115	2,002	3	2,005
ARRA Stimulus Funding	0	34,905	34,905	0	0	0
Juvenile Justice Transfer	0	0	0	114,641	9,027	123,668
Heat, Light, Power	28	0	28	(407)	0	(407)
Lease Adjustment	0	0	0	394	62	456
Preventive Services Technical Adjustment	0	0	0	0	(522)	(522)
Foster Care Appropriation	0	23,954	23,954	0	0	0
Nurse Family Partnership	0	0	0	0	3,509	3,509
<b>Total, Other Adjustments</b>	<b>\$5,226</b>	<b>\$175,454</b>	<b>\$180,680</b>	<b>\$129,762</b>	<b>\$34,498</b>	<b>\$164,260</b>
<b>Total, All Changes</b>	<b>(\$25,985)</b>	<b>\$202,221</b>	<b>\$176,236</b>	<b>\$46,588</b>	<b>\$35,836</b>	<b>\$82,424</b>
<b>Agency Budget as per the Fiscal 2011 Executive Plan</b>	<b>\$700,270</b>	<b>\$2,150,745</b>	<b>\$2,851,015</b>	<b>\$749,278</b>	<b>\$1,946,598</b>	<b>\$2,695,876</b>

## Appendix B: Reconciliation of Program Areas to Units of Appropriation

*Dollars in thousands*

	Personal Services				OTPS				Grand Total
	001	002	003	007	004	005	006	008	
Adoption Services	\$4,742						\$384,176		\$388,917
Child Care Services			\$17,443		\$715,630				\$733,073
Child Welfare Support	\$28,726					\$19,274	\$0		\$48,001
Dept. of Ed. Residential Care							\$65,730		\$65,730
Foster Care Services							\$565,554		\$565,554
Foster Care Support	\$48,965								\$48,965
General Administration		\$69,869				\$49,446			\$119,314
Head Start					\$178,978				\$178,978
Preventive Homemaking Services							\$28,626		\$28,626
Preventive Services	\$10,091						\$175,760		\$185,851
Protective Services	\$181,882						\$27,315		\$209,197
Juvenile Justice				\$30,277				\$93,394	\$123,671
<b>Grand Total</b>	<b>\$274,406</b>	<b>\$69,869</b>	<b>\$17,443</b>	<b>\$30,277</b>	<b>\$894,608</b>	<b>\$68,720</b>	<b>\$1,247,161</b>	<b>\$93,394</b>	<b>\$2,695,877</b>