



New York State  
Office of  
Children & Family  
Services

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**Final Report to the Legislature  
CHILD WELFARE FINANCING  
December 2006**

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## SECTION I – INTRODUCTION

In June 2002, Governor Pataki signed into law landmark legislation that reformed state funding for child welfare services. This legislation, Child Welfare Financing (CWF), directed the Office of Children and Family Services (OCFS) to submit a final report assessing the implementation of the CWF provisions through June 13, 2005. A preliminary report to the Governor and Legislature on CWF implementation was published in May 2005. OCFS contracted with Empire Health Advisors to conduct much of the information gathering for this report.

The CWF has three components, which are intended to promote safety, well-being and permanency for children:

- Uncapped State reimbursement of 65 percent for preventive, child protective, adoption, aftercare and independent living services, after applying available federal funds;
- A Foster Care Block Grant capping State reimbursement to social services districts for foster care services; and
- A Quality Enhancement Fund administered by OCFS to increase the availability and quality of children and family services program. The Fund was used to invest in care coordination for children in foster care, support for the Child and Family Services Review Program Improvement Plan, mentoring for youth transitioning from foster care, and evaluating the impact of CWF.

The premise underlying the first component of CWF was that it was important to provide a reliable, uncapped source of funding for child welfare services that would encourage localities to invest in services that promote family stability and permanency for children in safe home-based settings. While foster care is an absolutely necessary component of all child welfare systems, it is critical that there be a finance structure that encourages the provision of other services that might alleviate the need for foster care or reduce the time that foster care is necessary. By juxtaposing a State cap on foster care financial participation with a commitment to reimburse localities for 65% of all their preventive (and other key child welfare) services, the intention was to create a viable financial incentive for localities to provide non foster care services when children do not need to be separated from their families in order to keep them safe from abuse, neglect or behaviors that endanger themselves or others.

As it concerns financial incentives, beginning in State Fiscal Year (SFY) 2004-05 the Foster Care Block Grant allocations were comprised of two components. The largest portion of the block grant is based on historical claims, and all counties and New York City receive a proportionate share of this funding. A smaller portion, known as the “set-aside”, is made available to counties that

have shown a reduction in total annual foster care days. Greater weight is given to more recent reductions, although reductions going back several years are also rewarded. In SFY 2006-07, nearly \$36.5 (slightly over 9% of the entire block grant) was set aside and distributed to 49 counties, including New York City.

Within this report is a discussion of the method for collecting information for the report (Section II); a discussion of the findings (Section III); the particular findings from the nine counties and New York City included in the review (Section IV); a presentation of OCFS claims data for these 10 jurisdictions for SFY 2002-03 through SFY 2004-05 (Section V); and conclusion (Section VI).

## **SECTION II – STUDY METHODOLOGY**

It is not possible to isolate the impact of the CWF legislation solely by reviewing quantitative data because of the potential influence of other significant events (e.g., implementation of the Child and Family Services Review Performance Improvement Plan beginning in 2002). As a result, it was determined that the best way to assess the legislation's impact was to undertake focused reviews of the impact of CWF in nine counties and New York City.

Interview guides were prepared and distributed to the following participating counties and New York City:

Albany	Ontario
Delaware	Orange
Erie	Schoharie
Monroe	Suffolk
Oneida	

Interviews took place with representatives of these counties and New York City. The counties were selected to reflect geographic as well as urban-rural diversity. The findings from these 10 jurisdictions are not presented as necessarily representative of the activities in the other counties in New York State.

In addition to the responses of counties to the CWF legislation, it was important to assess its impact on child welfare service providers. Interviews were conducted with representatives of four large child welfare agencies (located in Albany, New York City, Rochester and Utica) as well as officials from associations, advocacy organizations and other organizations with child welfare expertise. The next section of the report reflects information obtained from all the interviewed sources.

## SECTION III -- DISCUSSION OF FINDINGS

### 1. *Preventive Services and Other Community-Based Child Welfare Services Are Expanding in New York State*

One of the principal objectives of the CWF legislation was to encourage the development of non-residential, community services by making available uncapped 65 percent state reimbursement for preventive, child protective, aftercare, independent living and adoption (non-subsidy) services. OCFS, local districts, private child welfare service providers, and the advocacy community have worked diligently to meet this objective. State and local district officials are proud of the progress achieved statewide in significantly reducing the number of children entering and remaining in foster care.

The CWF legislation has been instrumental in expanding community services, in terms of both capacity and type/scope (e.g., post-adoption, person in need of supervision or PINS diversion). This conclusion is derived based on the number of new community services developed and implemented or in the planning stage since passage of CWF; the trend of expenditure and claims data over the past four years; and statements by experts in the field. The nine counties visited for this review have made a local investment in preventive services using funding provided under the CWF legislation: total claims for services that are 65 percent state funded increased from \$107 million to \$126 million from SFY 2002-03 through SFY 2004-05. In New York City, total claims for the services that are 65 percent state funded increased from \$394 million to \$425 million from SFY 2002-03 through SFY 2004-05.

As referenced earlier, it is difficult to measure the precise impact of CWF because of other significant events that occurred prior to 2002 or shortly thereafter. While CWF has been important in the desired shift of care and service provision from residential to community, there are other factors that have influenced that shift, especially in combination with CWF. Some of these are described below.

- The concept of community care is not new. New York City and the other nine districts in this review have stressed community care for the past 10 years or longer. In New York City, the number of children in foster care has declined from 30,000 in 1996 to 18,000 in 2005. A September 2004 report from OCFS, Foster Care Trend Data-1999 to 2003, indicates that foster care statewide including New York City declined from 47,603 to 32,957 during that five-year period (**Note:** As of June 2006, there were 27,627 children in foster care statewide). OCFS data indicate that foster care admissions decreased by 23 percent from 2000 to 2004. The State's commitment to fund community services through CWF is supporting the

trend of counties and New York City to provide more services in the community.

- The focus on preventive services and the leadership of OCFS's Commissioner Johnson have played a major role in moving services for children and families from residential care to community care. OCFS's second edition of the Office's Operational Framework (May 2002) describes the importance it places on preventive services:

“Since the creation of the Office (1998), Commissioner Johnson has championed a new role that challenges and encourages local providers to take the initiative by preventing, rather than reacting to, family upheavals by intervening early with activities designed to reduce the need for removal of a child, youth or adult from the household. The Office's focus on prevention is why the revised services continuum has its broadest effects in services meant to support families in their communities. Indeed, even when such broad-based supports fail to prevent problems, early intervention should be available to individuals in the context of their families and families in context to their communities.”

- In the late 1990's and early 2000's, implementation of the federal Adoption and Safe Families Act refocused the child welfare system on achieving permanence, safety and well-being for children. The U.S. Department of Health and Human Services underscored the importance of the Act by issuing regulations that, among other things, provided for in-depth, on-site monitoring of states using comprehensive protocols and statewide performance in a federal Child and Family Services Review. Like most states, New York was required to submit a Performance Improvement Plan (PIP) in 2002, following its initial review in 2001. The process of developing a PIP provided a vehicle for engaging a wide group of providers, consumer advocates, administrators and others in considering alternative strategies for improving child welfare outcomes and performance. Thus, New York's PIP became a blueprint for child welfare reform strategies, most of which have evolved slightly or continued to the present. The enactment of CWF coincided with developing strategies for change and became the financial basis for change. The current strategies are:

- Strengthening Family Engagement Across the Life of the Case
- Concurrent Planning
- Safety and Well-Being of Children in Residential Care
- Permanency Mediation

- Adolescent Services and Outcomes
  - Workforce Development
  - Achieving Child Welfare Outcomes Through Enhanced Supervision
  - CONNECTIONS to Support Practice Improvement
  - Tribal Consultation
  - Strengthening the Interface between the Courts and Child Welfare
  - Improving Cross-Systems Collaboration
  - Strengthening Adoption and Post-Adoption Services
  - Reducing Repeat Maltreatment
  - Strengthening Service Plan Reviews
  - CPS/Domestic Violence Practice Collaboration
  - Practice Guidance
- Evidence-based programs such as Family Functional Therapy (FFT), which have proven successful in working with children and their families nationally, have been implemented in several counties. It is believed that such services have been successful in reducing problems before they reached a level where foster care placement would be necessary or would need to be continued. One rural county social services commissioner initially thought that FFT would be too labor intensive and too expensive. The county is now using FFT successfully, offering intensive services to as many as 50 children and their families each year. Using CWF's 65 percent State funding for this evidence-based intervention, the county has been able to avert more expensive foster care costs (that would have exceeded its foster care block grant allocation and thus would be a total local cost or a local and federally shared cost).
  - An important ingredient in treating children in the community has been the collaborative efforts among local government agencies, providers and advocates. The Coordinated Children's Services Initiative (CCSI) and the Single Point of Accountability (SPOA) are important collaborative initiatives that the state emphasized prior to 2002. Counties have built upon these programs to improve efforts with Probation and Mental Health Departments and Family Courts in their PINS diversion programs.
  - The importance of the Office of Mental Health's Home and Community-Based Services Waiver (HCBS) slots in reducing residential placements was widely acknowledged by county officials and provider representatives. This is the case because the waiver provides for flexibility in services and

funding for the child and family in the community. While additional slots have been made available during the past year, through 65/35 CWF funding for 2 consecutive years, county officials indicated that even more are needed. Support was universal among the counties visited, as well as New York City, for an OCFS HCBS Waiver that could serve at-risk children who do not qualify for Office of Mental Health or other waiver programs. (**Note:** As a result of such feedback, OCFS has prepared a Foster Care HCBS Waiver application that has been submitted to HHS. OCFS is hopeful, based on conversations with staff in HHS' Center for Medicare and Medicaid that HHS will approve New York's application and families of children currently or formerly in foster care will be able to receive health-related services that are currently unavailable.)

- In 2005, Governor Pataki signed into law very significant PINS reform legislation that provided a statutory framework for required diversion of youth and families in potential PINS circumstances, as well as requiring localities to have services and structures available so that family crises could be addressed quickly. However, several years prior to this landmark legislation, partly as a response to the law to increase the PINS age, OCFS and a number of counties had embarked on an array of PINS reform activities. OCFS contracted with the Vera Institute and several counties made use of the Vera Institute and its excellent cadre of national consultants to develop local reform plans to divert potential PINS youth from court and detention, even prior to the 2005 legislation.
- Districts are beginning to define a new front door by providing preventive services before a serious problem develops and by providing more preventive services in child protection cases. Although districts admit more collaboration is needed with local school districts, progress has been made in several counties. A few of the small districts in this review said they recognized that the school is the hub of activity in communities. The teacher can identify a problem before it escalates. If the teacher can engage a social worker to interact with the child, the family and the school, serious problems often can be avoided. The result would include fewer PINS petitions to Family Court by the school districts.

## **2. *Providers of Purchased Child Welfare Services Are Placing an Increased Emphasis on Community Services***

Executive Directors of four large provider agencies indicated that their organizations are expanding community services. For the past five to 10 years, the House of the Good Shepherd, Hillside Family of Agencies, Parsons Child and Family Center and Saint Christopher Otilie Family of Services have increased services for children and families in the community. This transition is occurring because the research nationwide indicates it is the appropriate thing to do and funding streams for community services have become available, especially with

CWF. The following represents a sample of recent experiences of child welfare providers:

- At the House of the Good Shepherd, residential placements are down over the past five years with referrals dropping from 500 to 225 annually. St. Christopher Otilie, which previously served 2,000 children in foster care, now serves 1,200. Parsons is serving 95 children in residential beds, down from over 200.
- The House of the Good Shepherd has been developing preventive programs with Oneida County for 10 years. Three social workers work collaboratively with Family Court on diversion and non-secure detention for PINS cases. The program serves 120 PINS-eligible children a year. Eighty to 85 percent of any placed children are out of care within six months. The House serves 12 children in a continued care program that is more intensive than aftercare.
- With CWF and the expectation that counties will make the local share commitment to fund additional community services, some child welfare agencies are focusing on aftercare services.

### **3. *Counties are Reaching Families Earlier Through Community Optional Preventive Services***

Community Optional Preventive Services (COPS) have been increasingly utilized in many counties and the City of New York as a mechanism to intervene with high-risk families before such families are referred to the more formal child welfare services. As opposed to the provision of “mandated” preventive services, which must be provided to families at significant risk of having a child placed in foster care, COPS are more flexible (fewer administrative requirements) and are intended to prevent families from approaching a crisis point. In the past four years, nearly half (28) of all counties have used 65 percent child welfare services funds to purchase one or more COPS programs, including all the largely populated counties. Prior to the introduction of CWF, COPS existed virtually in name only, since there had been no viable funding mechanism in the past decade that created any incentive to develop programs aimed at providing families with preventive services before the onset of a crisis.

In addition to reaching families earlier than might otherwise be achievable, the reduction in administrative requirements and the significant State financial participation help to make it possible for local social service departments to enter into innovative collaborations with other public and private entities. Quite a few counties have used COPS to perform PINS diversion activities, often in partnership with the county probation department and other community partners.

COPS has been and continues to be used for school-based interventions, children's mental health collaborations, expansion of existing home visitation programs, and numerous other earlier (at least from a child welfare perspective) forms of preventive services that have helped at-risk families and helped forge valuable community partnerships.

#### **4. *Suggested Improvements by Stakeholders to Continue Progress in Expanding Preventive and Other Community-Based Child Welfare Services***

While this report documents significant progress made through the increased availability of preventive and other community-based child welfare services, much of it aided by CWF, there are factors which could limit further expansion of these services. A number of these are described below.

- The CWF legislation permits limited use of in-kind contributions to offset local share dollars in only the eight counties that had used this approach prior to the enactment of CWF. Each county included in this review indicated their desire to expand the use of in-kind contributions, especially in a climate of county fiscal constraints or crises.
- Services necessary to keep children in the community, who otherwise would be placed in residential care, are often very expensive. Some providers expressed concern that the funding is not adequate to serve children with complex needs. The state's funding streams for community-based services should be flexible enough to permit providers to incorporate expensive, non-traditional preventive services (e.g., wrap-around type services) when appropriate to avoid residential placement.
- Community services for children and families are funded by federal, state and local dollars and a small percentage of non-governmental dollars. The rules for using the funding sources are somewhat complex. Although counties receive advances throughout each fiscal year in order to prevent any adverse financial impact to the county in relation to cash payments to providers, State and local reconciliation is not completed until after the year services are rendered and voluntary providers reimbursed. The different fiscal years for the federal (October 1 to September 30), state (April 1 to March 31) upstate counties (January 1 to December 31) and New York City (July 1 to June 30) governments, and the fact that until the last two years the state had a history of late budgets, often makes budgeting for children's services at the local level extremely challenging.
- County fiscal staff generally lacks the expertise to understand child welfare services financing and whether they are maximizing state and Federal funds. The county social services commissioners stressed they

do not know how many county dollars are needed for the 35 percent match because of the claiming complexities, the uncertainties in the state Budget process and the amount of the allocations. (**Note:** In an effort to help address this concern, OCFS has recently made available a Child Welfare Services Tool that will help county Fiscal Administrators and their staffs to project the Federal, state, and local shares for child welfare services.)

- CWF, with its 65/35 state and local funding formula for non-placement services, provides a means for supporting services previously funded with TANF dollars. Some providers of purchased services indicated that they had not seen the level of investment (35 percent match) by counties that is needed to support an adequate level of services to meet children's needs in the community.
- While counties have made significant use of the 65/35 state and local funding for preventive and other community-based child welfare services, county fiscal crises and constraints have placed limits on its use in some localities. In order to secure county executive and legislative support for additional funding for the 35 percent local match, some county officials indicated the need for assistance in documenting cost savings from their reinvestment in community services.
- Although desiring to implement additional community-based services such as aftercare, some county officials indicated the need for technical assistance to identify tested and proven delivery models. Additionally, assistance in identifying and implementing outcome measures for certain services or contracts was mentioned by some county officials.
- The districts reported only limited development of post-adoption services. District and state officials believe that there may be a reticence on the part of some foster parents to adopt certain children because they fear losing valuable foster care services for special needs children after adoption.
- Foster care providers that are considering developing more effective preventive, aftercare, post-adoption and independent living services may not have sufficient incentive to do so. For example, providers seeking to provide aftercare services to children in foster care could be rewarded financially if they reduced length of stay and the rate of recidivism.

**5. *New Approaches are Required in the Delivery and Financing of Residential Services***

As more children are served in the community, the children placed in residential care are limited to the most difficult-to-serve population. The state payment system for foster care providers should recognize this and be flexible enough to accommodate the needs of very difficult-to-serve children (e.g., those requiring one-on-one staffing). There is also the need, expressed by officials from a number of counties, for the development of adequately funded residential programs to serve children dually diagnosed with mental illness and mental retardation. The Hillside Family of Agencies, OCFS and the Office of Mental Retardation and Developmental Disabilities District Office in Rochester have developed a four-bed residential unit, using an enhanced daily rate, with the potential to expand its size by eight additional beds. OCFS Rate Setting staff has increasingly been working more closely with voluntary agencies and OCFS Regional staff to find creative rate methodologies to meet the need of the hard-to-place population.

## **SECTION IV – COUNTY SUMMARIES**

This Section presents a summary of the findings from the interviews conducted in the nine counties and New York City, as well as from written materials prepared by some of the counties. Each jurisdiction evidenced a unique set of circumstances that impacted child welfare services funding decisions after the enactment of the CWF legislation.

All selected districts were sent a questionnaire that focused on the development of preventive, aftercare, post-adoption and independent living services since 2002. The districts were asked to provide expenditure data from 2002 to 2004. Although the expenditure data provided by the local districts confirm the development and expansion of preventive services and reveal specific fiscal issues existing in some of the districts, the data are not included in this report because they were not consistent across districts. The data portrayed a mixture of local and gross (i.e., federal, state, and local) expenditures and were not consistent with the reconciliation of claims that normally occurs several months after the end of the district's fiscal year. The most accurate financial picture is obtained from gross claims data the state maintains for each district. OCFS provided gross claims data for preventive/protective, aftercare, post-adoption and independent living services. These data, which are discussed in Section V, helped to confirm the information provided in the district interviews regarding development of new services since passage of the CWF.

### *Albany County*

Albany County has an agency dedicated to serving children, the Department of Children and Family Services (DCFS), that administers children's

services. It has program as well as budgetary responsibility and its Commissioner reports directly to the County Executive. Unlike the administrative structure in other upstate counties, DCFS is independent of the Department of Social Services. Thus, the DCFS Commissioner and her fiscal staff are not juggling Medicaid, Food Stamps and Temporary Assistance issues along with children's issues. Social services commissioners in other counties are monitoring expenses of all programs, e.g., the weekly Medicaid shares reports that could determine available dollars for other programs such as children's services. The creation of a separate children's agency can be credited to the Albany County Executive who, as a county attorney, personally experienced the difficulty of working with children served by multiple agencies.

The county has traditionally had a higher percentage of children in congregate facilities than surrounding counties and counties of similar size elsewhere in the state. The number of children in congregate beds declined from 684 in December 1999 to 350 in December 2004. There is a new philosophy in the county under which the administration no longer believes that children and families are better served in an institutional setting. Instead, there is a belief that children have better outcomes when served in community settings closer to their home environment. The maximum length of stay in congregate care (with the exception of children with serious problems) is six months.

The shift to maintaining children in the community has created a healthy competitive provider environment in Albany County. Providers are retooling to provide more community services, including preventive, independent living and aftercare. The competitive bidding process is geared toward holding providers accountable for outcomes.

The "community" philosophy is helping to reduce the tension between human services agencies and the juvenile justice system. DCFS, the Probation Department and Family Court are working collaboratively to serve older children in the community. Staff in these organizations has learned that placement in congregate care is not the only answer; rather, most children can be served better in the community and such care is much less expensive.

There are many models that are being tested and work successfully for children and families. The county is interested in supporting a variety of promising approaches. A reduction in the number of children in foster care can only be realized if community-based services are available, which is occurring gradually in the county. The county has a six-year; \$9.4 million federal Substance Abuse and Mental Health Services Administration (SAMHSA) grant that will be used to test preventive services programs. In 2005, the county expected to spend \$9.3 million on preventive services.

While DCFS officials indicated that to date CWF has had a relatively minor impact in Albany County, the following has occurred in Albany County:

- Preventive services 65/35 funding has been utilized to support expanded Probation Department activities including centralized intake and PINS diversion. As a result, the Department is operating more under the philosophy of a prevention agency, which has reduced its tendency to support institutional placements.
- As a result of reducing its foster care days, receiving foster care block grant “set aside funds” and thus having additional State funds to support its foster care program, DCFS was able to make available local money for the 35 percent match to fund a post-adoption resource center at Parsons Child and Family Center.
- The level of expenditures for preventive services through 13 contracts with outside organizations increased by 6.5 percent between 2002 and 2004.

### Delaware County

Delaware County’s philosophy is to aggressively provide up-front, preventive services that are individualized for at-risk children. These services include removing children from their immediate environment, when necessary, but maintaining them in their community close to their homes. The county strives to serve children before a Family Court disposition is reached, which can take six to eight weeks and may result in placement in congregate care settings. In keeping with the community placement philosophy and to avoid Family Court action, parents may agree to voluntary placements. As a consequence of the county’s progressive strategy, on any given day, the Social Services Commissioner believes there are 20 children in foster boarding homes, who in many other counties, would be in congregate placements.

There has been a slight increase in the number of foster children in Delaware County that Department of Social Services administrators attribute to factors such as the migration of families from the New York City area after 9/11 and an increase in the number of child sex offenders. In particular, the children from New York City exhibit behaviors that the county has not been accustomed to treating. As a result, new services have had to be developed.

The Social Services Commissioner believes that close collaboration with the school districts results in early identification of potential problems that in many cases are treated before they become more serious. Each school district has a social worker who is critical to working with families when there are early indications of problems. The preventive, aftercare and independent living services offered in the county are designed with the county philosophy of “keep children in the community.” Delaware County has been and will be using CWF funding to support the following services:

- The Department of Social Services is the lead agency in the county's PINS prevention program. Through referral to the Probation Department, PINS petitions are prevented and the agency is able to provide such services as transportation and drug and alcohol counseling and prevention.
- As part of the plan for serving PINS cases, the county has six agency-operated foster boarding homes currently in place and a seventh home for special needs child sex offenders in the development stage. Intensive training with families, agency workers and Department of Social Services staff is occurring.
- For several years, Delaware County has supported the use of school social workers with the use of preventive services.

There is a waiting list for the four Mental Health Home and Community Based Services (HCBS) waiver slots allocated to the county. The Department of Social Services, Family Court and other county human services agencies are working collaboratively to develop a Drug Court that will have a preventive focus.

Expenditures for preventive services increased from FFY 2001 to 2004 by 71 percent while independent living services expenditures increased by 12 percent.

### Erie County

Erie County's mission statement for serving children includes, in part, that "The Children's Services Division collaborates with community agencies and service providers to support families based on their cultural and individual strengths and needs to ensure children and families in crisis quickly receive necessary assistance." The county strives to ensure safe family units for all children and adults.

To achieve that end, Erie County made a major commitment to provide preventive services in 2002 and developed COPS programs. Historically, the availability of Temporary Assistance for Needy Families (TANF) dollars resulted in the expansion of services for children and families. The loss of TANF dollars has impacted all counties but the impact has been more severe in Erie County because there are insufficient local dollars to absorb the loss as a result of the county's fiscal crisis.

Due to the fiscal crisis in Erie County, the Department of Social Services notified county children's and family services providers that 30 to 35 percent (approximately \$3.2 million) of the children's services contracts would be cut in

2005. This action impacts preventive, aftercare, independent living and adoption services contracts. Although the cuts are real, the Commissioner of Social Services cautions that in assessing the cuts, the state must consider the county's ongoing commitment to support PINS diversion and mental health wrap-around services. The county is looking to SAMHSA funding to support necessary services. The Department of Social Services will be monitoring the impact of the cuts in the 2005 and 2006 fiscal years.

Despite the fiscal crisis, Erie County has an aggressive plan for 2005 that is designed to target economic hardship, and social, health and mental health problems of specific populations. The 65 percent state reimbursement under CWF is expected to have an impact in 2005. Three COPS initiatives that will benefit from CWF are described below:

- Closing The Gap is a program designed to improve the academic performance of children in targeted areas of Buffalo. Children and their families in six inner-city schools will receive individualized, strength-based coordinated services. The intended outcomes of the program are enhanced academic outcomes; decreased referrals for discipline, tardiness and attendance; increased parental involvement; decreased number of children in crisis; and increased developmental assets. The program is a coordinated effort among the county, Buffalo public schools, the United Way and private agencies. A portion of the funding is from non-county donated funds.
- PINS Diversion/Juvenile Delinquency Prevention is a program designed in response to the PINS age increase to serve youth at risk of being adjudicated PINS. The intended outcome of the program is to divert youth from further involvement in the juvenile justice system. It is a coordinated effort between the Department of Social Services, Probation and private contract agencies.
- Grandparent Advocacy Program is collaborative effort between Neighborhood Legal Services and Mid-Erie Counseling and Treatment Services. The project provides legal representation and other support including referrals, linkages, food/clothing, vouchers, and respite services to grandparents and other relatives seeking custody of children in Erie County Family Court. Intake for the project is generally conducted in the courthouse. This service is designed to enable children to remain within their extended families, while reducing the need for placement of children in third party foster homes.

Contracted mandated preventive, COPS and independent living services in Erie County increased 90 percent from SFY 2001-02 through SFY 2004-05. Due to the fiscal crisis, voluntary providers were notified that contracts for 2005

would be cut by 33 percent. The County's proposed budget for 2006 restores 50 percent of those cuts.

### Monroe County

According to Monroe County Department of Human Services officials, the county has traditionally had a preference for providing in-home services when a child or family's needs could be met safely in the home. Since 2000, the county has experienced significant reductions in the number of children in foster care, particularly in the number of children in family foster care, which dropped from 824 in 2001 to 627 in 2003.

Department of Human Services officials reported that Monroe County has historically experienced high placement levels for 13-17 year olds. In part, this is attributed to a court system that is more likely to place teenagers in a congregate setting, often for relatively short periods of time. An initiative to address this issue is a cooperative effort between the Department of Social Services and a Family Drug Court program that is funded by OCFS and the Office of Alcoholism and Substance Abuse Services (OASAS). The Commissioner of Social Services also meets regularly with judges in an effort to inform them about alternatives to congregate care.

Monroe County has undertaken successful efforts to minimize the number of children placed in out-of-state facilities (currently two). This initiative, originally undertaken from the late 1980s to mid-1990s, brought together representatives from mental health, mental retardation and developmental disabilities along with local DSS staff to address one-by-one the needs of children placed out of state and return them to the community. On an ongoing basis since then, the Department of Social Services has worked closely with agencies to identify special needs and pay for services that are often expensive to prevent children from being placed out of state.

Due to Monroe County's fiscal crisis, in 2003 programs experienced a reduction of 20 percent in their preventive services funding. In addition, in late 2003, four preventive services programs experienced funding reductions.

Since passage of the CWF legislation, the following has occurred in Monroe County:

- A Youth and Family Partnership Program, modeled after the Wrap-around Milwaukee Program, expanded its number of slots from 25 to 50 and there is an effort under way to add an additional 50 slots. This initiative is emblematic of the county's major effort to increase the availability of preventive services.

- Some evidence-based program models such as Functional Family Therapy (FFT), provided under contract with Cayuga Home, appear to be working effectively.
- Useful programs have been funded through COPS, including Work Scholarship Connection and Family Resource Centers.
- The general counseling program of the Catholic Family Center is being expanded with the intent of developing an evidence-based service.
- The Juvenile Reporting Center, formerly funded through a Federal grant, is being funded locally.

Monroe County officials expressed concerns about the reduction in its Foster Care Block Grant in recent years, which has led to difficulties in local planning and additional county expenditures. While supportive of the 65/35 funding availability for preventive services, in 2003 and 2004 Monroe County had limited local funds available to provide the required 35 percent match. The use of donated funds and the availability of COPS (with its lower level of administrative costs) have been critical to the maintenance and expansion of preventive services in Monroe County during its fiscal crisis.

Monroe County officials indicated that, in 2005, funding for preventive services was expected to be restored to the 2002 level.

### Oneida County

Oneida County officials indicated that prior to the passage of CWF legislation in 2002; the county had already begun its emphasis on in-home services due to escalating numbers of children in placement. The 65/35 funding under CWF for preventive services has permitted Oneida County to continue some programs it had in place as well as develop new initiatives focused on the provision of in-home services.

Since the passage of the CWF legislation, the following occurred in Oneida County:

- A Kids Oneida Step-Down Program has been initiated that provides child-specific contracted services to children who may not need the intensive level provided by Kids Oneida. The program will focus on preventing an escalation in children's behaviors that can lead to out-of-home placement, as well as on stabilizing children returning home from an out-of-home placement.
- An Initial Response Team (IRT) pilot has been implemented through collaboration with Oneida County's School Partnership for Youth program,

the Departments of Probation and Mental Health, the Runaway and Homeless Youth Program and two school districts. The program's goal is to act at the onset when a child is identified as being "at risk" of out-of-home placement. By bringing the family and child together to meet with representatives of the aforementioned agencies, a service plan/contract is developed that meets the needs of both the family and child and averts an escalation of the problem that could lead to out-of-home placement.

- Post-adoptive services have been expanded through a contract with an outside agency. Foster/adoptive parents serve as a resource to new families, develop informational and training sessions, and work with community resources to develop specialized services to address adoptive issues faced by children and parents.

Oneida County is currently developing three COPS proposals for OCFS to review:

- School Partnership for Youth – IRT Pilot (see above)
- Detention Diversion Program
- School Partnership for Youth – Short-term/Information and Referral Services

The number of contracts for preventive services increased by one-third while expenditures increased by 10 percent between 2002 to 2004. New contracts expanded services, including a Utica Safe School's Healthy Family Program, a Parent-Child Mediation Program and an Outpatient Assessment Program.

### Ontario County

According to Ontario County officials, even prior to the passage of the CWF legislation in 2002, the county had a culture of supporting the provision of preventive services. As early as 1988, the county began working with the Probation Department and judges to reduce placements in state-operated residential settings. Nearly 10 years ago the county began bi-monthly meetings with representatives of county and state human services agencies and private providers to focus on funding services for cross-system children with complex needs.

Since the passage of the CWF legislation, the following has occurred in Ontario County:

- Funding for the STAR program increased from \$160,488 in 2001 to \$251,041 in 2004. Formerly funded with only county funds, the program was expanded by using 65/35 preventive services funding.

- An FFT Program, initially funded solely with TANF funds, was continued in 2004 using 65/35 preventive services funding when TANF funding became unavailable.
- Partnership with the Probation Department was strengthened through the provision of COPS funding in 2003 and 2004 in the amount of \$262,987 and \$354,963 respectively.
- For the first time, in 2004, the county contracted with a community organization for the provision of independent living services.

Contracts for preventive services provided by outside agencies increased 75 percent from 2001 to 2004. Due primarily to the COPS program, which provided funding to the Probation Department to expand services, preventive services expenditures by county agencies increased from \$6,574 in 2001 to \$361,225 in 2004.

While very supportive of the 65/35 funding provision of the CWF legislation, Ontario County officials expressed concern that the complexity of and the changes to child welfare services funding often makes it difficult for county leaders to plan. This, in turn, limits the ability to secure local dollars for more 65/35 funding initiatives.

These officials also expressed the need for technical assistance in measuring the impact of the provision of preventive services. Demonstration of positive results could favorably influence county leaders to invest more county funds to secure additional state preventive service dollars.

### Orange County

Orange County began a shift away from out-of-home care about the time the foster care block grants were introduced in 1995. This effort was accelerated beginning in 1999. The county has been successful in limiting the number of children in placement, reducing the number by 20 percent between 1999 and 2001. This was followed by a period of stabilization in 2002 and 2003 and another reduction of placements by 20 percent in 2004. According to Department of Social Services officials, given the county's growth rates and demographic changes, it will be a significant achievement to continue to experience no increase in foster care placements.

During the past four years, Orange County reported a 100 percent increase in the number of preventive services slots (from 120 to 240) through contracts with outside voluntary agencies. According to Department of Social Services officials, the CWF legislation allowed the organization to become more progressive and proactive in the area of children's services.

Since passage of the CWF legislation, the following has occurred in Orange County:

- Preventive services slots doubled (see above).
- Service expansion included a \$400,000 contract with Southwest Family Keys (recommended by the Vera Institute). This program provides intervention to families within 72 hours.
- Collaboration with schools in the county has increased with 11 social workers added in the three largest school districts and, in 2005; a social worker was added to BOCES. Orange County is one of the eight counties that were grandfathered in to use in-kind contributions to fund preventive services. For this initiative, the school districts contribute 25 percent of the local share in-kind.
- A PINS Steering Committee has been developed in the county with participation from the departments of Social Services, Mental Health and Probation along with the Youth Bureau. Funding is provided for a mental health assessment team (three positions); six Probation Department staff who work with PINS; and a PINS diversion team (two positions).

A Multisystemic Therapy (MST) program is in place with three workers in Orange County and one in Sullivan County under a single administrative arrangement. Orange County officials' assessment of the CWF legislation is that it has had a positive influence on their ability to meet the needs of children in the county.

Due to claims lags and the slow start-up of a major new program in 2004, Orange County officials indicated that available data would not accurately reflect expenditures for preventive services for the 2001-04 period. However, these officials indicated the expenditures for preventive services increased each year throughout this period, which is consistent with 2002-04 claims data provided by OCFS.

### Schoharie County

The trend of foster care placements in Schoharie county over the past six years has been impacted by a national tragedy (Columbine school incident), targeting children in congregate care settings, and the development of a collaborative effort with school districts.

The Schoharie County Department of Social Services has found that service planning and placement of children is often out of their control. The

national tragedy at Columbine may have influenced the Schoharie Family Court Judge's decisions. In June 1999, all 16 cases ruled upon by the Family Court Judge resulted in residential care because he decided that placement was necessary to protect the community. Within one month, 12 of the 16 children and youths were discharged and authorized to receive services in the community.

The entry point into placement in Schoharie County had traditionally been through Child Protective Services. The events of 1999 started a trend towards congregate placements, primarily in relation to the JD/PINS population. In 1998 there were 30 to 40 children in foster care with one-third in congregate care. The foster care population peaked in 2001 with 76 children in care and has declined to approximately 50 today. The numbers may seem small but are significant in a small rural community like Schoharie County.

In 1999, the Commissioner of Social Services initiated a transitional program targeting children in institutional care. The case manager worked with the child and family while the child was still in the institution and developed a wrap-around package of services geared toward successfully returning the child to the child's community of origin.

At the same time, the Department of Social Services reached out to school districts and developed a relationship with six of them, eventually leading to the Home Run Program. The focus of this program is on front-end services in the schools and bringing services into the child's home. The Social Services Commissioner realized that in Schoharie County the local school district is the hub of local community activity. It was therefore logical for the Department to invest in delivering services in the school districts.

Preventive services are provided through contracts with Berkshire Farm, which provides services to children in the schools and follow-up with families in the home. Between 2001 and 2004, expenditures for preventive services have increased by 500 percent and independent living expenditures by almost 200 percent.

### Suffolk County

In November 2001, the Suffolk County Executive established the Suffolk County Institutional Foster Care Strike Force to examine the problem of rapidly escalating costs of institutional foster care placements and to identify ways to reduce the number of youths entering such costly programs. In December 2003, it was renamed the Strike Force on Crisis Services for Children and Families. It has been instrumental in planning for and reallocating resources to permit the expansion of existing preventive services programs and the development and implementation of new preventive services programs.

The Strike Force participants include a broad array of county, state and community-based organizations such as the county departments of Social Services, Health, Probation and Law; county Family Court and Law Guardian's office; County Executive's Office of Budget and Management and Legislative Budget Review Office; New York State Office of Community Mental Hygiene, Office of Children and Family Services Regional Youth Development Office; and Sagamore Children's Psychiatric Center.

Since passage of CWF in 2002, some of the actions that have been taken in Suffolk County to expand child welfare services include:

- Intensive Case Management  
During 2003, the Department of Social Services contracted with Hope for Youth, Inc. for a comprehensive continuum of preventive services that combines intensive case management, social work (advocacy, family services, aftercare, basic care, etc.), step-down, clinical care and placement services, including emergency and respite care if needed, capable of preventing or shortening foster care placement. Hope for Youth was selected through an RFP process and began the program in 2003. This program is designed to serve 30 children annually.
- Home Safe  
During 2003, the Department of Social Services expanded its contract with the Family Service League's Home Safe and CCSI-Home Base Programs to double the number of children they serve. These programs provide preventive and aftercare services to the families of children at high risk of foster care placement or who are in foster care placement. The CCSI-Home Base Program serves JD/PINS youths and seriously emotionally disturbed/psychiatrically impaired children. Integral to these programs is the availability of a flexible services wraparound fund to provide "whatever is needed" to keep a child in the community. Through this fund, resources such as a temporary aide in the home, transportation to appointments, tuition for summer camp, emergency respite, recreational activities and concrete items such as clothing and home furnishings are provided as needed, if unavailable through other means.
- Family Drug Court Program  
The Department of Social Services contracts with the Education & Assistance Corporation for a Family Drug Treatment Court program that provides assessment services, referrals to judicially supervised substance abuse treatment, and intensive case management, to address the needs of drug addicted parents and their children. The program provides a variety of services, including family group conferencing and parent training.
- Supervised Visitation

The Department of Social Services contracts with the Education & Assistance Corporation to administer the Supervised Visitation program. The program is designed to shorten the length of time children spend in foster care through the provision of enhanced visitation schedules, hands-on training and modeling for birth parents. The county plans to expand this program in 2006 to include a Therapeutic Supervised Visitation Program designed to accelerate reunification or an alternative permanency planning outcome through increased visitation and clinical assessment of the parent-child interaction.

- Independent Living Services

The Department of Social Services contracts with Family & Children's Services to administer an independent living services program that includes independent living skills training and supervision. The Department expanded its funding of this program in 2005 to support a family mediation component to work with children and their foster parents when the placement is at risk, and to support the development of a National Foundation for Teaching Entrepreneurship program.

- Alternatives For Youth Program (Planned)

Suffolk County recently implemented an "Alternatives for Youth (AFY) Program". The AFY Program, which was designed by the Strike Force on Crisis Services, has a coordinated, interdepartmental effort to intervene early in situations involving troubled youth, thereby keeping them from entering the juvenile justice system and, in some cases, being placed in expensive, full-time residential foster care. The contract agency makes face-to-face contact with the youth and/or parent /guardian within 48 hours of referral and begins the process of crisis intervention, formalizing a treatment plan, and linking the youth and family to needed services. Services may include mental health counseling, child preventive services, youth programs including group activities and peer-to-peer mentoring, conflict resolution/mediation, educational advocacy, parent training, and the development of coping skills. The services are provided by community-based agencies and/or by the participating county departments either directly or by their subcontractors.

The Suffolk County Youth Bureau has issued a Request for Qualifications for Aftercare Case Management Services for the Alternatives for Youth Program. The services to be provided include evaluation of the youth's needs, information and referral, advocacy, home/school visits and collateral contacts with persons/agencies involved with the youth/family, coordination/oversight of services delivered and follow-up services for a least one year after initial AFY contact, maintaining statistical data on youth/families served, and reporting to both the AFY Program provider and the AFY Oversight Committee.

In addition to the contracts with outside organizations to expand the availability of preventive, aftercare, independent living and post-adoption services in the county, the following are among the actions that have been taken by Suffolk County governmental entities:

- A PINS Diversion/Preventive Services Project was initiated in October 2002 under the terms of a Memorandum of Understanding between the Department of Social Services and the Departments of Probation and Health Services. The project serves PINS youth of all ages, including 16 and 17 year olds for whom a PINS action has been initiated. The provision of preventive and other supportive services is aimed at preventing detention and foster care placement.
- The Department of Social Services has hired two new counselors and a community service worker to provide preventive services to youths/families referred by the Alternatives For Youth Program.
- The Department of Health Services has hired a clinical nurse practitioner and a psychiatric social worker to train county department and AFY contract agency staff participating in the program to perform intensive mental health and substance abuse evaluations of youths referred by the AFY Program, as well as expedite referral of AFY-involved youths and their families to appropriate treatment providers.
- The Youth Bureau has hired a community relations assistant to coordinate and expedite the delivery of youth services to youths at risk of PINS referral and foster care placement.

Suffolk County has received approval from OCFS to claim a variety of preventive services programs as COPS. These include the Nassau/Suffolk Law Services' protective/preventive services program; Family Service League and Pedersen-Craig Center's post-adoption services programs; and the Violence is No Effective Solution program.

Suffolk County Department of Social Services officials indicated that the availability of 65/35 funding has permitted them to think about many new preventive services program approaches. In some cases, CWF funding has been used to expand successful grant-funded programs. It has also provided expansion funding for over 25 full and part-time additional County staff, mostly in the Probation Department. In particular, Department of Social Services staff find that CWF 65/35 funding is well-suited for PINS Diversion programs.

Expenditures for preventive, aftercare, independent living and post-adoption services have increased significantly since 2001. Particularly noteworthy are the increases for preventive services (79 percent) and aftercare (108 percent).

## New York City

In the 1990s, the number of children in foster care in New York City declined dramatically. New York City's Administration for Children Services (ACS) adopted a more aggressive approach to prevention and maintaining children in the community. Worker salaries were increased and more training was provided. Increased focus was given to efforts aimed at child protection and providing family support in order to reduce the number of children at risk. Front-line workers made more decisions with the emphasis on keeping children in the community.

ACS believed that local communities could best provide the services that families needed. In 1997, New York City increased the amount of contractual dollars it provided community-based organizations, a strategy that has proven to be successful. In 2005, with a better-trained and skilled ACS workforce along with more preventive services available in local communities, the foster care population had declined to 18,000 children, from 30,000 children in 1996.

There were issues that had initially prevented New York City from expanding and serving all at-risk children. Even with its commitment to prevention, there had, for a period of time, been no new local dollars for additional preventive services. If New York City were to benefit from CWF, it needed to make available new local dollars, especially given the cuts in TANF dollars.

The number of foster children in congregate care settings has decreased from 4,000 to 3,500 over the past few years. ACS's reinvestment strategy is to use the savings of New York City dollars that would have been spent for congregate care, as well as the overall reduction in foster care, and spend them on preventive services utilizing the 65/35 percent state/local match.

ACS is presently using \$9 million in local savings to reinvest in preventive and aftercare services in the 2006 fiscal year. With the matching CWF State funds, ACS is investing \$27 million in new preventive and aftercare services in 2006.

Expenditures for preventive services increased by four percent from 2001 to 2004. The projected increase of \$27 million in reinvestment dollars for 2006 would represent an expansion of 33 percent from 2001.

## **SECTION V – OCFS CLAIMS DATA**

The Office of Children and Family Services provided gross claims data for SFY 2002-03 through 2004-05 for child protective, preventive, independent living, and adoption services. Table 1 data indicate that total aggregate claims for the nine counties included in this report increased by 18 percent from \$107 million to \$127 million while New York City's claims increased by seven percent from \$394 million to \$425 million. The increase for the remaining counties that were not discussed in this report was from \$172 million to \$200 million, an increase of 16 percent. The bulk of the increase is in the category of child protective and preventive services. Within that category, child protective services typically account for 50 to 60 percent of the total.

**TABLE 1**

**Total State and Local Gross Claims  
Child Protective and Preventive Services, Independent Living and  
Adoption Administration Services  
SFY 2002-03 Through 2004-05**

<i><b>District</b></i>	<i><b>2002-03</b></i>	<i><b>2003-04</b></i>	<i><b>2004-05</b></i>
Albany	\$9,515,269	\$10,851,805	\$12,509,325
Delaware	2,937,961	2,726,039	2,855,846
Erie	22,270,452	25,827,000	30,860,450
Monroe	25,388,010	26,028,650	21,364,667
Oneida	10,143,941	9,438,114	10,788,318
Ontario	1,960,265	2,491,621	2,802,658
Orange	12,576,920	13,063,816	14,850,047
Schoharie	876,643	1,021,225	1,403,691
Suffolk	21,745,455	24,118,240	29,331,045
New York City	394,436,866	390,119,455	425,134,154
Nine Counties	107,414,916	115,566,510	126,766,047
Rest of State	172,500,905	182,967,820	199,547,980
New York State	674,352,687	688,653,785	751,448,181