



NYC Administration for Children's Services

**PROTECTING CHILDREN
AND
STRENGTHENING FAMILIES:**

**A PLAN TO REALIGN
NEW YORK CITY'S CHILD WELFARE SYSTEM**

FEBRUARY 2005



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OVERVIEW

New York City's child welfare system has undergone enormous change over the past eight years. During this period, the nation's largest city-administered child welfare system, the Administration for Children's Services, in partnership with its contract agencies, has enhanced the quality of services to children and families, sharply improved training and oversight of direct staff and contract agency service providers, and continued to creatively adjust its programs to reflect a declining caseload and shift in service population. A sustained track record of reform has yielded significant and measurable improvements in quality and results. When compared to the child welfare system of 1995, the impact of these changes on the children and families served by Children's Services is nothing short of profound:

- There are approximately 25,000 fewer children in foster care, representing a 48 percent decline from the 1995 foster care census;
- The number of children entering out-of-home care each year continues to decline, and is expected to be approximately half the number of children who entered care during 1996;
- The adoption rate has steadily increased since 1996, from approximately 8.7 percent of children awaiting adoption in 1994 to nearly 13 percent in 2003; and
- The number of children and families receiving preventive services has steadily grown, and now exceeds the number of children in foster care.

In 1995, no one would have predicted these outcomes or expected that the New York City child welfare system would have the capacity to achieve them. However, through adherence to a set of principles – keeping children safe while supporting them and their families with quality services in their very own neighborhoods – this transformation was accomplished. All the while, safety, permanency and well being for children were, and still are, our paramount concerns.

Today the New York City child welfare system faces another historic opportunity. Children's Services and its partner agencies are now positioned to reshape the system by shifting the center of gravity in service delivery from out-of-home care to neighborhood-centered family support, to reorient financial incentives to advance that objective, and to invest in the success of family-focused foster care rather than institutional care. In short, what Children's Services seeks to accomplish is the creation of a system where best practice is standard practice, rather than the exception. By creating a system that deepens our commitment to these principles – both programmatically and financially – family support services aimed at keeping more families together where appropriate, and family and community based foster care for those children for whom out-of-home care is the

safest option, Children's Services and its providers can help build strong families and communities throughout the City that stand ready to aid in times of crisis.¹ Failure to make the most of this opportunity would be a failure of both imagination and leadership.

Rightsizing, reinvesting and realigning are actions that support the development of a service network that is increasingly capable of meeting the needs of any child or family in any community.

Rightsizing

It is no secret that the current system of out-of-home foster care services has more capacity than is needed or desired. Foster care placements continue to drive the system and its funding, even as the number of youth in out-of-home care continues to decline dramatically. A decade ago, a high foster care population ensured a steady caseload for all foster care programs and differences in quality were less apparent. Today, a declining population means declining revenues for foster care program providers, thereby potentially compromising the ability of these providers to ensure the best care for the children entrusted to them.

Faced with the choice of allowing these dynamics to create a chaotic race to the bottom or taking a different path, Children's Services is determined to do the latter. This document presents Children's Services' plan for rightsizing the foster care system by reassigning capacity and census over the course of the next eighteen months.

Reinvesting

As a system, child welfare gets what it pays for – foster care drives the funding and the services. As a result, close to two-thirds of families never receive in-home support services, aftercare is not funded at all, and 75 percent of the time neighborhood-based services are not in a family's plan.

Reinvesting means taking advantage of the savings produced by the declining foster care population to recycle money back into the very support services – preventive, quality foster care and aftercare – that help reduce admissions and lengths of stay in the first place. Redirecting savings helps establish a feedback loop whereby neighborhood-centered family support services continue to hold down the foster care population, generating savings that are re-allocated to additional preventive and aftercare services, and to high performing foster care providers.² This document describes Children's Services' plan for reinvesting foster care savings into the system to support these programs.

¹ For a complete description of Children's Services' Principles, see Appendix A.

² Retaining savings in the system is critical to the success of this approach, but Children's Services also needs to be prepared to invest supplemental funds to respond to unanticipated, exogenous shocks to the system caused by economic or other dislocation factors that can drive up foster care admissions.

Realigning

A continuous cycle of reinvestment from foster care to family support creates momentum that over time realigns core service delivery, placing neighborhood-centered family support at the center, supplemented by foster homes, relative care and specialized treatment. It changes the first line of help and the sequence of actions that follow – from removal followed by reunification efforts, to in-home support bolstered by targeted services.

Family support programs are also key parts of community infrastructure and essential ingredients in what makes for livable neighborhoods. Investment in these organizations will produce multiple benefits: stable families, system efficiencies, and thriving neighborhoods that, in turn, help families do better by their children. This document discusses Children's Services' plan for:

- developing and enhancing family support services;
- reducing the system's overall foster care population and reliance upon congregate care; and
- strengthening its use of family-based and relative foster care.

In summary, Children's Services is building on the success of almost ten years of reformed policy and practice to do even better by children and families. Children's Services is initiating a strategy for *rightsizing* the network of foster care providers so that capacity and quality are linked, *reinvesting* savings so that high performing agencies are strengthened and family support services are more adequately funded, and *realigning* services so that neighborhood-centered, in-home services are the first form of help. The result will be a system that is more effective for families and more financially efficient, while also bolstering community institutions and infrastructure.

THE PLAN FOR RIGHTSIZING, REINVESTING IN AND REALIGNING THE NEW YORK CITY CHILD WELFARE SYSTEM

The contraction of the foster care population presents New York City with unique opportunities to create a more family-focused and neighborhood centered service delivery system. By acting now to *rightsizing* the provider network, *reinvest* foster care savings and *realign* the service delivery system so that it is more consistent with these values, Children's Services will lay the foundation for the establishment of a child welfare system that serves to protect children while at the same time strengthening the ability of families and communities to care for their very own.

RIGHTSIZING THE PROVIDER NETWORK

Reassigning Capacity

In part, ensuring that children and families receive high quality services means a reassignment of the existing service capacity. Currently, there are providers who have experienced acute declines in their caseloads due to a combination of fewer referrals as well as consistent performance in moving children to safe, permanent homes. At the same time, there are other providers managing with less successful results that continue to operate programs. Ensuring children receive the best possible services in each and every community is a central part of this rightsizing strategy, and will ultimately require expanding the role of better performers while reducing and eliminating the role of providers who fail to consistently demonstrate positive outcomes for the children and families they serve.

Children's Services is initiating targeted reductions in foster care capacity for programs serving children in Foster Boarding Homes ("FBHs"), and will be continuing targeted changes in foster care capacity for programs serving children in Group Homes ("GHs"), Agency Operated Boarding Homes ("AOBHs") and Residential Treatment Centers ("RTCs"). Children's Services expects that the closing of those programs will be completed during calendar year 2005, with some programs closing by or before June 30, 2005. When completed, these changes will have resulted in the reassignment of 11.5 percent of the system's census to higher performing programs.

Targeted FBH Closures and Program Reductions – Using performance as a starting point, Children's Services saw the need to take immediate action to end its foster boarding home contracts with two agencies and to close one of its own directly operated foster boarding home programs. These programs were

characterized by a history of poor performance (either for all four years or two of the most recent years).³ Additionally, one of the providers was found by the New York City Department of Investigation to have falsified documents for children in care. These decisions are consistent with rightsizing in a manner that emphasizes performance.

These programs are Bronx Direct Foster Care Services (DFCS), Miracle Makers Incorporated and St. Christopher's Incorporated. Bronx DFCS and Miracle Makers both have had less than satisfactory performance in all four years of EQUIP scoring⁴, while St. Christopher's Incorporated has shown less than satisfactory scores in the two most recent years and was also the provider found to have engaged in case record falsification.

The situation of these three providers is clearly more acute than other FBH programs, and therefore they are the first three FBH programs Children's Services will move to close by the end of fiscal year 2005.⁵ Going forward, Children's Services will act quickly to terminate contracts for poor performance and will also take immediate action against any provider found to have engaged in record falsification or similar practices found to be harmful to the well-being of children in its care.⁶

Again using performance as a criterion, Children's Services has also determined that it would be prudent to reduce the census of two of the largest foster boarding home programs that have not demonstrated high performance. In each case, their census will be reduced to levels that are potentially more manageable. These programs are Little Flower Children's Services and Family Support Systems. Children's Services will reduce the census of each of these programs to levels approaching 400 children by the end of fiscal year 2005.

In total, the number of cases reassigned from programs targeted for closure or reduction is approximately 2200 children. Children's Services will review all of the cases for which the closing program has case planning responsibility to make a determination of the appropriate programs for receiving transferred cases. (Some youth may be ready for discharge, but it is expected that most of them will remain in their current foster homes and that planning responsibility for the

³Other sources of data and information including information about deficient court activities such as occurrence of "no reasonable efforts findings" and stakeholder feedback including complaints, all of which offer more in-depth feedback on the qualitative aspects of these programs, were studied and the results corroborated the FBH EQUIP scores for these programs.

⁴Children's Services annually measures the performance of its contract agencies and direct care programs providing foster care and family support services through the Evaluation and Quality Improvement Protocol (EQUIP). EQUIP measures agencies based on their performance in three categories: Process, Outcomes and Quality.

⁵"Close" means to end Children's Services' contract with an agency.

⁶ Except in the case of St. Christopher's Incorporated, these FBH program closures do not include other programs that may be operated by the agency, such as Therapeutic Foster Boarding Home (TFBH) or congregate care programs. Decisions about these other programs would be made, as needed, in discussion with each agency.

homes will be transferred to new agencies.) Consistent with past program closures, Children's Services will use the following guidelines for transferring cases and will always seek to serve the best interests of each child affected by the program closures.

1. Children with special needs and children with specific placement goals will be transferred (with their current foster homes) to agencies capable of supporting those needs and goals.
2. Children without special needs or placement concerns will be transferred (with their current foster homes) to agencies with better demonstrated performance histories based on Community District (CD) assignment.
3. For all children without stable foster home placements or placements that are inappropriate for the child's needs, Children's Services may go beyond the above CD assignment parameter in seeking a new agency and a new foster home to serve those children.

A great deal of effort will go into the work required to implement the outlined program decisions. Ongoing analysis of affected children and relevant contract agencies and communication with providers will remain a central part of completing these transfers.⁷

GH and AOBH Targeted Closures – Over the course of the next six months, Children's Services will complete the second phase of AOBH and GH closures begun in the spring of 2004 in connection with the Families for Teens Congregate Care Reduction Initiative (CCRI), which to date has resulted in the closure of 53 contract agency operated AOBH and GH sites with 473 beds. Some of these sites were identified for closure by Children's Services, while others were self-selected for closure by the contract agencies.⁸ Five more sites run by contract agencies will be closed for Children's Services use, representing almost 40 additional beds in fiscal year 2005. These sites are operated by the following agencies: Abbott House, Catholic Guardian Society, Lutheran Social Services, mercyFirst and New York Foundling Hospital.

Additionally, Children's Services plans to continue reducing its directly operated congregated care services. In 2004, 41 beds were eliminated from the Direct Congregate Care program, thereby reducing the number of beds from 213 to 172. During calendar year 2005, Children's Services will reduce its direct congregated care program by an additional 81 beds. Using permanency and safety as the guiding principles, Children's Services will ensure that all youth and families have a voice in deciding their placement options and discharge plans.

⁷ A fuller description of the guidelines for transferring FBH cases can be found in Appendix B.

⁸ For a complete listing of the GH and AOBH programs that have been closed or will be closed, please see Appendix C.

RTC Targeted Closures – Two agencies have elected to end their RTC programs with Children’s Services by the end of 2005. These programs are the New York Foundling Hospital St. Agatha RTC and the Edwin Gould Academy RTC.

A third RTC to be closed is operated by St. Christopher’s Incorporated, an agency which was identified by the NYC Department of Investigation as having falsified information in its foster boarding home case record documentation practices. Given the seriousness of this issue and the questions it raised about the overall integrity of the agency’s program operations, Children’s Services recently announced a plan to terminate its entire foster care contract with this agency.

These three RTCs represent a reduction of 150 to 200 beds. Intake for new Children’s Services referrals to all of these programs will be closed immediately. Children’s Services will work with each agency to gradually move youth out of these programs over the next six to twelve months, recognizing the possibility that some youth may not be moved until the end of the school year to avoid disruptions to their educational process. In all cases, Children’s Services will use *Families for Teens* Review Teams to interview each of the young people affected by closure decisions, and will work with youth to create the most appropriate, individualized discharge or replacement plans.

Review Additional Programs

FBH Program Reviews – Looking at the EQUIP scores for all four years of all FBH providers, Children’s Services identified 10 contract agencies whose FBH programs’ average scores place them in a lower tier and rank category (an average score over four years of less than 75). These programs will be reviewed and provided technical assistance over the next three to four months to determine their strength and viability, and their role in the communities they serve, to decide whether Children’s Services should continue contracting with any or all of them for foster boarding home services.

The programs to be reviewed are Children’s Services’ Brooklyn DFCS, Child Development Support Corporation, Community Counseling and Mediation, Edwin Gould Services for Children, Family Support Systems, Harlem Dowling Westside Center, Heartshare Human Services of New York, Little Flower Children’s Services, Lutheran Social Services and Protestant Board of Guardians.

Congregate Care – As Children’s Services continues to decrease the number of youth in GH, AOBH and RTC settings by reducing the number of congregate placements and by identifying appropriate discharge or family-based foster care resources for youth already in congregate care, additional sites will be identified

for closure. Children’s Services expects to make these determinations by July 2005.

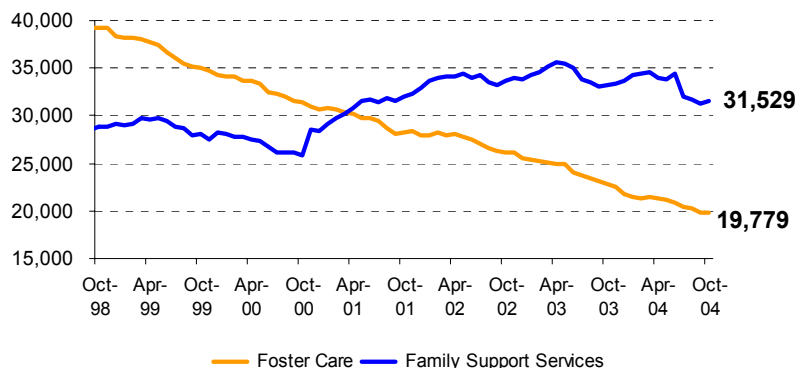
REINVESTING IN THE SYSTEM

As the focus of the service delivery system continues to shift away from more restrictive and costly placements towards family-focused, community-based programs, Children’s Services will be exploring strategies to re-direct funding in ways consistent with this approach. At the same time, these strategies will also strengthen the remaining foster care services. This reinvestment of “averted costs” is the key to building the service system of the future.

Reinvesting Foster Care Savings in Family Support Helps Strengthen Families and Averts Costs in Foster Care

Expanding the system’s capacity to serve more children safely at home plays an important role in reducing the likelihood that a child enters into foster care, and in averting foster care costs. Beginning in 1998, New York City increased the Children’s Services budget for family support programs by \$30 million annually, a move which enabled the agency to strengthen its family support services programs by adding both capacity and funding to preventive contracts. This strategy continues today. In calendar year 2003, Children’s Services placed 48 percent fewer children in care than were placed in calendar year 1997. Moreover, since 2000, the number of children and families receiving preventive services annually has exceeded the number of children in foster care.

New York City Foster Care Use Has Declined as Use of Family Support Services Has Increased



New York City is committed to reinvesting additional savings achieved through declines in foster care census in its family support services programs. These funds will be used to keep more children safe at home with their families with the right mix of services, and – when out-of-home care is necessary – to provide aftercare services to children and families upon discharge, to help reunified and adoptive families make permanent transitions from foster care.

Over the course of the next twelve months, Children’s Services will increase the funding for existing family support services and develop new aftercare programs and intensive preventive/aftercare programs for our adolescent population.

Reinvesting in Foster Care Providers Strengthens Programming

Even as we move towards a system of care that places greater program and fiscal emphases on family support services over foster care, and family-based foster care over residential out-of-home care, agencies that continue to provide foster care services must be strengthened if they are to provide quality services. To some extent, many foster boarding home programs and congregate care programs will be bolstered through volume increases that occur when several programs are closed or reduced and cases are reassigned to better performing agencies. In addition, the following initiatives are designed to help meet funding needs, and are being developed for implementation immediately.

- Performance based rates will be increased for all FBH contracts.
- All TFBH program and Special Medical rates will be increased. In addition, a performance based rate methodology will be developed for TFBH programs.
- A floor rate for all congregate care programs will be established.

Children’s Services is also committed to working with leadership from the contract agencies to develop a model that assists both the provider and Children’s Services in identifying and resolving administrative and financial problems that can undermine the quality of service. This model would include technical assistance to evaluate cost structure, debt, service options and the relationship between census and program viability. With better information, Children’s Services hopes to strengthen programs and assist troubled providers before there is a program or fiscal crisis that threatens to undermine the work.

REALIGNING THE SYSTEM

Increasing Family Support Services to Prevent Placements and Support Reunification and Adoption

Continued reduction in the use of foster care services has clear implications for family support programs, as many children and their families will still need services in their communities. Children’s Services recognizes the importance of continued growth and strengthening of the family support system to meet this

need, including new types of services. New developments in the past two years have included the Family Assessment Program and the planned Intensive Preventive/Aftercare Services for Adolescents, both of which help serve youth and their families to avoid placement into foster care (usually congregate care). In December of 2004, as part of a major internal reorganization, the Division of Family Support Services was established as another significant step towards strengthening the system's focus on providing services to and supporting families to prevent removals, achieve faster discharges and further decrease re-entries into care.

In addition to these program developments, Children's Services is conducting a review of its family support services. This review includes an analysis of current levels of need across New York City communities. Children's Services also will examine existing programs – both contract and direct, preventive as well as child care services – to assess the scope, utilization and interaction of all these parts of the family support system. Finally, Children's Services will continue to look at the financial challenges faced by providers and attempt to address them to ensure continued strength in this critical part of the child welfare system. Contracted providers will play a role in all of this work. Children's Services needs their ideas and perspectives on both current strengths and unmet needs. Children's Services anticipates that this project will inform the future shape of the family support services system.

Preventing Placements

One of the dynamics driving the declines in the foster care census is the continued drop in the number of children being placed in foster care. Even with this success, performance data points to more opportunities to strengthen the role of family support services in helping to prevent foster care placements and to reduce lengths of stay.

As an example, in 2003, there were 4,958 children who entered foster care for the first time. Of these children, approximately 1,190, or 24 percent, were discharged from foster care within three months. In 2002, 26.3 percent of children entering care for the first time were discharged within three months, with 25.8 percent of new child entries reported discharged within three months for 2001. Data from Los Angeles and Chicago, which are two comparable urban child welfare jurisdictions, show significantly lower rates of discharge for children experiencing their first foster care episode in 2003.

While returning children home quickly is a major priority in child welfare practice, the fact that so many children can be returned home within the first three months of placement raises an important question: can these children remain safely at home with the right mix of services?

Ultimately, the factors underlying New York City's numbers need to be better understood. However, this relatively high number of "rapid" discharges from care suggests there may be an opportunity to prevent placements for many of these children through strengthened family support services capacity, targeted services and other programming designed to build on the successes from the past several years. Moreover, Children's Services' track record in expanding family support services in the past points to the fact that the agency can expand the use of in-home services without compromising child safety.

Over the course of the next six months, in addition to increasing the funding for family support services and developing new programs to better address the needs of our children and families, Children's Services will develop an improved understanding of the population represented by the children placed and discharged within 90 days and the population already receiving family support services to identify service needs and a service strategy that ultimately could better support families and prevent removal and placement.

Supporting Reunification and Adoption

When children who have been placed in out-of-home care are being discharged from care to their birth families or to adoptive families, family support services can provide critical support through the transition, and help families to achieve and maintain stability. Additionally, for many youth who are residing in congregate care facilities and who are moving towards discharge or a step down from residential care to family-based foster care, family support services can greatly assist them in their transitions.

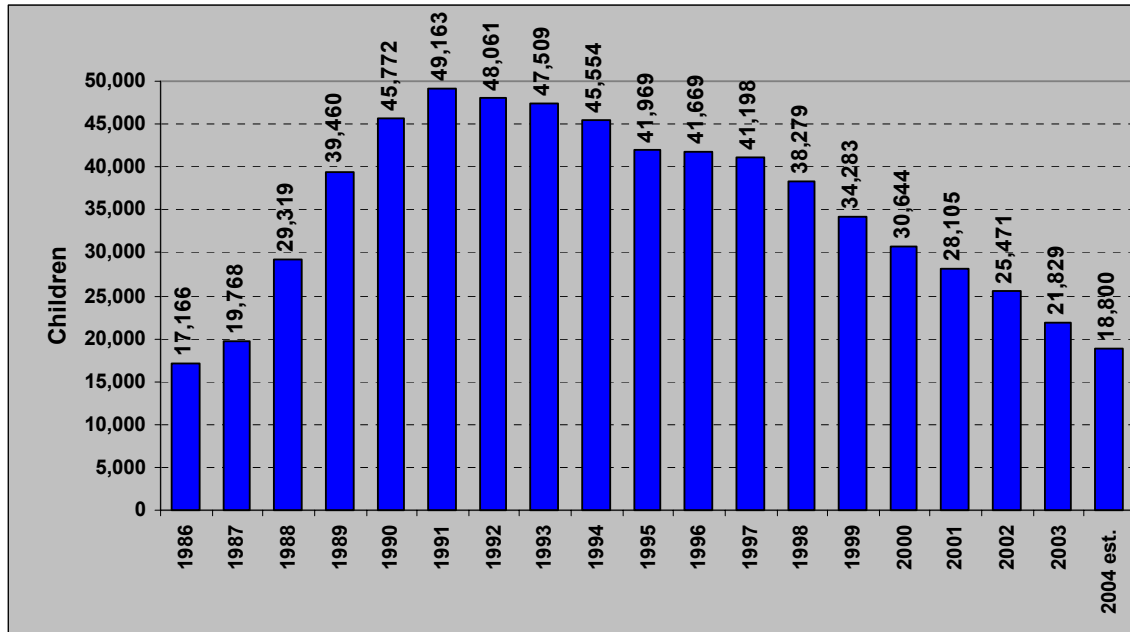
Over the course of the next twelve months, Children's Services will build its capacity to aid children and families exiting the foster care system through existing family support programs and with the development of new programs that target youth, especially teens, leaving foster care. Programs will be designed to follow a child regardless of where they are on the permanency continuum – reunification, adoption or guardianship. Services such as crisis intervention, respite care, self help groups, information, referral and educational supports will be created and made available on a flexible, intermittent basis within the family support services network, to provide ongoing support to reunified and adoptive families. This will also include the development of a post adoption services system.

Reducing the Foster Care Census

After reaching a peak of nearly 50,000 children in care, the foster care census started a steady decline that continues today. While the rate of decline has varied year to year, the declines have been the sharpest during the last five

years, with the year that ended in December 2003 showing a 14 percent decline – the largest percentage decline on record in New York City.

**New York City Foster Care Census
December 1986 – December 2004 (estimated)**



The foster care census as of August 2004 stood at 20,209 children, a 7.4 percent decline since December 2003, suggesting an annualized decline for 2004 similar to 2003 – nearly 14 percent.

Clearly, history demonstrates New York City could expand beyond 24,000 children in foster care. At the same, with continued annual declines of 14 percent, current trend estimates suggest New York City’s foster care census could be at or below 15,000 within three years. By realigning the service delivery system to further strengthen our capacity to prevent placements while keeping children safe and to discharge children from care with supports and assistance, Children’s Services expects to realize a further decline of the foster care system to 17,000 by the end of fiscal year 2006.

Reducing Reliance on Congregate Care While Strengthening Congregate Care Programming

In 2003, adolescents accounted for nearly half of the population of youth in New York City’s foster care programs and for 44.8 percent of all foster care admissions. Although the foster boarding home census has declined sharply, Children’s Services has continued to rely more heavily on congregate care than other comparable urban child welfare systems. In 2003, over 64 percent of adolescents who were admitted into foster care were placed in congregate care settings. Many of these placements represent a lack of appropriate resources,

rather than the clinical needs of children receiving services in congregate care settings.

As noted earlier in this report, Children’s Services and its contract agencies have significantly reduced the number of beds active in the New York City congregate care system. Accompanying this work, Children’s Services also launched a needs assessment and program planning effort to determine new priorities for the congregate care system. As part of this work, Children’s Services will be surveying and meeting with providers, and reviewing existing programs as well as the youth who are currently in congregate care settings. This research will help us to understand the continued needs for congregate care services, including specialized services that might not currently exist in the system. While Children’s Services is not anticipating a substantial amount of new development, there is clearly a need for new programming that emphasizes treatment, time-limited interventions and a focus on outcomes. Thus, as part of the realignment process, Children’s Services will be working to ensure that congregate care programs have the “right-programming” to serve children. As this evolves, contract agencies and other stakeholders can expect to be invited to share their perspectives and expertise.

Children’s Services will continue the work already begun to ensure that each child served in foster care is cared for in the least restrictive setting possible. This means building supports in family-based care that ensures that every involved family has the supports necessary to meet the needs of the child or children in their care. Aggressive work in this area will include an expansion of *Families for Teens* and aftercare service capacity for transitioning youth, and the continued development of program models in foster boarding home programs that can support youth as they transition from more restrictive placements to family-based settings, and when appropriate, to birth families or other committed caregivers. By steadily reducing utilization of congregate care for children who do not require such placements, Children’s Services will be realigning the system in a manner that is consistent with one of our core principles – ensuring children are served in family settings. This shift also promotes greater flexibility, making the system as a whole more able to respond to changes in the foster care population.

Strengthening Family-Based Care

It is widely recognized that the foster boarding home system can and should be reduced and consolidated among a smaller number of providers, and Children’s Services is beginning that change through the steps outlined earlier in this report. At the same time, there is a need to clarify future needs for this part of the system, and to articulate expectations for the scale of services that will be needed from each FBH provider. Children’s Services is interested in exploring a system of contracting with providers that emphasizes maintaining an infrastructure appropriate for a specified service level. This would replace a reimbursement system that relies exclusively on child care days. Put differently,

Children's Services will be exploring strategies for contracting for capacity – that is, contracting for caseworkers, supervisors, mental health professionals and other supports necessary to run a program that can meet the full range of needs of children entering care in a particular community. Clearly, this involves a careful review of existing contract and program capacities, as well as an evaluation of service needs at the community level. In some instances, smaller programs may need to grow and larger programs may need to shrink. An additional realignment of cases emphasizing performance and community-based capacity will likely be necessary to ensure that the ability of high performing providers to meet the care needs of the community is not impacted by continued declines in the foster care census.

Children's Services also will be looking over the next year at the changing needs for services across New York City communities and will re-visit CD assignments for FBH programs, again to ensure that service levels are appropriate for the needs in each neighborhood. It is expected that this work will begin during the early part of calendar year 2005 and continue into fiscal year 2006 as FBH closings and reductions are implemented and the system re-adjusts following these shifts. As more research and analysis is completed, Children's Services will invite FBH providers to participate in this important planning. With this kind of focus – one that invests in a basic capacity to support the work – Children's Services hopes to protect the core of the service system against rapid changes in the foster care census and provide contract agencies with a clear set of expectations around capacity development and maintenance.

Strengthening Relative Placements

Kinship caregivers offer New York City's child welfare system an important opportunity to place children with caring individuals with whom the child already has an existing connection. This supports an important practice principle of minimizing the amount of trauma experienced by a child when a removal is necessary.

New York, like other child welfare jurisdictions, has moved to increase the number of initial placements with kin providers. Specifically, with the focus on kinship placements through Children's Services' reform efforts over the past eight years, Children's Services has increased the proportion of initial placements represented by kinship care from a low of 11.8 percent in fiscal year 1996 to 18.7 percent of all placements in fiscal year 2003.

A look at comparable child welfare jurisdictions suggests that Children's Services still may have opportunity for growth in utilizing kinship care as a substitute care resource. In 2003 Los Angeles reported 45.6 percent of their out-of-home population as being placed with relatives, while Chicago reported 36.3 percent for the same year. New York City, in contrast, reported that kin placements

made up a total of 26.5 percent of the out-of-home care population in 2003.⁹ While this contrast represents some historical variation in kinship care practices across all three child welfare jurisdictions, it also highlights a potential opportunity for placing more children with relatives when a removal is necessary.

As with the other opportunities highlighted in this section, a more thorough analysis of the relevant factors in New York City will provide a better sense of the degree to which Children's Services and the provider community can expand the use of kinship care. Ultimately, investing more in placing children with kinship care providers will mean less strain on an already pressed system for placement resources. It also has the potential to improve outcomes for children with respect to safety, permanency and well being.¹⁰

⁹ See Appendix D, "Children's Services in Context", which provides a comparative analysis of census and placement data for New York City, Los Angeles and Chicago.

¹⁰ Garnier, P.C. & Poertner, J. (2000). Using administrative data to assess child safety in out-of-home care. *Child Welfare*, 79 (5), 597-613; Scannapieco, M., Hegar, R., & McAlpine, C. (1997). Kinship care and foster care: A comparison of characteristics and outcomes. *Families and Society*, 78 (5), 480-488.

CONCLUSION

The accomplishments of the past eight years reflect the commitment and hard work of a community of professionals dedicated to ensuring the best for children and families. This same community stands ready to play a role in building a child welfare system that emphasizes excellence and quality in every aspect of the work. In many respects, the challenges inherent in a shrinking system are more demanding than the challenges associated with getting bigger.

The strategy outlined in this document reflects some preliminary steps for responding to these challenges—both in the short term (six months) and the longer term (18-24 months). The strategy emphasizes three important approaches to building a system for the future: rightsizing, reinvesting and realigning. Perhaps more importantly, this strategy represents an approach for redefining the child welfare system in a way that emphasizes the needs of children and families; meeting those needs in communities where they live; and partnering with adequately resourced providers who have a demonstrated record of performance and the capacity to do quality work.

The changes that lay ahead offer some important insights about the foster care system Children's Services is hoping to shape over the next few years. First, increased success at preventing placements coupled with new programming designed to prevent re-entries into foster care will most likely continue to support further declines in the overall foster care census. Current projections show that within 24 months or perhaps sooner, the foster care census could drop below 15,000 children in care. This smaller foster care census, however, will have a different profile. Success in implementing the strategies discussed in this document will mean that, proportionally, more children will be served by relatives and fewer children will be served in congregate care settings. Children's Services is also working to ensure that the provider network utilized to serve this smaller population is better prepared to do quality work. In addition to continued emphasis on performance, this means creating a framework for contracting which is more resilient to changes in census as well as rate and programming changes needed to ensure sufficient resources to provide quality services.

In the coming months, Children's Services will be working with providers and communities to detail the key components and primary objectives of this plan in a manner that ensures existing resources are protected, and future resources are used more efficiently and with better results. This includes communication about system size, provider capacity and provider distribution throughout the communities of New York City. This also will include the initial program decisions designed to lay the ground work for a community-based strategy that is planned with an eye towards a smaller system, less reliant on congregate care and more invested in family support services, family-based foster care and relative placements.

Clearly, this undertaking requires commitment from the entire system, and that means an investment from every organization and across all levels of the service system: managers, support staff and the field. At an organizational level, successful change may even necessitate forgoing agency-oriented interests in deference to developments designed to better serve the entire system. Still, if the work accomplished over the last eight years is any indication of what a public-private partnership can do, we have every reason to expect a system that will continue to rise to meet the extraordinary challenges of serving children and families in need.

APPENDIX A

Administration for Children's Service's Core Principles

- Our overarching mission at ACS is the protection of the City's children from abuse or neglect.
- The primary goal of our work is to see to it that all the children touched by the New York City children services system have strong families who support them and protect them from harm.
- Whenever it can be done safely, children's birth and extended families should be strengthened and supported to provide that family tie for their children.
- A critical partner for strengthening families and protecting children is the network of community supports available to birth families, relative caregivers, foster families and adoptive families.
- It is not enough for children involved in our system to be safe; they deserve attention to all of their needs – health, developmental, educational, etc.
- We will measure our success by the results we achieve for children, families and communities.
- We at Children's Services cannot protect children and strengthen families alone. To succeed in our mission we need to build strong partnerships with families, communities and other agencies.
- The needs of children and families should drive the support and help they get; such services need to be family-centered, flexible and mobile.
- The special needs of very young children and youth need particular attention from the system.
- Child Care and Head Start are integral members of the children services system in New York City and will be involved in family support services, foster care and reunification services.

APPENDIX B

FOSTER BOARDING HOME CASE REASSIGNMENT GUIDELINES

Children's Services will review all of the cases where the closing program has case planning responsibility, as well as case management responsibility (Bronx DFCS), to make a determination of the appropriate programs for receiving the transferred cases. (Some youth may be ready for discharge, but it is expected that most will remain in their current foster homes and that management responsibility for the homes will be transferred to new agencies.) Consistent with past program closures, Children's Services will use the following guidelines for transferring cases and will seek to serve the best interests of each child affected by program closures:

1. Children with special needs and children with specific placement goals will be transferred (with their current foster homes) to agencies capable of supporting those needs and goals. Specific needs and goals that will guide decision making consist of:
 - *reunifying siblings* by reassigning a child's case to an agency that already has case planning responsibility for that child's sibling;
 - *providing for children with special medical needs* by reassigning their cases to agencies that operate those programs, and by choosing the top-scoring agency assigned to the child's borough of placement;
 - *expediting adoptions* by reassigning freed children to agencies that have earned the top scores in EQUIP adoption ratings and/or have an existing connection to the children's cases that can help ensure steady progress;
 - *providing services for pregnant and/or parenting teens* by reassigning those cases to agencies that support those service needs, and choosing the top-scoring agency assigned to the child's borough of placement; and
 - *reassigning cases to agencies that are serving children but do not have case planning responsibility*, which would include children placed in a Diagnostic Reception Center for evaluation, children in maternity shelters, etc.
2. Children who are not covered in the above special circumstances will be transferred (with their current foster homes) to agencies based on community district (CD) assignment. Specifically, each child and his/her foster home will be transferred to an agency assigned to the current CD of *placement*, starting with the highest-scoring agency in that CD¹¹. This practice will help align foster homes with agencies assigned to the homes' CDs. It will also allow the

¹¹ Children's Services will consider agency census as a factor when needed. For example, if two agencies have FBH EQUIP scores that are equal or very close, Children's Services may send more cases to the agency with lower utilization.

children to remain in their current neighborhoods, which will help minimize the disruption of transferring to a new agency. Since these children are already placed in those CDs this practice will not create any additional disparity between CD of origin and CD of placements beyond that which already exists in the system. Moreover, it is expected that children will benefit from the agency transfer because a higher performing program will serve them. Likewise, those better programs also will be strengthened from the addition of new foster homes and cases.

3. For all children whose current foster home placements are not stable or desirable, Children's Services will go beyond the above CD assignment parameter in seeking a new agency, and a new foster home, to serve those cases. Children's Services will work to use resources within a child's CD of origin and/or kinship resources, whichever is more readily available to the child. Thus, while these children may need to be moved to new neighborhoods of placement and new homes, Children's Services will try to achieve for them either a kinship placement or a move back to their community of origin.

Additional Considerations Regarding Case Reassignments:

4. The closing of FBH programs and the reassignment of their cases presents an opportunity for Children's Services to strengthen and reward its highest performing programs. As part of the reassignment of cases, Children's Services will establish a process for ensuring that a significant number of cases are transferred to agencies that scored in the "Excellent" and "Very Good" ranges on the CY 2003 EQUIP. In addition, Children's Services may consider assigning these top programs to new CDs to enable them to expand their services and accept a broader range of cases from the closing programs.
5. Children's Services will also seek to strengthen community-based agencies by reassigning cases to them, not to exceed contracted capacity.
6. Agencies that are receiving new cases will need to be in a position to support and absorb an expanded census. As Children's Services manages the transition process, this will be a critical issue to watch, and to some extent predictions about each agency's ability to expand its caseload may inform some of the case reassignment decisions.¹²

¹² Children's Services already is aware of some agencies that are in serious fiscal trouble. These agencies are meeting with Children's Services, and as solid programs they are candidates for technical assistance to bolster their infrastructures. In addition, through the case reassignment process, Children's Services can help support their programs with new cases. But at the same time, we will have to work closely with these agencies to ensure that they are able to take on new cases and gradually achieve growth in their programs in a stable and smooth process.

7. A significant number of suspended payment cases are presently assigned to programs that will be closed. Children's Services will need to consider this group separately from active cases, and may consider transferring them throughout the system so that no one agency receives too many. In addition, in special circumstances Children's Services may consider moving some of these cases to its direct care programs.

APPENDIX C

GROUP HOME AND AGENCY OPERATED BOARDING HOMES CLOSED IN CONNECTION WITH THE ADMINISTRATION FOR CHILDREN'S SERVICES CONGREGATE CARE REDUCTION INITIATIVE

GHS and AOBHs Identified for Closure by the Administration for Children's Services

Abbott House
Brooklyn Society for the Prevention of Cruelty to Children
Catholic Guardian Society of NY
Edwin Gould Services for Children and Families
Lakeside Children and Family Services
Lutheran Social Services of Metropolitan New York
mercyFirst
New York Foundling Hospital
St. Christopher Incorporated
St. Vincent's Services, Incorporated

GHS and AOBHs Selected for Closure by Contract Agencies*

Brooklyn Society for the Prevention of Cruelty to Children
Cardinal McCloskey
Catholic Guardian Society of NY
Children's Village
Concord Family Services
Good Shepherd Services
Heartshare Human Services of NY
Lakeside Children and Family Services
mercyFirst
Miracle Makers
New York Foundling Hospital
Safe Space
SCO Family of Services (formally St. Christopher-Otilie)
St. Dominic's
Sheltering Arms

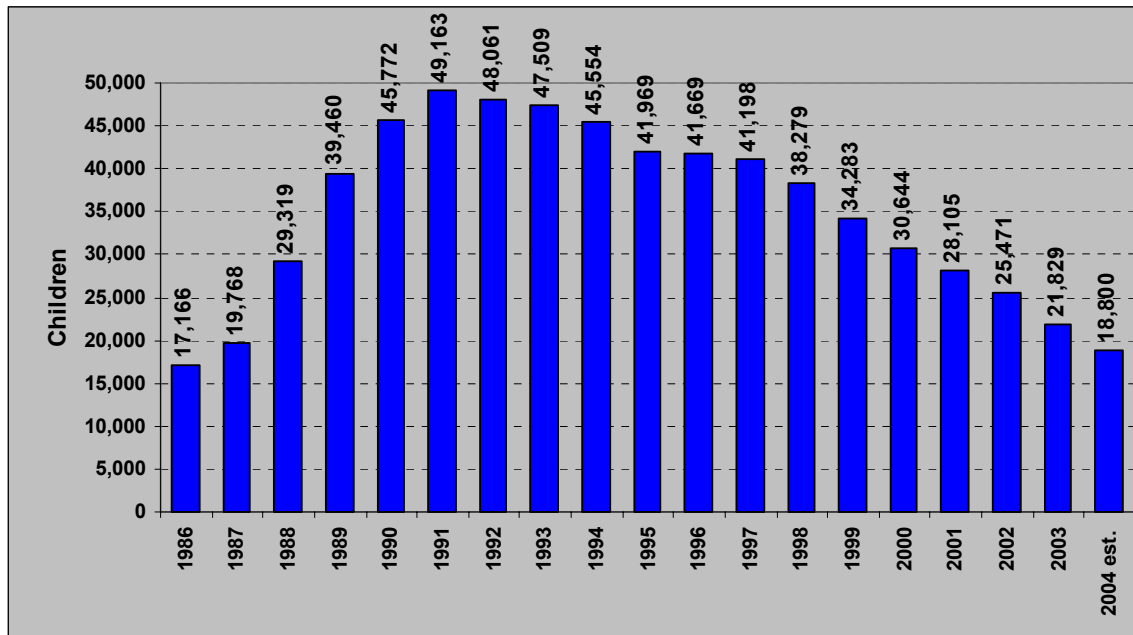
* Includes some Supervised Independent Living Programs

APPENDIX D

THE ADMINISTRATION FOR CHILDREN'S SERVICES IN CONTEXT

The decrease in the foster care census began in 1991. After reaching a peak of nearly 50,000 children in care, the foster care census started a steady decline that continues today. While the rate of decline has varied year to year, the declines have been the sharpest during the last five years, with the year that ended in December 2003 showing a 14 percent decline—the largest percentage decline on record in New York City.

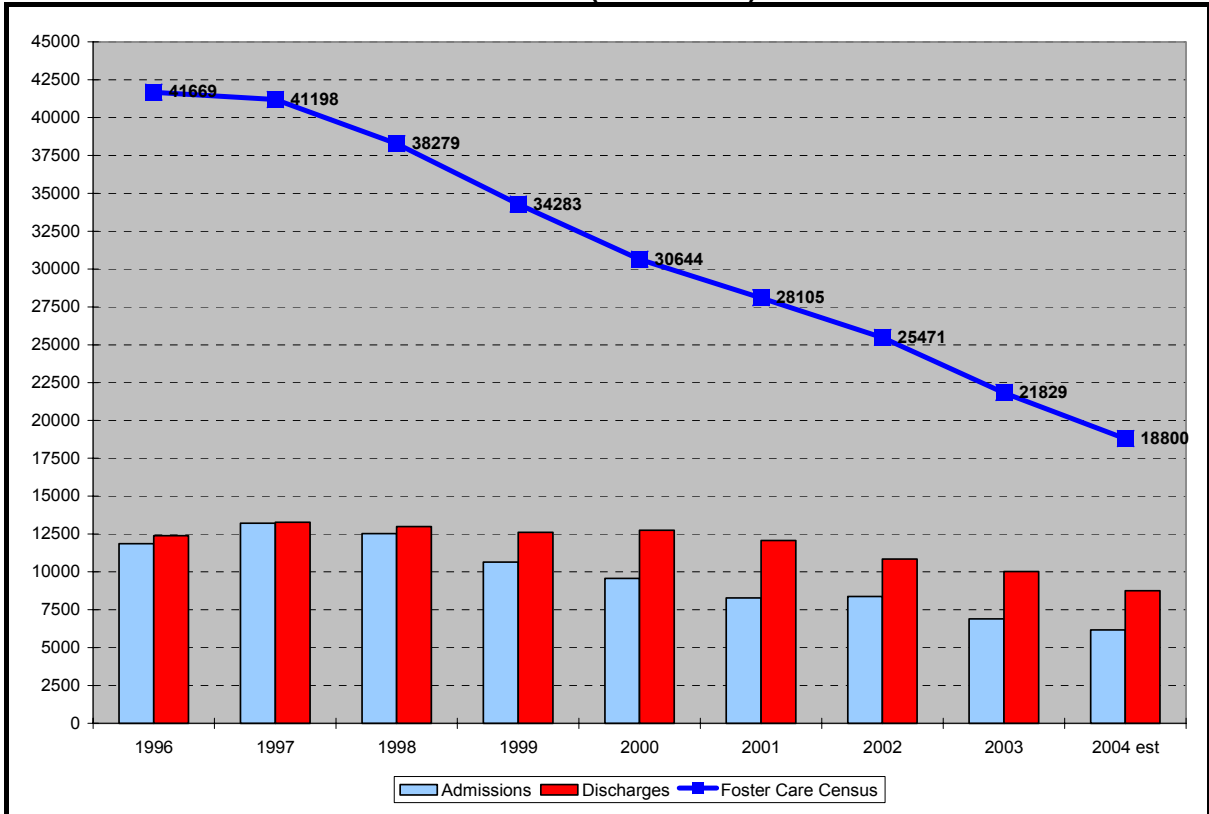
**New York City Foster Care Census
December 1986 – December 2004 (estimated)**



The foster care census as of August 2004 stood at 20,209 children, a 7.4 percent decline since December 2003, suggesting an annualized decline for 2004 similar to 2003 – nearly 14 percent. The decline is primarily a function of changes at both the “front door” and the “back door” of the system. In both cases, these changes are good for the children and families served by Children’s Services. The number of children entering care has generally continued to decline, from 13,215 children in fiscal year 1997 to 6,898 children in fiscal year 2003. At the same time, the number of children leaving foster care has remained fairly high, totaling 13,292 children in 1997 and 10,033 in the fiscal year that ended in 2003. The steady progress made in keeping more children at home and out of foster care coupled with the continued work of finding children permanent homes once they enter care has meant fewer children in care. As the in-care population has declined, there has been a marked shift in the age distribution of the children in foster care. This has resulted in a dramatic increase in the proportion of the in-

care population that are adolescents (30.4 percent in 1993 to 49.2 percent in 2003).

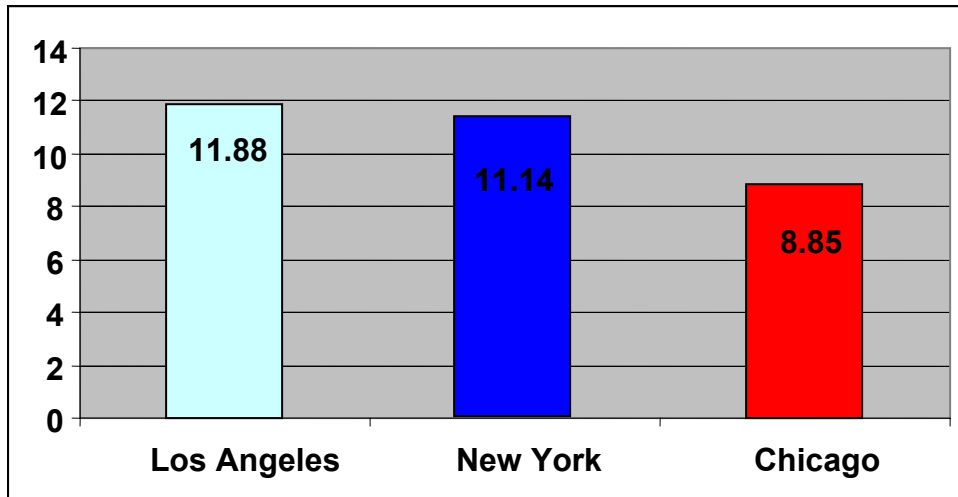
**Foster Care Census, Admissions and Discharges
1996 – 2004 (estimated)**



Nationally, New York City is not alone in this experience. Both Los Angeles and Chicago have undergone recent declines after experiencing peak levels of children placed in out-of-home care. The composition of these urban child welfare jurisdictions, as well as their parallel experiences in growth and decline, make them good candidates for comparison.

New York, Los Angeles and Chicago, respectively, make up the core of the first, second and third largest metropolitan areas in the United States. Not surprisingly, their child welfare populations represent the three largest in the country. Despite different economies, child populations and child poverty rates, these cities have comparable levels of child welfare use when the foster care caseload is compared to the total child population in each city. While not a perfect comparison, looking at the out-of-home care rates for each city can provide a baseline that puts New York City somewhere between Los Angeles (on the high end) and Chicago (on the low end).

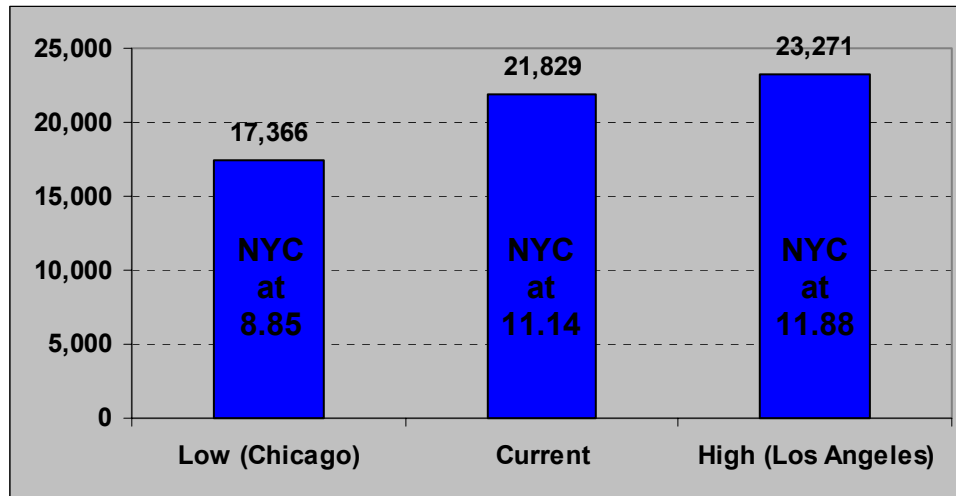
**Rate of Out-of-Home Care Comparisons:
New York, Los Angeles and Chicago, 2003**



In 2003, New York City stood at 11.14 children in out-of-home care per 1,000 children in the city's population. For the same period, Los Angeles was a bit higher at 11.88 children per 1,000 and Chicago showed considerably fewer children at 8.85 children in care per 1,000 children in the city's population. Using current estimates for the foster care census at the end of the current fiscal year, the out-of-home care rate per 1,000 children is projected to be even lower, at 9.57 children per 1,000 children in New York City's general population. This represents a 66 percent reduction in out-of-home care rate from 1990, when there were 27.13 children in foster care per 1,000 children in the general population.

Finally, using the range of rates of out-of-home care for New York, Los Angeles and Chicago provides a basis for estimating the potential "floor" and "ceiling" for New York City's foster care census. Using Chicago's rate of out-of-home care for New York City's 2003 child population suggests a lower range estimate of approximately 17,300 children in foster care, while Los Angeles' rate of out-of-home care in New York City would mean a high estimate of 23,800 children.

NYC Census Ranges Using Comparable Out-of-Home Care Rates, 2003

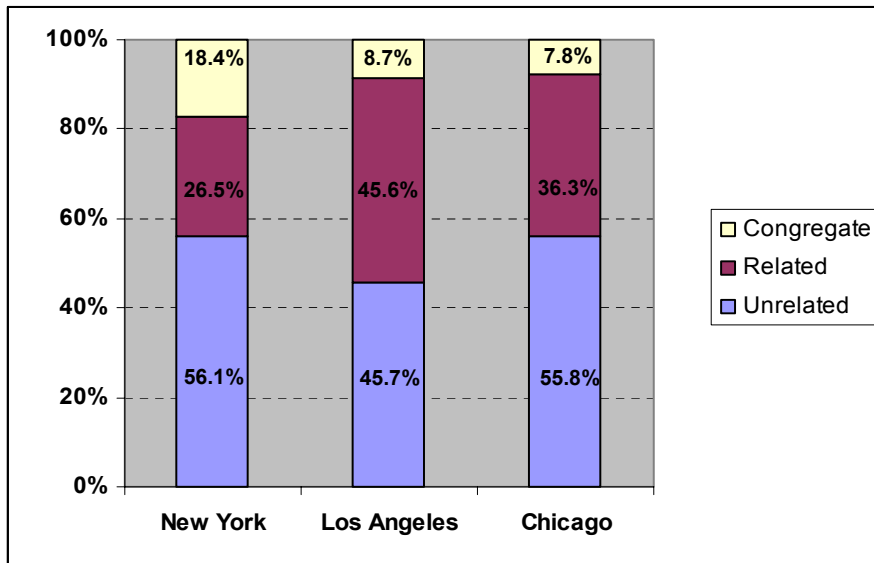


Sources: United States Census Bureau, 2000 Census; University of California at Berkeley Center for Social Services Research (2004); Illinois Department of Children and Family Services Executive Statistical Summary (2004).

Clearly, history demonstrates New York City could expand beyond 24,000 children in foster care. Similarly, with continued annual declines of 14 percent, New York City could also drop well below Chicago's current rate of out-of-home care. But even with these potential swings, data for other comparable urban child welfare systems suggest Children's Services may be approaching the lower limit of its foster care census based upon the city's child population. Current trend estimates suggest New York City's foster care census could be at or below 15,000 within three years.

New York City's child welfare system can also expect to make further inroads in reducing the congregate care census, bringing it more in line with utilization levels in other urban child welfare systems. Data from Los Angeles and Chicago in 2003 show the proportion of children in out-of-home care placed in congregate care settings was 8.7 percent and 7.8 percent, respectively. New York City for the same period was considerably higher at 18.4 percent. As of August 2004, the number of children placed in congregate care totaled 3,776 representing 18.7 percent of the out-of-home care population.

Placement Type Distribution Comparisons: New York, Los Angeles and Chicago, 2003



Sources: University of California at Berkeley Center for Social Services Research (2004); Illinois Department of Children and Family Services Executive Statistical Summary (2004).

Further evidence of New York City’s possible over-reliance on congregated care is the fact that even as the rest of the foster care census declined, the number of children in congregated care remained relatively stable (until the declines beginning last year). Field observations suggest this is a function of the fact that, as discussed before, an increasingly greater portion of Children’s Services’ foster care population is made up of adolescents, and that the reforms in preventing child placements and increasing permanence for children had more of an impact on the younger population in care.

New York City, like other child welfare jurisdictions, has moved to increase the number of initial placements with kin providers. Children’s Services has increased the proportion of initial placements represented by kinship care from a low of 11.8 percent in fiscal year 1996 to 18.7 percent of all placements in fiscal year 2003. A look at comparable child welfare jurisdictions suggests that Children’s Services still may have more opportunity for growth in utilizing kinship care as a substitute care resource.

As illustrated in the previous graph, in 2003 Los Angeles reported 45.6 percent of their out-of-home care population as being placed with relatives while Chicago reported 36.3 percent for the same year. New York City, in contrast, reported that kin placements made up a total of 26.5 percent of the out-of-home care population in 2003. While this contrast represents some historical variation in kinship care practices across all three child welfare jurisdictions, it also highlights

a potential opportunity for placing more children with relatives when a removal is necessary.