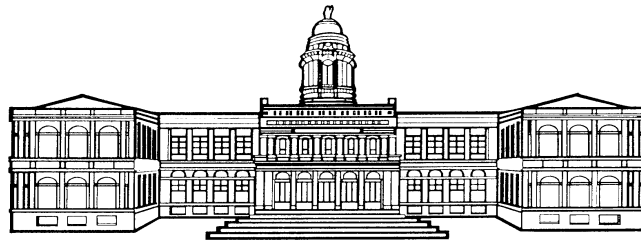


New York City Council



BUDGET NOTE

Finance Division

November 2008

Hon. Christine C. Quinn
Speaker

Hon. David I. Weprin, Chair
Committee on Finance

Preston Niblack, Director
Jeffrey Rodus, First Deputy
Director

Hon. Bill De Blasio, Chair
Committee on General Welfare

Administration for Children Services (068)

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

AGENCY FUNDING OVERVIEW (in \$000s)

Agency Funding Sources	Fiscal 2009 Adopted Budget	Fiscal 2009 November Plan	Fiscal 2010 Plan at Fiscal 2009 Adoption	Fiscal 2010 November Plan
City	\$796,925	\$782,777	\$783,647	\$750,524
Other Categorical	\$0	\$5	\$0	\$0
Capital IFA	\$0	\$0	\$0	\$0
State	\$657,623	\$666,226	\$661,141	\$661,377
Community Development	\$3,495	\$3,495	\$3,292	\$3,292
Federal-Other	\$1,243,874	\$1,249,815	\$1,244,451	\$1,238,648
Intra-City	\$16,157	\$31,697	\$6,157	\$6,157
Total	\$2,718,074	\$2,734,015	\$2,698,688	\$2,734,015

<i>HEADCOUNT OVERVIEW</i>				
Headcount	Fiscal 2009 Adopted Budget	Fiscal 2009 November Plan	Fiscal 2010 Plan at Fiscal 2009 Adoption	Fiscal 2010 November Plan
City	6,936	6,809	6,932	6,805
Non-City	213	213	210	210
Total	7,149	7,022	7,142	7,015

Fiscal 2009 November Plan Action Analysis

In September, the Mayor’s Budget Director ordered each agency head to submit proposed Programs to Eliminate the Gap (PEGs) equal to 2.5% in Fiscal 2009 and 5% in Fiscal 2010 and each of the outyears of the agency’s City tax-levy budget. The Fiscal 2009 November Plan presents the results of this budget exercise.

Programs to Eliminate the Gap are Financial Plan actions that reduce the City’s budget gap by either reducing an agency’s City tax-levy Expense Budget or increasing City revenues. It should be noted that some PEGs involve increases in Expense Budget costs that lead to increased revenues. For example: An agency may increase expenses by hiring 20 inspectors, with the expectation that those inspectors will generate additional revenue, ultimately saving City tax-levy dollars.

The chart below indicates the PEG amount the agency is proposing to implement in Fiscal 2009 based upon the Fiscal 2009 Adopted Budget and the amount in Fiscal 2010 based on the 2010 forecast at the time of adoption.

<i>NOVEMBER PLAN PEGS (in \$000s)</i>				
	Fiscal 2009 Adopted Budget and Forecast	Fiscal 2009 November Plan PEGs	PEG as percentage of Adopted Budget and Forecast	
Fiscal 2009	796,925	(19,293)	-2.5%	
Fiscal 2010	783,647	(38,371)	-5%	

NOVEMBER PLAN ACTIONS (in \$000s)

Description (in \$000s)	Fiscal 2009			Fiscal 2010		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as per the Fiscal 2009 Adopted Plan	796,925	1,921,149	2,718,074	\$783,647	1,915,041	2,698,688
November Plan PEGS						
ACS payments to DOE for Child Care	(1,600)	0	(1,600)	(3,200)	0	(3,200)
Administrative Reductions	(1,100)	(1,419)	(2,519)	0	0	0
Adoption Subsidies	(409)	(2,586)	(2,995)	(824)	(5,216)	(6,040)
Child Care Co-payments	(1,800)	0	(1,800)	(8,700)	0	(8,700)
Increase Level I Supervisor Caseloads	(3,763)	(4,705)	(8,468)	(3,806)	(4,751)	(8,557)
Miscellaneous Child Welfare Support Services	(716)	(924)	(1,640)	(1,196)	(1,544)	(2,740)
Personal Service Accruals	(1,463)	(1,887)	(3,350)	\$0	0	0
Reduce in Miscellaneous Client Subsidies and Preventive Accruals	(1,226)	(729)	(1,955)	(2,816)	(2,096)	(4,912)
Reduce Length of Stay in Congregate Care	0	0	0	(5,575)	(2,102)	(7,677)
Reduce Reimbursement for Institutional Care	(5,037)	(1,386)	(6,423)	(10,075)	(2,771)	(12,846)
Reduction in Foster Care Audit Expenses	(2,179)	(821)	(3,000)	(2,179)	(821)	(3,000)
Total PEGS	(19,293)	(14,457)	(33,750)	(38,371)	(19,301)	(57,672)
November Plan Other Adjustments						
Staff Analyst Collective Bargaining	95	87	182	111	102	213
Carpenters Collective Bargaining	1	1	2	1	1	2
ACS/DOP Technical Adjustment	308	525	833	352	600	952
Technical Adjustment	839	595	1,434	881	625	1,506
NYCHA Reorganization with ACS	3,900	6,843	10,743	3,900	6,843	10,743
State, Federal and Other Categorical Actions	0	36,495	36,495	0	5,563	5,563
Total Other Adjustments	5,143	44,546	49,689	5,245	13,734	18,979
Total November Plan Budget Changes	(14,150)	30,089	15,939	(33,126)	(5,567)	(38,693)
Agency Budget as per the November Plan	782,775	1,951,238	2,734,013	750,521	1,909,474	2,659,995

PEGs

- **Adoption Subsidies.** This action represents a reduction in spending of \$408,000 for Fiscal 2009 and \$824,000 for Fiscal 2010 and in the outyears. The agency will withhold payments to adoptive families whose children have returned to foster care and who do not have documented expenses related to the child.
- **Child Care Co-payments.** This action represents a reduction in spending of \$1.8 million for Fiscal 2009 and \$8.7 million for Fiscal 2010 and in the outyears. The agency will increase child care co-payments for non-public assistance families. Weekly minimums will increase by \$2 per child.
- **Increase Level I Supervisor Caseloads.** This action represents a reduction in spending of \$3.7 million in Fiscal 2009 and \$3.8 million in Fiscal 2010 and in the outyears. The agency will reduce

the child protective services staffing model by 127 positions. This will require Child Protective Level I Supervisors to carry a full caseload, focusing on more complex investigations.

- **Reduce Reimbursement for Institutional Care.** This action represents a reduction in spending of approximately \$5 million in Fiscal 2009 and approximately \$10 million in Fiscal 2010 and in the outyears. The agency will reduce payments to institutions and schools by 10 percent for children with unique needs, placed by ACS and the Department of Education.
- **Reduce Length of Stay in Congregate Care.** This action represents a reduction in spending of \$5.6 million in Fiscal 2010 and \$11.1 million in the outyears. The agency will work with provider agencies to reduce the length of time foster children remain in congregate settings.
- **Miscellaneous Child Welfare Support Services.** This action represents a reduction in spending of \$700,000 in Fiscal 2009 and \$1.2 million in Fiscal 2010 and in the outyears. The agency will reduce computer services support, child welfare consulting contracts, and the media campaign budget. Additionally, the number of sites for the community partnership venture will be reduced from 19 to 15.
- **Personal Service Accruals.** This action represents a reduction in spending of \$1.5 million in Fiscal 2009 only. The agency will recognize savings as a result of accruals due to delays in hiring non-critical positions.
- **Reduce Miscellaneous Client Subsidies and Preventive Accruals.** This action represents a reduction in spending of \$1.2 million in Fiscal 2009 and \$2.8 in Fiscal 2010 and in the outyears. The agency will reduce funding of one-time grants for furniture and miscellaneous needs for families. Savings in Fiscal 2009 and 2010 will also be realized from lower spending in the preventive budget.
- **ACS Payments to the Department of Education for Child Care.** This action represents a reduction in spending of \$1.6 million in Fiscal 2009 and \$3.2 million in Fiscal 2010 and in the outyears. The agency will eliminate payments for the Living for the Young Family through Education (LYFE) Program, which supports pregnant and parenting students enrolled in a Department of Education school, by providing childcare and referral services.
- **Administrative Reductions.** The agency will recognize a cost savings of \$1.1 million in City funds for Fiscal 2009 only, as a result of a reduction in expenditures for supplies, materials, and other administrative costs agency-wide.
- **Reduction in Foster Care Audit Expenses.** The agency will recognize a savings of \$2.1 million in Fiscal Year 2009 and Fiscal Year 2010 due to lower than planned expenses related to audit reconciliations for foster care contracts that have been terminated.

Other Adjustments

- **Collective Bargaining.** Annual city funds totaling \$96,000 in Fiscal 2009 and \$112,000 in Fiscal 2010 and the outyears will be transferred from the Labor Reserve in the Miscellaneous Budget to the budget of ACS to cover costs associated with recent collective bargaining settlements.
- **Technical Adjustments.** City funds totaling approximately \$1.1 million for Fiscal 2009, \$1.2 million for Fiscal 2010, and approximately \$1.3 million for Fiscal 2011 and Fiscal 2012 have been allocated for technical adjustments.
- **NYCHA Reorganization with ACS.** City funds totaling \$3.9 million in Fiscal 2009 and in the outyears is reflected as a result of the reorganization of New York City Housing Authority (NYCHA) social service programs. This funding is being added so that ACS and NYCHA may work collaboratively to enhance preventive services programming.

Capital Budget

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

FY09 Executive Capital Plan vs. FY09 Adopted Capital Budget (in \$000s)

	FY09	FY10	FY11	FY12	FY13	Total
May	20,474	10,894	28,665	10,384	10,243	80,660
Sept	58,427	8,715	22,932	8,308	24,595	122,977
Variance	37,953	-2,179	-5,733	-2,076	14,352	42,317

As part of the formulization of the FY09 Adopted Capital Budget agencies were required to reduce their capital plans by twenty percent in each year from FY09-12. The funds pushed-out from these four years could roll into the fifth year of the plan, FY13. As such, even with the inevitable roll of projects from FY08 which had yet to be committed, the FY09-13 plan is significantly less than the plan presented in May 2008.

Administration for Children Services FY09-13 adopted capital plan is \$42.3 million greater than the Executive Capital Plan released in May. When taking into account the \$61.8 million of uncommitted projects rolled from FY08 the increase of \$42.3 million is actually a decrease of \$19.5 million over the five years of the plan.

Capital Plan Highlights

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

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