

2008-09 Spending Plan	Office of Children and Family Services
	Gladys Carrión, Esq.

A. Overview of Proposed Plan

A.1 Overall Approach

The Local Assistance General Fund cash ceiling of \$1.739 billion includes a reduction of 2% (or about \$34.5 million). Projected General Fund spending is consistent with the assigned cash disbursement limits. Virtually all programs, except those funded through Medicaid funds, were subject to the 2% across the board reductions. This includes the major programs such as Child Welfare Services, Foster Care Block Grant, Adoption Subsidies, Committee on Special Education Maintenance, Detention Services and Youth Delinquency Programs.

By far, the largest increase in Local Assistance General Fund programs in the SFY 2008-09 Budget was in the area of Child Welfare Services. With its continued focus on preventive services to assist families and children to remain intact in the community, as well it's core purpose of preventing child abuse, Child Welfare Services spending has increased dramatically in recent years. It is also difficult to project and control spending, with the largest discretionary item being Community Optional Preventive Services (COPS). The Detention Services funding, which was proposed for elimination in the SFY 2008-09 Executive Budget as a cost savings measure, was restored by the Legislature in the final enactment, but is also subject to the 2% reduction.

The State Operations General Fund cash ceiling of \$265 million includes a reduction of 3.35% (or about \$9 million). This is in addition to the facility closure savings of \$1.14 million and Executive Budget reductions in non-personal service of \$4.2 million. For the 2008-09 Financial Plan, projected General Fund spending in State Operations is consistent with the assigned cash disbursement limits.

In preparing this plan, every program was scrutinized and all spending categories were reviewed in order to operate within the assigned cash disbursement ceilings for each fund. This review incorporated proposals from all program and administrative areas to achieve required reductions this year and provide recurring savings to assist in addressing future budget gaps. These include:

- **Drive Structural Reform in the OCFS Juvenile Justice System by Reducing Underutilized Beds and Redeploying Staff Throughout the Agency** – As planned for SFY 2008-09 and enacted by the Legislature, OCFS will implement the closure of Cass, Auburn, Brace, and Gloversville, as well as the downsizing of the Lansing and Adirondack facilities. In addition, OCFS must continually assess bed capacity needs to address the budget gap.
- **Utilize Technology to Drive Greater Economy and Efficiency in Government Operations** – In conjunction with local social services districts, a direct payment option for foster care and other OCFS customers would eliminate the need to mail out checks and introduce efficiencies in the processing of certain payments. This is also consistent with our goal to reengineer CONNECTIONS, the child welfare computer system to improve local social service district

caseworker productivity. Another technology under review is the use of Livescan to process fingerprinting requests. This would not only ease the workload burden at OCFS, but would expedite employment clearances and foster parent certifications that require fingerprinting, thereby assisting other entities in meeting their health and safety requirements.

- **Federal Revenue Maximization Efforts and Statutory Change(s) to Achieve Additional Savings** – OCFS continues to review any adjustments in claiming and allowable activities that will maximize Federal dollars. Approval of the Article VII provision to obtain wage reporting data from the Department of Taxation and Finance in order to leverage additional Federal funding for local districts remains a priority.
- **Institute New Internal Policies to Control Personal and Non-Personal Service Spending** – Activities are already underway to limit PS and NPS spending to achieve savings in the current and subsequent fiscal years. These include additional controls on vacancies, extending the time period for refilling positions when turnover occurs, consolidation of leased space, and increased controls on inventory and equipment, as well as other cost savings measures.

The sections below provide additional details of the projected disbursements for each funding source, as well as the strategies to reduce spending on a recurring basis.

A.2 Achievement of Savings on a Recurring Basis

LOCAL ASSISTANCE ACTIONS ALREADY TAKEN OR UNDERWAY TO MEET REDUCED CASH CEILING

The Aid to Localities General Fund appropriations were reduced in the SFY 2008-09 Enacted Budget by 2% to reflect the across-the-board reductions in Local Assistance. Listed below are the actions that are being taken to reduce funding and reimbursements for Local Assistance programs.

- **Two Percent Reductions for Programs Funded through Local District Allocations** – Actions have already been initiated to brief local social services districts on the various funding reductions. The allocations to local social services districts that are issued through formal Local Commissioners Memorandums are being revised to reflect the availability of the reduced funding levels. These formal allocations include the Foster Care Block Grant, Alternatives to Detention and Residential Diversion Programs. Child Care subsidies allocated under the Child Care Block Grant are comprised of both State and Federal funds. These allocations reflect the reduced funding in the State appropriation.
- **Two Percent Reductions for Reimbursement-Based Programs** – For those local programs that receive funding based on claims submitted by local districts, staff are working with the Office of Temporary and Disability Assistance Finance Office to implement the reductions through reduced reimbursement of the State share in accordance with the appropriation language.
- **Two Percent Reductions for Contracted Programs** – In accordance with the enacted appropriation, funding for contracted programs has been reduced by 2%. Contracts will only be executed in conformance with available appropriations and cash disbursement limits. OCFS is currently notifying community based contractors of planned reductions in contracts that will be renewed in this funding cycle.
- **Two Percent Reductions for Certain Reappropriated Programs** – The Enacted Budget also reflects 2% reductions for certain programs where the funding cycle is different from traditional time periods or where the cash disbursement period is primarily during the period April 1, 2008 through March 31, 2009. These include the Special Delinquency Prevention Program, Youth Development/Delinquency Prevention, Runaway and Homeless Youth, Quality Enhancement Fund, and United Way 2-1-1 System, among others. Steps are currently being implemented to advise local entities of any allocation adjustments and/or to adjust contracts by the reduced appropriation amount.

STATE OPERATIONS ACTIONS ALREADY TAKEN OR UNDERWAY TO MEET REDUCED CASH CEILING

The State Operations General Fund cash ceiling is reduced by 3.35% to reflect the across-the-board reductions. The 3.35% reduction, when applied to the Youth Facilities Program is over \$4 million. This is in addition to the savings already included in the budget related to facility closures and downsizings. In order to achieve the required savings, approximately 80 positions will remain vacant. When vacancies occur, the time period for refilling will be lengthened in order to achieve the additional savings. In the Family and Children's Services Program, the State Central Register (SCR) and Institutional Abuse Investigation staff comprise over 60% of the 474 targets. The remaining staff

is located primarily in Regional Offices to conduct licensing, monitoring and safety inspections that impact client populations. In order to achieve the required 3.35% savings, additional positions will either have to remain vacant and/or the refilling of positions due to turnover or retirements will be extended.

Listed below are the actions that are being taken to implement these reductions in State Operations programs.

- **Vacancy Control and Attrition** – OCFS has already implemented and will continue its aggressive control of vacancies and rehires to achieve \$2.8 million in projected savings. An internal hiring freeze has been implemented so that all positions are evaluated at a high level for approval to determine if they are critical to the agency's core mission, impact on health and safety, and the need to continue revenue generating activities. For positions that must be filled, the time period for rehiring staff is lengthened to achieve additional savings.
- **Staff Redeployments Completed** – OCFS continues to aggressively offer voluntary reassignments of staff from closing facilities to other agency positions. Each week, a team from the Division of Juvenile Justice and Opportunities for Youth and the Division of Administration travel to at least one of the affected sites to meet with impacted staff to advise them of redeployment opportunities within OCFS, transfer options to other agencies, and provide other personnel information such as seniority dates and retirement benefits. A total of 82 positions have been vacated through voluntary reassignments and attrition resulting in savings of \$2.2 million. The last two phases of the facility enhancement staffing granted in 2007-08 have been intentionally delayed so they could be filled by impacted staff. This accomplishes three purposes: 1) Prevents mandatory redeployments and reductions in force at a later date; 2) Allows retention of trained staff; and 3) Assists in achieving savings to meet the 3.35% State Operations cash reduction.
- **Staff Redeployments Remaining** – The one year notification requirement does not allow for mandatory redeployments until January 11, 2009; however, we will continue aggressive efforts to place the 57 remaining staff to achieve additional savings of \$1 million through these actions. These early redeployments of staff will assist in achieving savings needed to meet the 3.35% State Operations cash reduction.
- **Overtime** – Deliberate actions to reduce overtime are continuing to achieve personal service cost savings in facilities and the SCR; however, any new legislation impacting SCR call volume, clearances, expungements and administrative reviews could cause overtime to increase.
- **Temporary Employment Agency Staff** – As the timeframe for re-filling vacancies is extended, the use of temporary employment agency staff is limited to critical facility medical personnel.
- **Communications Devices** – Service has been discontinued on 50 blackberries and an audit of all phone lines is being conducted on order to disconnect service for any excess lines. Managers are also considering the elimination of desk phones for individuals who have been assigned a cell phone while in travel status in order to eliminate any duplication.
- **New Equipment** – Controls on inventory at closing facilities require that equipment be moved to other sites to avoid the expense of new purchases.

- **Federal Revenue Maximization Efforts** – OCFS continues to review any adjustments in claiming and allowable activities that will maximize Federal dollars. Enactment of the Wage Reporting legislation is essential to assist local districts. This is especially important since the \$2 million Local Assistance General Fund cut to the Foster Care Block Grant was sustained in the Enacted Budget even though the legislation is still under consideration. Consideration should also be given to hiring a revenue maximization consultant.
- **Lease Consolidations** – The Albany Regional Office is being moved to the Rensselaer site and the Plattsburgh district office has been eliminated. OCFS will also take advantage of any future opportunities for lease consolidations.
- **Travel Restrictions/Curtailment** – Severe out-of-state travel and conference restrictions were implemented last year. In-state restrictions include elimination of discretionary travel, more aggressive use of fleet vehicles instead of personal car mileage, and increased use of videoconferencing for meetings. The vehicle inventory is already being reduced by 30 vehicles to meet the base non-personal reductions that were included in the Executive Budget. OCFS will reduce the fleet by an additional 20 vehicles for a total of 50 vehicles that will be eliminated from the OCFS vehicle fleet during SFY 2008-09.
- **Training Efficiencies** – For the calendar year 2009 Training Plan, 14 training projects will be competitively bid to secure the most cost effective prices. In addition, the Library in the Central Office in Rensselaer will be closed and the incumbent will be reassigned to other training activities.
- **Reduce Support to OFT Commensurate with 3.35 % Cut** – While the State Operations ceiling was cut by 3.35%, there has not been a corresponding reduction in network and data center rates.
- **Use of Automation** – OCFS continues to explore any systems development activities that will reduce workload such as debit cards, electronic billings for chargeback rates, and the use of Livescan to expedite the processing of fingerprints.
- **Combined Efficiencies** – Discussions are continuing with OTDA to explore any combined efficiencies.

A.3 Protecting Key Priorities

OCFS POLICY AGENDA

While OCFS has initiated a number of activities to transform the juvenile justice system, there are still many changes that must continue to be advanced to improve programs and services. This agency continues to focus on a number of key priorities that are essential for advancing forward the core mission and policy agenda of improving the lives of vulnerable children and families. While this is an ambitious policy agenda during a time of serious fiscal constraints, it is important to continue to move forward to transform our systems in ways that will result in better outcomes for children and families. This policy agenda was developed based on input from local district partners, other state agencies, community programs, advocates, legislators and caseworkers, all of whom share this common purpose. While the fiscal constraints are real, this budget still provides critical resources for continued program reform and long-term investments in change. Key priorities include the following:

- **Reforming the Juvenile Justice System** – In addition to realigning capacity, additional focus is needed on juvenile justice reform related to treatment modalities and Sanctuary Model training, as well as community interventions. The Recidivism Study mandated by Article VII language will require continued focus on the juvenile justice reform agenda.
- **Bridges to Health (B2H)** – This program began operation in January 2008 and there are currently 158 children either already enrolled in the program or in pre-enrollment status being assessed for admission. By the end of SFY 2008-09, it is expected that there will be 610 children receiving critical services in the community.
- **Quality Rating System (QRS)** – The Quality Rating System is a mechanism to inform consumers and providers of the quality of child care programs. It also assists in creating a stronger infrastructure to support and sustain child care programs. QRS will be piloted at selected sites during SFY 2008-09 and future expansion to the entire child care system will be considered upon evaluating the pilot. The initial pilot will be supported by grant funding.
- **Improved Outcomes for Children (IOC)** – The fundamental components of IOC include redesigning and strengthening New York City oversight functions; strengthening the Administration for Children's Services responsibility for outcomes for children; adopting a family conferencing framework and practice expectations; reforming the financing of foster care. Phase I was approved and implemented in 2007. New York City has requested approval for expansion of the pilot to Phase II in the fall of 2008.
- **Improving CONNECTIONS** – The \$17 million in bonding authority in 2008-09 will allow us to advance forward with the transformation of CONNECTIONS. Changes to CONNECTIONS will continue to focus on improvements for caseworkers so they can spend more time with children and families.
- **Improving Child Welfare** – Child Welfare Financing legislation will sunset in 2009 and will need to be reauthorized. Legislation will be needed to continue the Foster Care Block Grant, Child Welfare Services and the Quality Enhancement Fund. Increased focus in this area is expected, especially as Child Welfare spending has escalated in the past year.

A.4 Treatment of New Initiatives

- The Legislature added Part EE to the Article VII bill requiring OCFS to prepare a report titled “Implementation of Recommended Caseworker Ratios” by January 7, 2009. The report must detail:
 - Current caseworker ratios for child protective services for each social services district.
 - A comparison of the available data on staff-to-client ratios for foster care and preventive services for each social services district.
 - A comparison of the current ratios to the recommendations of the 2006 study.
 - A projection of the cost to meet such recommendations.
 - Detailed data on the number of child protective services reports, workers, turnover and overdue reports.
 - The impact of meeting the recommendations on the CONNECTIONS system.
 - Progress towards implementing the recommendations and OCFS monitoring activities.
 - Estimated costs for any future training or management needs.

Activities have been initiated to meet these new reporting requirements.

- In July 2007, OCFS received approval from the Federal Centers for Medicare and Medicaid Services (CMS) to implement the Bridges to Health Medicaid Waiver Program. This approval includes three Medicaid Waivers -- Medically Fragile, Developmentally Disabled and Seriously Emotionally Disturbed -- to enhance services to children with multiple needs in foster care. The program creates new opportunities for serving children with cross-systems needs who are at risk of hospitalization or high cost institutionalization. The waiver program began operation in January 2008 and it is estimated that 610 children will be receiving waiver services by the end of SFY 2008-09. A total of \$10.205 million in Local Assistance funding is provided in SFY 2008-09 to support projected waiver slots.
- Article VII language under Part FF is added to require OCFS to contract with an external organization to conduct a study on the effectiveness of juvenile justice services.
 - The study must examine recidivism rates in residential and community based programs operated, licensed or certified by OCFS, including characteristics of youth, service setting, criminal record and placement history, and length of stay.
 - The study must include a comparison of program models and service needs of youth in other states.
 - An initial report on the research design and methodology is due by January 15, 2009; an interim report detailing the effectiveness of juvenile justice services and the recidivism rates is due by January 15, 2010; and a final report detailing the effectiveness of juvenile justice services, recidivism rates, and recommendations to improve services is due by January 15, 2011.

Funding of \$250,000 was provided in the Youth Facilities Program to support the study. Activities are underway to define the elements of the study and conduct contract development activities.

- Article VII language under Part AA requires performance and outcome measures for OCFS training programs including data to be posted on the agency website. Work continues to provide identify the training projects and data elements to be posted on the website.

B. Summary of General Fund Financial Impacts

GENERAL FUND -- SAVINGS SUMMARY (000's)			
	Required Reduction	2008-09 Savings	2009-10 Savings
Local Assistance	34,451	34,451	34,451
Personal Service	6,063	6,063	6,063
Non-personal Service	3,028	3,028	3,028
Total State Operations	9,091	9,091	9,091
Capital	0	N/A	N/A
TOTAL	43,542	43,542	43,542

GENERAL FUND -- YEAR-TO-YEAR CHANGE, AFTER SAVINGS (000's)			
	2007-08 Actual	Revised Projection	Percent Change
Local Assistance	1,589,039	1,739,036	9.44%
Personal Service	152,916	167,925	9.82%
Non-personal Service	106,135	97,149	-8.47%
Total State Operations	259,051	265,074	2.33%
Capital	1,378	1,900	37.88%
TOTAL	1,849,468	2,006,010	8.46%

C. Identification of Proposed General Fund Actions (000's)

	2008-09 Cash	2009-10 Cash	2010-11 Cash
GENERAL FUND			
Local Assistance	(34,451)	(34,451)	(34,451)
1. Child Welfare - Open Ended	(11,476)	(11,476)	(11,476)
2. Foster Care Block Grant	(8,898)	(8,898)	(8,898)
3. Adoption Subsidy	(4,536)	(4,536)	(4,536)
4. Child Care	(2,889)	(2,889)	(2,889)
5. Adult Protection/DV	(662)	(662)	(662)
6. CSE	(1,330)	(1,330)	(1,330)
7. Youth Programs	(2,542)	(2,542)	(2,542)
8. All Other	(2,118)	(2,118)	(2,118)
State Operations	(9,091)	(9,091)	(9,091)
9. Voluntary redeployment of staff impacted by closings	(3,273)	0	0
10. Attrition savings in all programs	(625)	(625)	(625)
11. Greater vacancy control in Personal Service (Administration, Systems Support, Family and Children's Services, Youth Facilities Programs)	(2,458)	(6,303)	(6,303)
12. Network Expenses	(511)	(511)	(511)
13. Training contracts evaluated for cost efficiencies and reduced	(222)	(222)	(222)
14. Family and Children's Services reduced travel, supply and equipment purchasing	(1,210)	(1,210)	(1,210)
15. Reduced direct care expenses for closing facilities	(722)	(150)	(150)
16. Reduce EBCI contracts	(70)	(70)	(70)

LOCAL ASSISTANCE GENERAL FUND ACTIONS

The SFY 2008-09 Financial Management Plan estimates \$1.739 billion in Local Assistance General Fund cash disbursements for the period April 1, 2008 through March 31, 2009, including all appropriations and reappropriations, consistent with the assigned cash ceiling. The projected cash disbursements from the Local Assistance fund reflect reduced spending due to the 2% across-the-board reductions contained in the appropriation language and also reflected in the reduced cash disbursement ceiling. Ongoing programs that were not subject to the 2% reductions include the Bridges to Health Medicaid Waiver Program, OMH Home and Community Based Waiver Services and Medical Assistance Per Diems for children in foster care.

Details of the projected disbursements are provided in the charts included in this section. The following information summarizes the highlights of the Aid to Localities Spending Plan:

- **Child Welfare Services** – In SFY 2008-09, \$607.8 million was appropriated to reduce Child Welfare Services funding to 98% of the 65% reimbursement level, net of Federal funding. This funding supports Child Protective Services, Preventive Services, Independent Living, Aftercare Services and Adoption Administration/Services. The Child Welfare Services cash disbursement target is estimated at \$562.3 million.
- **Foster Care Block Grant** – Policy and reimbursement for foster care services for children are governed by Title IV-E of the Social Security Act, Articles 3, 7 and 10 of the Family Court Act and numerous sections of the Social Services Law. Included as part the Foster Care Block Grant is funding for the statutory provisions related to the required Maximum State Aid Rate (MSAR) that became effective July 1, 2006. The \$436 million cash target will support State reimbursement for foster care services and the continuation of the required MSAR. This represents a 2% appropriation reduction compared to the Executive Budget. In addition, the Foster Care Block Grant was reduced by \$2 million to support the Article VII bill to access wage reporting data. While this is not yet enacted, it is hoped that a bill will be passed before the end of the Legislative session. Also, included in the cash target is the State's reimbursement for the Human Services Cost-of-Living Adjustment (COLA) effective April 1, 2008 as mandated by Chapter 57 of the Laws of 2008. The districts will not be reimbursed in excess of their specified allocation. Monthly payments reflect one-twelfth of the cash target.
- **Adoption Subsidies** – Policy and reimbursement for the Adoption Subsidies program is governed by Title 9 of Article 6 of the Social Services Law (Section 450-458) and Title IV-E of the Federal Social Security Act. In SFY 2008-09, \$222.3 million will support adoption subsidy payments. This represents a 2% reduction on State reimbursement to local social service districts. Of the \$222.3 million cash target, \$220.2 million will be used to support adoption subsidy payments distributed by the local districts and \$2.1 million will be used to support adoption payments made for children who were voluntarily surrendered to authorized voluntary agencies. Included in the cash target is the funding to support the Human Services Cost-of-Living Adjustment (COLA) effective April 1, 2008, as mandated by Chapter 57 of the Laws of 2008.
- **Child Care** – This appropriation primarily supports local district child day care subsidies and will be fully disbursed during SFY 2008-09. This includes a 2% reduction in the State funding for subsidies.
- **Adult Protective/Domestic Violence (AP/DV)** – This funding supports eligible local social services district expenditures for the provision and administration of adult protective services, residential services for victims of domestic violence who are not eligible for public assistance and non-residential services for victims of domestic violence. State funds are accessed only after first

deducting \$66 million of Federal Title XX funding that is specifically allocated for eligible AP/DV expenses. Appropriation language only allows for reimbursement of 98% of the 50% State share and cash disbursements reflect this.

- **Committee on Special Education (CSE)** – OCFS is responsible for reimbursement of local social services district maintenance costs for Committee on Special Education (CSE) placements in residential care facilities with approved programs. Also, OCFS reimburses local social service districts for the maintenance costs of a student attending a State-operated school for the deaf or blind. The SFY 2008-09 appropriation of \$76.2 million represents a 2% reimbursement reduction compared to the Executive Budget. It is anticipated the \$68.2 million cash target will support monthly payments to local districts based on their monthly claims for children in CSE placements. The State will reimburse local social services district claims at 98% of 40% of the State share for the maintenance costs associated with CSE placements in residential care facilities; and 98% of the 50% of the State share for maintenance costs associated with students attending a state school for the deaf and blind.
- **Secure and Non-Secure Detention** – This appropriation supports the payment of State aid for services and expenses for programs pursuant to Section 530 of the Executive Law for Secure and Non-Secure Detention Services. The SFY 2008-09 appropriation represents an overall increase based on anticipated inflationary increases and additional prior year audit reconciliation obligations, reduced by the 2% cut. Reimbursement is therefore reduced to 98% of the 50% State share.
- **Youth Development & Delinquency Prevention (YDDP)** – As authorized by Article 19(a) of the Executive Law, this program supports locally initiated and operated youth development programs. Since the counties' fiscal cycle is based on a calendar year, spending against the 2008-09 appropriation does not begin until the first quarter of SFY 2009-10. As a result, the \$0.569 million decrease representing the 2% cut in the SFY 2008-09 YDDP appropriation, will not be realized until SFY 2009-10. Further, because the appropriation language allows counties to submit claims within 12 months of the project year, both the \$0.569 million decrease and continued base spending will occur in SFY 2009-10. Because the SFY 2007-08 YDDP re-appropriation was also cut by 2%, or \$0.590 million, the previously approved YDDP county allocations for calendar 2008 are in the process of being reissued. These revised allocations will be equitably prorated across all counties to reflect the 2% cut. It is projected that cash disbursements will be \$28.91 million by March 31, 2009.
- **Special Delinquency Prevention Program (SDPP)** – This appropriation continues to fund delinquency prevention and youth development initiatives to reduce unemployment among at-risk youth from economically distressed areas, improve their future employment prospects and encourage them to continue in appropriate education programs. Historically, due to the counties' fiscal cycle being based on a calendar year, spending against the SDPP appropriation does not begin until the following State Fiscal Year. As a result, the \$0.188 million decrease representing the 2% cut in the SFY 2008-09 SDPP appropriation, will begin in the first quarter of SFY 2009-10. Also, since the appropriation language allows counties to submit claims within seven months of the end of the project year, spending will occur in SFY 2009-10. Although the SFY 2007-08 SDPP re-appropriation within the 2008-09 Enacted Budget was also cut by 2%, or \$0.188 million, it will not be necessary to reissue the previously approved SDPP county allocations for calendar 2008 because OCFS has identified adequate savings from the contract portion of the funding as a result of certain contractors who did not reapply for a renewal for the 2008 calendar year contract period. The cash estimate of \$9.212 million reflects the 2% decrease in disbursements.

- Runaway and Homeless Youth (RHYA)** – This program consists of two distinct provisions for the needs of this youth population. Part I provides short-term shelter and support services for runaway and homeless youth. These services include shelter, food, individual and family counseling, case management and advocacy. Part II provides transitional independent living support services for older homeless youth between the ages of 16 and 21. The program is on a calendar year cycle; therefore, spending against the RHYA appropriation does not begin until the following State Fiscal Year. As a result, spending against the SFY 2008-09 RHYA appropriation will not start until the first quarter of SFY 2009-10. As a result, the \$0.126 million decrease representing the 2% cut in the SFY 2008-09 RHYA appropriation, will not be spent until SFY 2009-10. Further, because the appropriation language allows counties to submit claims within 12 months of the project year, disbursement at the lower level will occur in SFY 2009-10. Because the SFY 2007-08 RHYA re-appropriation was also cut by 2%, or \$0.136 million, the previously approved RHYA county allocations for calendar 2008 will be reissued. These revised allocations will be equitably prorated across all counties to now include the 2% cut. Disbursements will reach \$6.678 million.
- Reducing Institutional Placements and Juvenile Justice Pre-Placement Program** – Including the 2% cut, \$1.33 million of this appropriation supports the existing Mental Health/Juvenile Justice (MH/JJ) Pre-Placement program. The \$4.37 million balance of funding, which includes \$757,000 of new funding, is for reducing institutional placements and program modifications/services including mental health and substance abuse programs, demonstrated evidence-based initiatives to divert at-risk youth from residential placements, and/or demonstration projects to co-locate respite beds for at-risk youth in a runaway and homeless youth program. Historically, due to the counties' program year being based on a calendar year, as well as the time needed for the counties' budget approval and implementation process, spending against the MH/JJ program occurs in the following fiscal year. Disbursements will reach \$5.707 million.
- Post-Placement (Residential)** – Funding reduced by the 2% appropriation cut supports post-placement care of youth leaving a youth residential facility and for services and expenses related to Evidence-Based services such as multi-systemic therapy (MST), family functional therapy and/or functional therapeutic foster care. The cash estimate is consistent with recent years' spending. A total of \$980,000 will be disbursed to support SFY 2008-09 EBCI contractual payments for the multi-systemic therapy contract and local district contracts. The projected disbursements reflect the 2% cuts.
- PINS Alternatives to Detention (County Allocation)** – It is projected that \$5 million will be allocated to local districts to develop and expand community alternatives to avoid higher cost out-of-home detention placement, including but not limited to demonstrated effective and evidence-based initiatives. This amount reflects a 2% cut in appropriation from the Executive Budget. The total estimated cash spending for SFY 2008-09 is \$5.5 million.
- Alternatives to Detention (Contracts Allocation)** – It is projected that \$3.30 million will support State level contracts to provide technical assistance and related services for continued implementation of Part E of Chapter 57 of the Laws of 2005 pertaining to PINS diversion and other alternatives to detention purposes.
- Secure Detention – Capital** – In SFY 2008-09, this appropriation will support 98% of the 50% reimbursement level for claims submitted for approved Secure Detention capital expenses. Such reimbursement is in the form of depreciation and interest on bonds, notes, and financing of construction costs. The cash estimate of \$3.7 million is for annual capital payments for New York City and Erie, which also includes a negative adjustment for Erie County. These are the only counties that have Detention capital payments due in SFY 2008-09.

- **Youth Opportunity Centers (YOCs)** – The Youth Opportunity Center Program (YOCS) supports capital projects for community organizations to support New York State’s commitment to its young people and their communities. The expansion and refurbishment of non-residential youth centers supports positive youth development in local communities. The \$98,000 cash target will support payments related to the Youth Opportunity Center program. The projected disbursements reflect the 2% cuts.
- **Local District Training** – Local district staff development training claims greatly exceed the State Share cap each year. The training cap has been reduced from \$5.75 million in SFY 2007-08 to \$5.6 million in SFY 2008-09 to achieve the 2% reduction. The local training costs are comprised of both personal service and non-personal service components. Examples of specific costs claimed are professional local social services training personnel assigned to staff development, and materials and supplies related to staff development functions.
- **Adoption and Safe Families Act (ASFA)** – Chapter 145 of the Laws of 2000 requires criminal background checks for prospective foster and adoptive parents through the Division of Criminal Justice Services (DCJS). Pursuant to Chapter 668, of the Laws of 2006, and effective January 11, 2007, Section 378-a (2) (a) of the Social Services law was amended to require DCJS, to include in its background checks, a request to the Federal Bureau of Investigation (FBI) for criminal information on prospective foster/adoptive parents as well as any person 18 years of age or older who lives in the same household. The 2% savings will be realized by increasing the local district chargeback rate. This projection is based on the DCJS fingerprint processing fee, plus the FBI fee requirements, less the pending chargebacks.
- **Dormitory Authority** – Policy and reimbursement for the Dormitory Authority is governed by Section 410-i of the Social Services Law. The SFY 2008-09 appropriation represents a 2% reimbursement reduction to the local social service districts. Consequently, the State will reimburse local social service districts at 98% of the 50% State share of the districts claim. Spending is projected at \$6.370 million in SFY 2008-09.
- **St. Regis Indian Tribe** – This funding reimburses the St. Regis Indian Tribe for foster care, adult protective, child protective, preventive and adoption services. This program received a 2% cut in reimbursement. St. Regis will spend \$1.8 million during the projection period.
- **Fatality Review Teams** – These Teams work closely with the District Attorney’s Offices, child protective services, police, sheriff, and medical personnel to determine the cause and effect in the deaths of children occurring in their communities/neighborhoods. The 2% reduction will be achieved through contract reductions.
- **Multidisciplinary Teams and Child Advocacy Centers (MDT/CAC)** – Contracts will be reduced to reflect the 2% cut.
- **Hoyt Trust Fund** – In accordance with Article 10-A of the Social Services Law, the William B. Hoyt Children and Family Trust Fund provides funding for prevention and support services programs for victims of family violence including child abuse, domestic violence and elder abuse. The Hoyt Trust fund emphasizes primary prevention activities and pilots or replicates innovative family violence prevention programs. Funds are awarded through a Request for Proposal process. Programs are funded for four years with 100% funding provided in the first two years, 75% funding in the third year and 50% funding in the fourth year. This phased funding structure is intended to provide start-up and development funding in the initial demonstration period while allowing sufficient time for the awardees to procure alternative community funding over the long-term. The \$1.96 million cash disbursement reflects the 2% reduction and represents the transfer of the SFY 2008-09 funding to the Trust Fund Special Revenue Account by March 31, 2009. The

appropriation and reappropriation language was previously amended last year in the budget process to address Office of the State Comptroller requirements in order to complete the funds transfer.

- **Family Preservation Centers** – This annual legislative add provides \$63,000 to each of 5 contractors, all of whom are original participants in the Family Preservation Program, which commenced in 1994. This program supplied start-up funding to enable participants to build or restore a building at which clients could avail themselves of an array of different services in one location. Subsequent funding has permitted 5 of these programs to continue this service delivery module. Disbursements are projected at \$341,000 from all appropriations and reappropriations. Contracts will be reduced by 2%.
- **Kinship Caregiver Program** – The Kinship Caregiver Program supports 14 contractors that provide supportive services to kinship caregivers and children in their care to gain access to information and community support services that will maintain an extended family unit and prevent more costly out-of-home foster care placement. SFY 2008-09 appropriations of \$2.1 million in General Fund Local Assistance will continue to support the Kinship Caregiver program. This represents a 2% reduction from the prior State Fiscal Year funding.
- **Maternity and Early Childhood Foundation** – The Maternity and Early Childhood Foundation in Albany, New York supports programs that assist in meeting the health, social, psychological and other necessary services to those parents and their families who are most in need during the prenatal period in order to assist with the healthy birth of the child, as well as to serve the well-being of the mother. The contract will be reduced to reflect the 2% cut.
- **Quality Enhancement Fund (Child Welfare)** – The Quality Enhancement Fund supports various programs that provide services related to improving the quality of child welfare services. The \$3.8 million SFY 2008-09 appropriations includes funding to support services and expenses related to improving the quality of child welfare service. Contracts in SFY 2008-09 are being reduced to reflect the 2% cut.
- **Substance Abuse Collocation Project** – These funds are allocated to nine selected districts for the collocation of CPS and Certified Alcohol and Substance Abuse Counselors (CASAC). This program received a 2% cut in appropriation. One of the counties awarded funding has opted to no longer participate in the program.
- **Healthy Families/Home Visiting** – This appropriation supports contract renewals of the Healthy Families/Home Visiting Program. A total of \$24.696 million was appropriated in SFY 2008-09 to renew contracts on various cycles. The one-year contracts commence on June 1st, July 1st, September 1st and October 1st. Contracts will be reduced to reflect the 2% cut.
- **Settlement Houses** – This is typically a legislative add each year. The SFY 2008-09 cash estimate includes \$870,000 in disbursements from SFY 2007-08 and prior year re-appropriations. Contracts will be reduced by 2%.
- **Statewide 2-1-1 Operating System** – 2-1-1 is the number set aside by the U.S. Federal Communications Commission in 2000 as a single, memorable means of access to human services information and services. The 2-1-1 call centers are staffed by information and referral staff who provide information and link callers to agencies from a regional database of services. The \$2.798 million represents the cash disbursement projected for the balance of the SFY 2007-08 funding and the new appropriation in SFY 2008-09. The contract will be reduced by the required reduction.

- **Amy Watkins Caseworker Education** – The Amy Watkins Caseworker Education Program provides opportunities for caseworkers to pursue undergraduate or graduate degrees in Social Work. Two thirds of this appropriation is for local districts in counties having a population of 125,000 or more. The remaining one third of the appropriation is for voluntary agencies within those same districts. The appropriation was cut in SFY 2008-09 by 2% to \$980,000, which will be achieved by reducing allocations.
- **State Alliance of Boys and Girls Clubs** – The Alliance of Boys and Girls Clubs provides services that target students age 6 through 18 throughout the State. The alliance of Boys and Girls Clubs issued grants to 50 Boys and Girls Clubs for ongoing programs in SFY 2007-08. It is anticipated that the SFY 2007-08 remaining balance of \$1 million will be spent in SFY 2008-09. The new appropriation of \$1 million will continue this program in SFY 2008-09. There will be a 40% advance and quarterly claims for this program. The contract will be amended to reflect the required reduction.
- **Community Based Prevention Contracts** – This appropriation provides \$25 million for preventive services through community-based contracts that support children, youth, foster care placement and families. Contracts will be reduced by 2%.
- **Caseload Reduction** – The 2% reduction is achieved as a result of lower claiming by districts due to caseworker attrition and savings in technology purchases.
- **Caseworker Training** – This funding supports caseworker training and manageable workloads for child protective, foster care and preventive services caseworkers. This funding is to strengthen and expand training so that caseworkers have the comprehensive tools to recognize and respond to safety and risk indicators, case planning and critical decision making. The contract value of \$4.9 million in SFY 2008-09 reflects the 2% cut.
- **Child Abuse Provider Network (CHAMP)** – This contract will be reduced by 2%.
- **Preventive Purchase of Services COLA** – In SFY 2008-09, \$9.4 million is included for 100% reimbursement of cost-of-living adjustments provided to preventive services agencies in SFY 2006-07 and SFY 2007-08. Only those local districts that currently participate in the program are eligible for SFY 2008-09 funding. This amount reflects a 2% cut in funding. Amounts approved last year based on local district plans will be reduced by 2%.
- **New York New York III** – Under the New York New York III supportive housing agreement, 200 units are designated for youth, age 25 and younger, who are leaving or have recently left foster care, and are at risk of homelessness. OCFS will be responsible for the implementation of 100 beds, while New York City's Administration for Children's Services will be responsible for the other 100 beds. The SFY 2008-09 Budget includes an appropriation of \$2.274 million to support the 50% State share of operating costs of OCFS beds. This amount represents a 2% cut in funding from the Executive Budget. Reimbursements to NYC will be reduced by 2%.
- **Family Empowerment Centers** – Family Empowerment Centers will provide training and educational programs to assist children and families at risk of entering the child welfare system to achieve self-sufficiency. The SFY 2007-08 reappropriation was reduced by 1.2% from \$3 million to \$2,964,000. It is expected that \$1,764,000 will be disbursed during SFY 2008-09. There was no appropriation for Family Empowerment Centers in the 2008-09 Enacted Budget. Any awards made under this program will be reduced by 2%.
- **HeartShare** – This program seeks to promote marriage and family stability among families in New York City through counseling, mediation and education. OCFS has approved the application and contract associated with this program from SFY 2007-08 appropriation. The contract will be reduced by 2%.

- **Ridgewood Bushwick Senior Citizens Council Youth Center** – The center supplies needed services to the senior citizens and youth of the Ridgewood Bushwick community. The \$249,000 cash target will support payments related to expenses incurred by the program. The contract will be reduced by 2%.
- **Advantage After School Programs** – Contracts will be reduced by 2%.

STATE OPERATIONS GENERAL FUND ACTIONS

The State Operations General Fund Financial Plan estimates \$265.074 million in cash disbursements for the period April 1, 2008 through March 31, 2009, including all appropriations and reappropriations, consistent with the assigned cash ceiling. These projections include all changes anticipated in State Operations programs in the enacted budget. The projections include spending for the 3% salary increase effective April 1, 2008 for staff in the Management/Confidential and Civil Service Employees Association (CSEA) negotiating units. The projections do not yet include an amount for Public Employees Federation (PEF) staff. These costs will be incorporated into the plan at a later date following ratification of the PEF contract and calculation of the salary draw.

The State Operations projected cash disbursements reflect reduced spending due to the 3.35% reduction in the cash disbursement ceiling. While current projections indicate that programs will operate within available funding levels, some interchanges may be necessary to address changing spending patterns that may occur as a result of unanticipated cost escalations. This includes increased costs related to heating fuel, utilities gasoline and food that impact residential facilities providing 24-hour care.

The State Operations Spending Plan reflects the implementation of all offset transactions in accordance with the cash disbursement plan previously discussed with your Office. This Plan presumes that \$19.978 million in offsets will be processed by March 31, 2009 consistent with the most recent instructions. These offsets mirror the timing of offsets included in the Division of the Budget's calculation of the cash ceiling. We will continue to work with your staff to identify revenue sources for these transactions.

The non-personal service appropriations and spending projections reflect the reductions that were implemented in the SFY 2008-09 Budget. OCFS continues to implement any opportunities for cost efficiencies. As you know, last year the agency was successful in achieving cost savings through competitive bids in selected maintenance contracts. In some cases, maintenance contracts were eliminated and converted to hourly service calls with repairs done on an as needed basis to produce overall savings in day-to-day operations. Purchasing practices also continue to incorporate telephone or written bids as applicable, even if the item is already on State contract. In certain instances, depending on volume, better prices have been obtained to assist with meeting reduced spending limits.

To continue to implement necessary non-personal service reductions in the face of escalating costs, spending restrictions have remained in place since early 2007 requiring review of spending and limitations on non-essential purchases. This directive remains in effect and includes the elimination of discretionary travel, requires the use of the most cost effective means of travel, mandates reductions in the use of rental vehicles and requires the use of fleet vehicles instead of personal car mileage when available. Controls on out-of-state travel and conference travel have remained in effect on a continual basis, beyond the requirements of prior year spending freezes.

Key points of the State Operations Spending Plan for each program are as follows:

Youth Facilities Program

- The final plan for bed reductions includes the closure of Cass, Auburn, Brace, and Gloversville, as well as the downsizing of the Lansing and Adirondack facilities. These closings will result in a permanent reduction of 159 residential beds and 139 FTEs with an annual value of \$5.5 million in funding.
- The 2008-09 Executive Budget had advanced forward a conservative plan for the closure of 241 excess juvenile justice residential beds; however, funding for the 25-bed Great Valley Residential Center and the 57-bed Pyramid Reception Center was restored by the Legislature. At the present time, both facilities remain open and no savings are projected during SFY 2008-09.
- For 2009-10, OCFS is committed to an ongoing review of its facility operations to more closely align youth placements and population with available capacity. It is expected that economies and efficiencies can be achieved by making necessary capacity changes to operate at a level that provides adequate capacity for court placements, while reducing excess beds that are costly and inefficient. This action would also minimize the financial impact on the local social services districts that are responsible for paying 50% of the costs of care. Options include mothballing distinct units in underutilized facilities and/or bed changes at specified sites. Given the one year statutory notification requirements, any adjustments in operating capacity would need to be advanced early to achieve savings permanent, recurring savings. We will continue to work with your staff to incorporate any recommendations for changes in facility operations in the SFY 2009-10 Budget. In order to implement such a strategy, your assistance is requested in securing the necessary approvals once any decisions are made that affect facility capacity.
- While OCFS is experiencing a reduction in its limited secure and non-secure population, secure center operations are now operating over capacity. Goshen Secure Center is now fully converted from a Limited Secure to a Secure Center. This was accomplished without additional resources and OCFS absorbed the added cost of the YDA IV salaries within existing appropriations. We continue to monitor secure center bed requirements. In the event that additional secure beds are needed, we will first review existing operations for facility conversions to minimize any cost impact.
- In conjunction with the overall review of facility operations, the Division of Juvenile Justice and Opportunities for Youth is reviewing all Evidence-Based Community Initiative (EBCI) contracts to seek competitive bids for EBCI services to achieve any efficiencies. At the same time, youth safety and staff development must remain a priority, and OCFS will continue to offer training to staff in the Sanctuary Model of treatment.

Family and Children's Services Program

- Calls to the SCR's Child Abuse Hotline during January to March 2008 were 77,150, significantly higher than the same period in 2007 (71,216). If this trend continues, Overtime expenses will continue to climb to address workload, while funding is reduced. Service Center workload for employment clearances, database checks, expungements and hearing information continue to rise. In 2007, there were a total of 238,896 requests in all categories. This represents an increase in workload of 13% compared to 2006 (212,275) and 22% compared to 2005 (196,174).

Commission for the Blind and Visually Handicapped

- The General Fund Cash Disbursements for the Commission for the Blind and Visually Handicapped (CBVH) for SFY 2008-09 are projected at \$8.275 million.
- The majority of the CBVH General Fund appropriation is needed to cover the Federally-required State Match of CBVH Federal grants funding received. The total State Match/FNP personal and non-personal service funds are based on an estimate of Federal grants and FNP funding needs that will occur in SFY 2008-2009, which overlap FFY 2007-2008 and FFY 2008-2009. These State match funds support the continuation of the Federal Vocational Rehabilitation Services (VRS) Program for substantial numbers of needy employable clients requiring intensive, specialized services.
- The primary services provided through the Non-Vocational Rehabilitation (Non-VR) program afford legally blind children with early intervention rehabilitation skills training and enable elderly individuals to learn to adapt to the limitations imposed by failing vision and retain or regain independence in their homes and communities by learning new rehabilitation skills.

Systems Support and CONNECTIONS Program

- The cash disbursements for the Systems Support and CONNECTIONS Program SFY 2008-09 are projected at \$42 million.
- The \$17.4 million in bonding authority will allow OCFS to advance forward the architecture modernization platform conversion of the CONNECTIONS system. The plan for the first quarter purchases is already under development, including all necessary reviews and consultations with the Office for Technology. In addition, continuous improvements for caseworkers who use the system on a daily basis are essential so that direct care staff have more time available to help children and families involved in the child welfare system.
- The plan for \$3.0 million in bond authority will also allow for other CONNECTIONS development.
- We will continue to review OFT rates in the context of the limited funding as a result of the 3.35% cash disbursement reduction in State Operations.

Administration Program

- A total of \$500,000 in additional funding was continued in the Enacted Budget for five new staff to serve as Ombudsmen to complement existing resources to protect and promote the legal rights of youth in programs and facilities operated by OCFS. The legislation also re-established the Independent Review Board function, whose members are responsible for reviewing Ombudsman reports, as well as conducting investigations and facility visits. The added Ombudsman staff, as well as the Independent Review Board functions are now fully operational. The Ombudsmen are regionally located in order to facilitate more immediate access to facility locations. All are licensed to practice law in the State of New York. A toll-free number was established in 2007 that allows for 24-hour access by youth. Significant progress has been made in the past year to visit all facilities in the OCFS systems and establish a regular schedule of both planned and unannounced facility visits.

Training and Development Program

- The Training and Development Program projects cash disbursements totaling \$5.75 million. This amount represents the State Operations General Fund disbursements only and comprises the funds needed to meet Federally Non-Participating (FNP) expenses and State Match liabilities for the Training Plan that has an annual value of over \$70 million annually. The balance is supported primarily with Federal funds disbursed through the Multi-Agency Training Account under the Training and Development Program's Special Revenue Funds.
- Of the current 70 training projects, 14 will be bid out through a competitive Request for Proposals (RFP) that will be issued this summer. This RFP is now under development and will be used for awards for these 12 projects for the 2009 Training Plan. The intent of the RFP is to secure the most cost effective prices for the delivery of training programs and determine the availability of cost effective entities that may be able to deliver necessary training. While much of training conducted under the Training Plan is highly specialized in such areas as core caseworker training, child protective services investigations and child care and must cover a wide range of topics specific to OCFS regulatory and programmatic requirements, periodic bidding and re-bidding is will assist in meeting State and local district training needs with the best vendors at the most cost effective prices available.

CAPITAL PROJECTS ACTIONS

The Office of Children and Family Services has reviewed all Capital Projects contained in the Five Year Capital Projects Forward Program in accordance with instructions contained in Budget Bulletin B-1178. OCFS capital spending falls into two categories: 1) maintaining the health and safety of youth and staff in residential facilities; 2) preserving the infrastructure of facilities through repairs, replacements and restorations. Total spending for bonded projects is projected to be \$19 million. Hard dollar spending is projected at \$1.9 million. Details are as follows:

- \$10.08 million, or 53% of total bonded capital spending estimated for the fiscal year will be spent on projects already in construction related to health and safety, environmental purposes, and facility preservation.
- \$4.1 million, or 22% of total bonded capital spending estimated for SFY 2008-09 will be devoted to security improvements at State-operated residential facilities. These security improvements serve to protect the youth in the facilities, the staff working in the facilities, and the surrounding community.
- \$.891 million, or 5% of total bonded capital spending estimated for the fiscal year will be spent on projects currently in developmental or front end pre-construction. These projects will be awarded in the current fiscal year. Projects are exclusively for health and safety issues and various types of rehabilitation needed to maintain infrastructure integrity.
- \$1.5 million, or 8% of total bonded capital spending estimated for the fiscal year will be spent on appropriations added by the Legislature in SFY 2006-07 for the acquisition and repair of the Ohel Camp for the Disabled and installation of the United Way 2-1-1 statewide information and referral system.
- \$1.9 million, or 100% of hard dollar capital spending estimated for the 2007-08 fiscal year will be expended on minor rehabilitation projects, maintenance contracts, and renovations at the Tonawanda Indian House.

These estimated expenditures are currently being reflected in the OCFS Five Year Capital Forward Program Spending Plan. It should be noted that while Brace Residential and Auburn Center will continue until January this fiscal year, the Capital Projects spending plan has been reviewed to remove projects related to the facilities. The Capital Forward Plan will be transmitted under separate cover.

A review of the Agency's priority projects to be designed and constructed over the next five years, including a focus on the projects to be advanced this fiscal year, does not indicate any non-essential projects at any developmental phase that should be discontinued at this time. However, as discussed in the State Operations section of this Financial Management Plan, OCFS will continue to review of its facility operations to more closely align youth placements and population with available capacity. The Deputy Commissioner for the Division of Juvenile Justice and Opportunities for Youth (DJJOY) Services will be assessments of capacity and service needs for the Youth Facilities program to determine the potential for closing or downsizing certain residential facilities. OCFS will also explore both the closure of wings in underutilized facilities, as well as outright closure. Consistent with these activities, and in order to maximize any cost reductions or cost avoidance, the Bureau of Capital Services will work closely with the DJJOY to determine any capital projects that should be deferred, discontinued or eliminated at affected facilities. As a result, as the assessment of capacity needs for the Youth Facilities Program is finalized; further changes will be made to the capital spending plan.

D. Summary of Impact on Other Funds

OTHER FUNDS -- SAVINGS SUMMARY (000's)			
	Required Reduction	2008-09 Savings	2009-10 Savings
Local Assistance	47	47	47
Personal Service	75	75	75
Non-personal Service	110	110	110
Total State Operations	185	185	185
Capital		N/A	N/A
TOTAL		232	232

OTHER FUNDS -- YEAR-TO-YEAR CHANGE, AFTER SAVINGS (000's)			
	2007-08 Actual	Revised Projection	Percent Change
Local Assistance	1,020	1,843	80.68%
Personal Service	2,854	1,722	-39.66%
Non-personal Service	2,528	4,300	70.09%
Total State Operations	5,382	6,022	11.89%
Capital	21,643	19,660	-9.16%
TOTAL	28,045	27,525	-1.85%

E. Identification of Proposed Other Fund Actions (000's)

	<u>2008-09 Cash</u>	<u>2009-10 Cash</u>	<u>2010-11 Cash</u>
OTHER FUNDS (Note the fund/s affected by each proposal, in parentheses at the end of each entry)			
Local Assistance	47	47	47
Reduction in contracts and new awards (339 and 020)			
State Operations	185	185	185
Reduction in contracts and non-personal service savings (020, 307, 339)			
Capital Projects	0	0	0

F. Plan to Manage the Workforce

F.1 Overall Approach

The Office of Children and Family Services fill level is currently under the assigned personnel target for the agency. This is due to the current efforts to hold positions vacant in order to preserve opportunities for staff impacted at the facilities to be closed or downsized by January 11, 2009. The following actions are being implemented to manage the workforce and fill levels in accordance with budgetary constraints:

- OCFS will continue aggressive control of vacancies and rehires. An internal hiring freeze has been implemented so that all positions are evaluated to a high level for approval to determine if they are critical to the agency's core mission, their impact on health and safety, and the need to continue revenue generating activities. For positions that must be filled, the time period will be lengthened to achieve additional savings.
- For the staff redeployments related to facility closures and downsizings, a total of 82 positions have been vacated through voluntary reassignments and attrition. The last two phases of the facility enhancement staffing granted in 2007-08 were intentionally delayed so they could be filled by impacted staff. This accomplishes three purposes: 1) Prevents reductions in force at a later date; 2) Allows retention of trained staff; and 3) Assists in achieving savings to meet the 3.35% State Operations cash reduction.
- For the remaining staff at facilities impacted by closings/downsizings, the one year notification requirement does not allow for mandatory redeployments until January 2009; however, we will continue aggressive efforts to place the 57 remaining staff. Despite the successful efforts to date, some staff continue to exercise their rights to remain at the facility until January, even if there are no youth in care, resulting in unnecessary spending. This may also cause extended vacancies at facilities remaining open as we delay hiring to accommodate mandatory redeployments that will take place in January.
- The staffing plan included as part of this Financial Management Plan anticipates the filling of positions within the assigned target for the Agency. An important component of the personal service spending is the filling of the remaining key safety, security and programmatic positions for which approval was granted in the SFY 2007-08 Budget. These include critical direct care staff in facility operations for supervising youth in 24-hour residential settings, as well as new staff to enhance the mental health needs of youth in residential facilities.
- The mission critical functions of this Agency and direct care responsibilities the reduction or elimination of many functions. Adequate staffing is prerequisite for ensuring the safety and well-being of children, youth, families and communities; promoting self-sufficient families and individuals; protecting the State's most vulnerable populations; and securing permanency for children and youth who are placed in out-of-home care. The staffing plan provides the resources necessary to maintain the Agency's commitment to children, youth, their families, vulnerable adults and the blind and visually handicapped and to provide the resources necessary to meet Federal and State statutory requirements.

F.2 Plan for Refill of Vacant Positions (both current and anticipated vacancies)

Workforce Impact -- All Funds	
a. Initial Target: 3,988 (includes ONCS target of 11)	3,988
b. Current Fills PP# 2	3,971
c. Recurring impact of proposed actions (see Parts C & E)	
d. Recurring impact of vacancy-refilling plan (see F.2)	+17
e. Total FTEs March 31, 2009 (line b minus line c, plus/minus line d)	3,988
f. Change from Initial 2008-09 Target (line a minus line e)	0

H. Assumptions Underlying the Proposed Plan

This plan was developed to achieve the mandatory reductions while at the same time maintaining core functions and statutory requirements of the major program areas including facility operations, child welfare oversight, Blind and Visually Handicapped services, Child Care licensing and monitoring, and systems development. The underlying assumptions are as follows:

- This plan assumes that the implementation of the facility closures will be fully implemented by January 11, 2009, which is one year after the actual notification that took place on January 11, 2008. This is consistent with the statutory requirement that 12 months notification be given for any significant operating changes. As a result, any staff that have not yet accepted voluntary reassignment by that date will be redeployed based on a mandatory redeployment options in accordance with Department of Civil Service requirements.
- This plan assumes that OCFS will continue to work with the Office of General Services and other State entities to transfer properties to be closed to other interested state agencies or community based programs. There is insufficient funding in non-personal service to continue to support the physical plants' fuel, utilities, maintenance, grounds) for any extended period of time beyond SFY 2008-09. Similarly, any capital investments will be closely scrutinized and limited to only those health and safety or environmental projects that are needed to preserve physical plants prior to transfer.
- The projected disbursements for the current and subsequent fiscal years for Child Welfare Services and the Foster Care Block Grant are premised on continuation of the current financing structure. With the sunseting of Child Welfare Financing statute in 2009, Article VII legislation will need to be advanced as part of the SFY 2009-10 Budget to continue these provisions. However, over the next several months we will continue to review the current provisions for any proposed changes.
- The plan does not provide any flexibility for unanticipated operational cost escalations related to proposed bills that may be advanced by the Legislature. As you may recall, legislation was proposed last year to require that a court, before granting a temporary or final order of custody or visitation, must review whether a petitioner is listed on the Statewide Central Register of Child Abuse and Maltreatment (SCR) as the subject of an indicated report of child abuse or maltreatment. While the legislation was ultimately vetoed, the advancement of any Legislation with a significant fiscal impact could not be absorbed within available funding and cash disbursement limits.
- Proposed Article VII legislation to allow OCFS to access the Department of Taxation and Finance's wage reporting system to assist in eligibility determinations was not enacted by the Legislature. The \$2 million General Fund reduction in the Foster Care Block Grant was not restored; however the Article VII provision was not enacted. Local districts have expressed concern that the reduction in the Foster Care Block Grant funding was developed under the assumption that the legislation would be enacted.

I. Management of Risks Inherent in the Plan

- **Child Welfare Services Growth** – The 2008-09 appropriation reflects a 30% growth in funding compared to last year. Child Welfare claims will continue to be reviewed to identify any fluctuations compared to projections.
- **SCR Call Volume and Service Center Workload** – Calls to the SCR's Child Abuse Hotline during January to March 2008 were 8% higher than the same period in 2007. If this trend continues, overtime expenses will continue to climb or additional staff could be needed to meet the workload. In addition, Service Center workload for employment clearances, database checks, expungements and hearing information rose by 13% in 2007 compared to the previous year.
- **OCFS Secure Facilities** – OCFS secure center operations are now operating at or near capacity. Goshen Secure Center was converted over the last six months from limited secure to secure without additional resources and OCFS absorbed the added cost of the YDA IV salaries within existing resources. In the event that additional secure beds are needed, we will first review existing operations for facility conversions to minimize any cost impact.
- **Energy and Food Cost Escalations** – Energy costs for gasoline, fuel oil, electricity and natural gas, as well as food prices will likely exceed any adjustments made in the base budget. OCFS has already met with the New York Power Authority to conduct energy audits and assist with financing physical plant modifications that will help to achieve energy efficiencies.

J. Additional Savings Opportunities for 2008-09

While the reductions in the current fiscal year will be difficult to achieve, OCFS is strongly committed to implementing the Financial Plan requirements to address the projected budget gap this year and in subsequent fiscal periods. In addition to aggressively monitoring our fiscal and program performance, we recognize that the structural budget gap may require additional reductions in SFY 2008-09. Some possible areas to consider include the following:

- **Sale of Property on an Aggressive Schedule** – With the closing of facilities at Auburn and Brace, we are proposing an accelerated process for the sale of this excess property. The current procedures take up to 18 months, and sometimes the timeframe is extended if there is no immediate interest in the property. An accelerated process would allow for the estimated one-time revenue of \$1 to \$2 million to be generated earlier, while also reducing staff and non-personal service operating expenses to protect and preserve the property prior to the sale. These expenses include utilities, basic structural preservation and grounds maintenance.
- **Review of Information Technology (IT) Cost Structure** – Information Technology costs will be reviewed to determine cost efficiencies for certain services with emphasis on competitive pricing to achieve operating savings.
- **Maintenance Agreements and Service Levels** – A review of maintenance agreements will be conducted to identify possibilities to develop lower cost software maintenance agreements by decreasing service levels and response times during periods of low usage or non-peak hours.
- **Detention Services** – OCFS will continue current activities to reduce Non-Secure Detention authorized capacity. The review will focus on admissions and facility utilization to achieve operational efficiencies and eliminate excess capacity where possible to achieve efficiencies and future savings in Detention Services claiming.
- **Energy Savings** – OCFS will continue to work with the New York Power Authority to expand energy audits beyond State residential facilities and include applicable offices to assist with achieving savings in monthly energy billings.
- **Reduce Leased Space** – OCFS currently has offices located throughout the State to conduct various licensing and monitoring activities for a particular region, many of which are operated through real estate leases. Moving these offices to State-owned office buildings could substantially reduce leasing costs. As an alternative, this concept could also be extended to using other State-owned properties for office space. An example would be to re-locate and/or merge one or more regional offices to the campus of an OCFS facility. While this may require some capital renovation expenses, it may also result in multi-year cost savings related to leases.
- **Rededication of Current Leases** – In the current market, it may be possible to renegotiate lease terms to receive better pricing on office space and services. We will need the assistance of OGS to drive savings in both lease and utility cost factors.

K. Potential Future Savings Opportunities/Operational Improvements (indicate if statutory change is required)

SAVINGS ACTIONS TO CONSIDER FOR 2009-10

- **Facility Rightsizing** – For 2009-10, additional closures will be necessary to align capacity with projected bed needs. Given the one year statutory notification requirement, this plan must be advanced early to achieve savings by early next fiscal year and in the out years. Options include closing distinct units in underutilized facilities; closure of additional facilities; and the sale of excess property. Specialized services units for mental health, substance abuse and sex offender services will be retained to meet population needs. Bed realignment will also help to address the escalating OCFS chargeback rates for which districts must pay a 50% share.
- **Debit Card Opportunities** – This project would allow for electronic processing of certain payments similar to the Public Assistance and Food Stamp electronic benefit payments at OTDA. It might include adoption subsidy payments, child care subsidy payments and foster parent payments. This project would ease administrative burdens at the state and local district levels.
- **Community Optional Preventive Services Moratorium** – COPS programs are currently funded from Child Welfare Services. COPS program requests have increased and numerous requests are currently pending. A moratorium on any new COPS proposals should be considered as a cost savings measure in the future.

EXHIBIT I**2008 - 09 Spending Reduction / Financial Management Plan
Procedures to Minimize and Control Non-Personal Service (NPS) Expenditures**

Section A.2 includes a discussion of how savings will be achieved on a recurring basis. It also details actions already taken to achieve non-personal service savings. The purpose of the section is to define the Commissioner's process for approving non-personal service obligations in order to reduce spending.

Since 2006, under the direction of the OCFS Executive Office, all offices and program sites have been operating under financial restrictions regarding all non-personal service acquisitions and expenditures. This has included restrictions on all non-personal service spending for supplies and materials, travel, conference attendance, contracted services and equipment replacements.

At the Commissioner's direction, the Division of Administration is responsible for ensuring that purchases comply with spending restrictions for all OCFS entities. Controls on purchasing and the process for implementing these controls are as follows:

General Requirements

- All purchases must be processed through the Bureau of Contract Management through the purchase order procurement system. Any purchases of a questionable nature are rejected to the requestor and require explanation and justification. This includes a review of high volume purchases, items not typically purchased for OCFS operations, items purchased on the open market that can be obtained at lower cost State contract prices, to name a few.
- Any items re-submitted without required justification are rejected and elevated to the Deputy Commissioner for Administration and the appropriate program Deputy to avoid any future violations of purchasing practices.
- The Bureau of Financial Operations is piloting the use of Procurement Cards to expedite purchases and minimize workload related to vendor payments. This is consistent with a recent Office of the State Comptroller directive. OCFS is piloting the use of procurement cards at 10 sites.
- The Bureau of Financial Operations reviews all payments processed from field locations to eliminate any duplicate payments submitted by field locations.

Supplies and Materials

- OCFS has implemented a "pre-review process" for purchase orders for the Division of Juvenile Justice and Opportunities for Youth. This process provides a review of potential obligations prior to purchase for residential care programs so that purchases are limited to items that benefit youth and meet regulatory and operating requirements. For example, the purchase of school books for DJJOY educational classes can be reviewed centrally by the Bureau of Educational Services to make sure that the items meet regulatory requirements for special education, course content, grade level appropriate and age-appropriate content.
- Another example of the benefits of the "pre-review process" relates to food purchases where costs are dramatically escalating. OCFS facilities are required to deliver food services based on a statewide menu that is in effect for all facilities for every day of the year. This allows for the Central Office Nutritionist to review food orders to determine if they are appropriate for the number

of youth in residence, determine if the items purchased are consistent with the statewide menu, identify any issues related to nutritional requirements for the age/type of youth in residence and recommend alternate purchasing methods for obtaining the best price. All facilities, except those not accessible for delivery, are required to use the Office of Mental Health cook chill program.

- All office supplies must be limited to only those items that essential to maintain day-to-day operations.
- All supplies in Central Office must be obtained through the central inventory. Exceptions are made only when necessary items are not part of the central inventory or can be obtained at a lower price from another vendor.
- All special orders must be scrutinized for programmatic need and may require written justification following review of the purchase order.

Equipment

- All equipment purchases must be limited to the replacement of broken, inoperable or non-compatible equipment that continues to be required to conduct the daily business of the applicable Division/Office.
- Any equipment purchases related to the replacement of desktop computers, printers or photocopiers with scanning capability must be reviewed by the Division of Information Technology and then processed to the Bureau of Budget Management for approval. As above, purchases can only be processed for replacement of broken, inoperable or non-compatible equipment that is needed to conduct daily business. This process screens for replacement equipment that has exhausted its useful life and/or new equipment that has a demonstrated need and where there is no ability to pool resources with other units.
- All photocopier replacements must be evaluated centrally by the Bureau of Contract Management prior to purchase to review usage requirements, features, repair records of similar equipment already acquired, life of equipment and cost of related supplies and service. This review must also determine if the request duplicates equipment in a nearby office so that equipment can be shared.
- Any equipment or software purchases related to the equipment refresh or upgrades are denied pending decisions on the next agency refresh.
- Any equipment that will increase the need for connection to the computer network, and therefore increase HSEN billings, must be closely scrutinized to avoid any increases in OFT rates related to added devices.
- OCFS must participate in the OGS Aggregated Purchasing Program for new purchases of personal computers and printers. OGS is able to obtain volume discounts from contractors. Program offerings are based on gauging opportunities for "bulk" purchases based on procurement information contained in the Annual Technology Plans (ATP) submitted to the Chief Information Officer and DOB.
- Incumbents who vacate positions are removed from the Outlook Address Book to avoid network billings for staff who are no longer employed at OCFS.
- Equipment requests must be closely scrutinized so that items available to the entire office rather than one individual (i.e., printers must be located in an area accessible to the entire office to avoid duplicate equipment in the same area).
- Equipment requested with special features such as high speed, high volume or color printing must be justified as meeting significant program need criteria or be denied.

Travel

- Travel must be limited to essential travel to conduct primary agency responsibilities related to licensing (foster care, domestic violence, detention, child care); monitoring local districts; and providing technical assistance to counties and providers to improve program operations. Current policy eliminates all discretionary travel.
- All out-of-state travel is severely restricted and only approved when it is essential for meeting Federal agency requirements for accessing Federal funds or is absolutely essential to meet programmatic need. Staff traveling out-of-state must maximize the use of Federal funds, where applicable, and include such travel expenses in all grant applications to minimize or eliminate state costs. All out-of-state travel requires approval of the OCFS Executive Office and must be accompanied by a justification of the need for the travel and how costs were minimized.
- All in-state conference attendance requires approval of the OCFS Executive Office and must be accompanied by a justification of the need for the travel and how costs were minimized. Approvals are granted only for those individuals who are required to present materials related to OCFS programs or must receive necessary training to carry out the responsibilities of their position. Multiple attendees at conferences are closely scrutinized and granted only with sufficient justification.
- Videoconferencing must be used where equipment is available and if the circumstances of the meeting are conducive to videoconferencing in order to reduce travel expenses.
- Multiple attendees traveling to the same destination must coordinate travel arrangements to reduce multiple reimbursements.
- Personal car mileage will not be reimbursed unless the individual has written confirmation from the Bureau of Management Services that a State car was not available for transportation.
- Any staff member using a State-issued credit card for travel must conduct such travel in accordance with all per diem limitations for each applicable county, as well as conform to allowable purchases. Staff must submit corresponding travel vouchers to document travel within the month so that vendor payments can be made expeditiously and avoid interest obligations. Staff who do not comply with such timeframes are subject to paychecks being withheld until all outstanding vouchers are submitted.

Contractual Services

- The Bureau of Contract Management must determine the cost benefit for all maintenance contracts. This may include competitive bids, even if the service is already on OGS State contract. In some cases, Bureau staff may be able to obtain lower prices based on modifying certain parts of the service required, such as extending response times for repairs or modifying provisions for off hours.
- The Bureau of Contract Management must determine the cost benefit of executing all maintenance contracts. In many cases, cost efficiencies and lower spending can be achieved by paying for services on an as-needed basis, which eliminates the added on-call costs. In addition, some repairs are relatively minor and do not require the level of service that, on average, is factored into typical maintenance contracts.

- All contractual services vouchers submitted by community based providers must be reviewed and verified by the program area responsible for program oversight. Any incorrect voucher submittals must be rejected back to the vendor for resubmittal. All vouchers for contractual services payments must then be reviewed by the Bureau of Contract Management for accuracy. Prior to processing, all encumbrances and balances are reviewed to verify the ability to proceed with payment.
- Contractors that do not comply with billing, payment and contract closeout requirements are subject to being placed on the Fiscal Sanctions List.

G. MONTHLY PROJECTIONS: ALL FUNDS WORKFORCE

NYS OFFICE OF CHILDREN AND FAMILY SERVICES

2008-09 PERSONNEL PLAN

	08-09 Target	April	May	June	July	August	September	October	November	December	January	February	March	Differ Apr- Mar Target
GF TOTAL-STATE OPS	3,365	3,343	3,341	3,340	3,337	3,337	3,346	3,342	3,340	3,338	3,367	3,366	3,365	0
Other Funds Total	623	628	627	626	625	625	624	623	623	623	623	623	623	0
ALL FUNDS TOTAL	3,988	3,971	3,968	3,966	3,962	3,962	3,970	3,965	3,963	3,961	3,990	3,989	3,988	0

State Operations Projected FTE

3,365

All Funds Projected FTE

3,988

State Operations Target

3,365

All Funds Target

3,988

Projected Over/Under Target

0

Projected Over/Under Target

0

G. MONTHLY PROJECTIONS: STATE OPERATIONS GENERAL FUND, LOCAL ASSISTANCE AND CAPITAL

(000's)

<u>State Operations</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>Total</u>
Personal Service													
1st PP	7,316	7,436	7,028	6,543	7,028	6,927	7,127	7,127	7,127	7,127	7,127	7,127	85,040
2nd PP	6,903	7,308	7,028	6,759	7,029	6,990	6,743	7,129	7,130	7,130	7,749	7,132	85,030
3rd PP (if applies)	7,051						6,741						13,792
Offset												-19,978	-19,978
Subtotal PS	21,270	14,744	14,056	13,302	14,057	13,917	20,611	14,256	14,257	14,257	14,876	-5,719	163,884
NPS	1,650	10,646	9,390	5,070	6,882	6,883	8,805	7,834	7,835	10,748	8,312	17,135	101,190
Total Disbursements													
State - Operations	22,920	25,390	23,446	18,372	20,939	20,800	29,416	22,090	22,092	25,005	23,188	11,416	265,074
Local Assistance	6,796	137,699	104,988	260,839	100,475	113,238	83,708	85,352	292,315	89,542	93,263	370,821	1,739,036
Capital Projects	147	158	158	158	158	158	158	158	158	163	168	158	1,900