

## Reauthorization of New York's Child Welfare Financing Law

During the 2012 legislative session, the Legislature is expected to consider New York's Child Welfare Financing law, due to expire on June 30, 2012. Reauthorization of the law affords policymakers an opportunity to continue reforms made over the past decade, which shift the emphasis from placing children in foster care to providing home and community-based services that keep families together and produce better outcomes. The child welfare system serves the State's most vulnerable population by emphasizing child safety and provision of child maltreatment prevention services and supports to strengthen families. The challenge, given current fiscal realities, will be to adequately fund services for those children and families who come in contact with the system.

In 2002, major revisions to the financing law established the Foster Care Block Grant and Preventive Services (65/35) Fund, intended to create a financial incentive for localities to shift focus from removing children from their homes into foster care to supplying primary, secondary and tertiary services to families in their homes and communities.<sup>1</sup> The fund supports all child welfare services, including protective, preventive, adoption, aftercare and independent living, but not foster care. It created a "reliable, uncapped funding source for child welfare services that would encourage localities to invest in services that promote family stability and permanency for children in safe home-based settings".<sup>2</sup> This change to the financing law aligned funding with OCFS' vision, principles and strategies laid out in 1998's *Establishing an Operational Framework and the Framework's 2002 update*.<sup>3</sup>

Reduction in foster care placements over the past decade is a direct result of the increased financial commitment to these in-home and community services, designed to enable children to remain safely at home. Beginning in 2006, the year of Nixzmary Brown's highly publicized death, the number of child abuse reports to the State Central Registry (SCR) increased by 23%, while the number of children placed into foster care declined by 11%.<sup>4</sup> However, recent cuts in state funding and cost-shifting to localities threaten to undermine progress at a time when many families are undergoing stress, and the number of Child Protection Services (CPS) reports continues to escalate. Indeed, funding for preventive services, based on gross claims, was \$309.65 million for the 2001-02 State Fiscal Year and grew to \$663.72 in 2007-08. After

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<sup>1</sup> New York State Office of Children & Family Services. (2006). *Final Report to the Legislature Child Welfare Financing*.

<sup>2</sup> New York State Office of Children & Family Services. (2006).

<sup>3</sup> New York State Office of Children & Family Services (2002). *Operational Framework Second Edition*. Retrieved from <http://www.ocfs.state.ny.us/main/about/assets/Framework.pdf>.

<sup>4</sup> NYS CCRS Data via Multistate Data Center. (1/31/11) Retrieved from <http://www.ocfs.state.ny.us/main/cfsr/statewide.asp?county=Statewide>

consistent growth, claims for preventive services have decreased by 14% in the past two years.<sup>5</sup> At the same time, the local share for these services grew from 35% to 38%.

SCAA recommends the following priorities for consideration during lawmakers' deliberations concerning Child Welfare Financing Law reauthorization:

*Preserve open-ended preventive funding and restore 65% state/35% local share returning the state/local partnership to its statutory level.*

Preservation of the open-ended nature of preventive funding is essential to support localities' efforts to prevent entry into the child welfare system. In the 2002 revisions to New York's Child Welfare Financing Law, the State created an open-ended preventive fund to encourage localities to provide a variety of services to promote family stability and permanency for children in safe home-based settings. Its purpose was to reduce more costly foster care placements and reduce the time spent in foster care when placement is needed.<sup>6</sup> The State agreed to assume 65% of the costs for protective, preventive, adoption, aftercare, and independent living services. The State share has since dropped to 62% and counties struggle to meet increased expenditures associated with this cost shift.

*Provide dedicated funding for Kinship Guardianship Assistance in the same manner as Adoption Subsidies.*

In 2010, New York enacted legislation allowing relatives in approved foster care settings to apply for Kinship Guardianship Assistance (*KinGAP*) when neither adoption nor family reunification are options. Many of these families require financial assistance to go on caring for a foster child in their household. With *KinGAP*, they may exit the foster care system and continue to receive financial support. Kinship Guardianship is another permanency alternative that should be funded in the way that adoption subsidies are funded, with similar shared State/local contributions. The 2011-12 State Budget provided funding for *KinGAP* within the block grant for one year. A dedicated funding source is now needed.

*Explore options for flexible funding for services for targeted at-risk populations to reduce child maltreatment and placement into care.*

State investments should provide localities with the resources, flexibility and responsibility to address local needs and target those most at-risk as early as possible. New York must protect and strengthen effective programs that serve at-risk families and prevent entry and re-entry into the child welfare system.

Greater flexibility could allow localities to target services before serious problems develop and a report is made to the SCR. The 2010 update of *New York State's Children's Plan* calls for continued expansion and improvement of comprehensive early intervention models and the development and strengthening of the community-based care network.<sup>7</sup> Flexible funds could

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<sup>5</sup> NYS OCFS Administration. Gross Preventive Service Claims. (November 4, 2011).

<sup>6</sup> New York State Office of Children & Family Services. (2006).

<sup>7</sup> Council on Children and Families. (2010). *The New York State Children's Plan Update*. Retrieved from <http://www.ccf.state.ny.us/Initiatives/ChildPlan/cpResources/2010ChildrensPlanUpdate.pdf>

support services like maternal, infant and early childhood home visiting, parent education, mental health services, drug and substance abuse treatment, and other programs that meet the developmental needs of children and youth at various ages and stages of growth and maturity including preparation for successful adulthood. Flexible funding would allow services to be better targeted to at-risk populations to reduce harm to children in the first instance and placements into care. Such funding should allow for integrated services across systems together with an expectation of documented outcomes that could be shared across agencies.