IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY

CHARLIE and NADINE H., et al., Plaintiffs, -v- JAMES E. McGREEVEY, et al., Defendants.	CIVIL ACTION No. 99-3678(SRC)

7/8/7

NOTICE OF PROPOSED SETTLEMENT

PLEASE TAKE NOTICE:

TO ALL FOSTER CHILDREN IN THE LEGAL CUSTODY OF THE NEW JERSEY DIVISION OF YOUTH AND FAMILY SERVICES ("DYFS") OR WHO COME INTO DYFS CUSTODY BY SEPTEMBER 2, 2003:

I. Background of the Case

This notice concerns a proposed settlement of the lawsuit known as Charlie and Nadine H. v. McGreevey. **If you are one of the children described above, or if you are the legal representative of one or more of these children, then you should read this notice.**

Charlie and Nadine H. was filed in August 1999 in the United States District Court for the District of New Jersey (the "Court") against the Governor of New Jersey, the Commissioner of the Department of Human Services, and the Director of the Division of Youth and Family Services (the "defendants"), in their official capacities. This case alleged that New Jersey's foster care system did not adequately protect children in its custody from harm. The defendants at all times denied these allegations. This lawsuit sought only court-ordered changes in the system and money damages were never at issue.

Plaintiffs and defendants have negotiated a settlement and have asked the federal district judge assigned to the case to approve this settlement. The terms of this settlement agreement are described below, however, **you have the right to review the entire settlement agreement, if you want to, and to tell the judge what you think before the judge decides whether to approve the settlement**.

II. Notice of Hearing

PLEASE NOTE THAT THERE WILL BE A HEARING BEFORE UNITED STATES DISTRICT JUDGE STANLEY R. CHESLER ON TUESDAY, SEPTEMBER 2, 2003, AT 2:00 P.M., AT THE UNITED STATES COURTHOUSE, 402 EAST STATE STREET, TRENTON, NEW JERSEY, IN COURTROOM 5E TO CONSIDER WHETHER THIS SETTLEMENT SHOULD BE APPROVED, AS PROVIDED BY RULE 23 OF THE FEDERAL RULES OF CIVIL PROCEDURE.

YOU ARE WELCOME TO ATTEND THE HEARING TO PRESENT ANY FAVORABLE COMMENTS OR OBJECTIONS REGARDING THE SETTLEMENT TO THE JUDGE. YOU ARE NOT, HOWEVER, OBLIGED TO ATTEND THE HEARING OR CONVEY ANY COMMENTS TO THE COURT.

PLEASE ALSO NOTE THAT THIS CASE AND THIS HEARING DO NOT CONCERN ANY INDIVIDUAL CHILD'S CASE, OR ANY CASE INVOLVING THE PARENTS OF CHILDREN IN DYFS CUSTODY. SUCH INDIVIDUAL CASES ARE HEARD IN THE NEW JERSEY SUPERIOR COURT. THIS CASE AND THE SEPTEMBER 2, 2003 HEARING CONCERN ONLY THE NEW JERSEY FOSTER CARE SYSTEM AS A WHOLE.

III. How to Obtain Copies of the Charlie and Nadine H. Settlement Agreement Or More Information About the Case

If you would like a copy of the Charlie and Nadine H. settlement agreement, it is available on the Division of Youth and Family Services web page at: <http://www.state.nj.us/humanservices/dyfs>>. If you do not own a computer, you can access one at many local libraries. If a computer is not available, a copy of the settlement agreement may be obtained by contacting plaintiffs' counsel, Children's Rights, Inc., at (888) 283-2210.

Any class member or legal representative of a class member who has questions about the settlement agreement or would like more information about the lawsuit may contact attorney Susan Lambiase. Ms. Lambiase works for Children's Rights, Inc. and represents the plaintiff class. She also can be reached toll free at #(888) 283-2210.

You may also review the materials that have been filed with the Court in this case, except those filed under seal, by going to the Office of the Clerk of the United States District Court for the District of New Jersey, at the Clarkson S. Fisher United States Courthouse, 402 East State

Street, Trenton, New Jersey. The Clerk's Office is open on business days from 9:00 a.m. to 4:00 p.m. To review materials in the public record in the Charlie and Nadine H. case, refer to Civil Action Number 99-3678.

IV. How to Submit Objections or Comments to the Court, or Request the Opportunity to Speak at the September 2nd Hearing

If you would like to submit any written objections or comments regarding the proposed Charlie and Nadine H. settlement, you must send a letter to the Clerk of Court at the following address:

William T. Walsh, Clerk
United States District Court for the
District of New Jersey
Clarkson S. Fisher Federal Building
& United States Courthouse
402 East State Street
Trenton, New Jersey 08608

In order to be considered by the Court, your letter must be received by no later than 12:00 noon on Friday, August 15, 2003. You must sign your letter, and must also print your name, address and telephone number on the letter.

Please also send copies of your letter to the following lawyers:

1. Susan Lambiase (attorney for plaintiffs)
   Children's Rights, Inc.
   404 Park Avenue South, 11th Floor
   New York, New York, 10016

2. Stefanie A. Brand (attorney for defendants)
   Deputy Attorney General
   Department of Law and Public Safety
   Richard J. Hughes Justice Complex
   25 Market Street
   P.O. Box 093
   Trenton, New Jersey 08625-0093

If, in addition to writing your concerns to the Court, you would also like to speak at the hearing on September 2nd, please add this request to your letter. Even if you are not permitted to speak, or do not attend the hearing, your letter will be considered by the Court.

V. The Charlie and Nadine H. Settlement

This settlement, if approved by the Court, will bring about certain changes in the operation of the foster care system in New Jersey. The major terms of the settlement agreement are summarized below:

(1) IMMEDIATE ACTIONS

The State has agreed to undertake the following measures within 120 days or less:

(A) Additional Funding:

- The State has agreed to obtain $14.3 million by August 1, 2003, to hire additional case managers, line supervisors and other essential Department of Human Services and DYFS personnel in order to reduce caseloads and fund space and equipment needs of the new workforce.

- The State has also allocated an additional $8.05 million, effective July 1, 2003, to support additional hiring and provide space and equipment needs of the new workforce.

- The State will also allocate $1.5 million for the immediate recruitment of new foster homes.

(B) Measures to protect children in out-of-home care:

- The Department of Human Services ("DHS") and DYFS will conduct immediate safety assessments on all children in out-of-home placement and take action as needed to protect them, including removing them from unsafe or high-risk placements.

- Defendants have also agreed to:

    - Review facilities that may be high-risk living situations for children, including but not limited to the following facilities: Arthur Brisbane Child Treatment Center, Vision Quest, and Newark Transitional Supervised Living Programs;

    - Review and improve licensing standards for homes and facilities providing out-of-home care;

    - Review and improve procurement procedures;

    - Review the hiring process to streamline hiring of staff; and,

    - Within 90 days, procure additional cell phones, automobiles, computers and supplies.

The fact that these measures, and the settlement as a whole, are focused on the needs of children in out-of-home care is not intended in any way to diminish the importance of services provided by DHS and DYFS to other children and their families, but is merely the result of the fact that the class of children certified by the Court in this lawsuit was confined to children in out-of-home care.

(2) PRINCIPLES OF THE SETTLEMENT

The settlement agreement sets forth the following child welfare principles to guide the reforms that will be undertaken by DHS and DYFS:

A. Children in out-of-home care should be protected from harm.

B. Decisions about children in out-of-home placement should be made with meaningful participation of their families and of the youth themselves to the extent they are able to participate.

C. In order to protect children and support families, New Jersey's child welfare system should operate in partnership with the neighborhoods and communities from which children enter care.

D. New Jersey's child welfare system should be accountable to the public; to other stakeholders; and to communities throughout the State.

E. Services to children in care and their families should be provided with respect for and understanding of their culture. No child or family should be denied a needed service or placement because of race, ethnicity, or special language needs.

F. New Jersey's child welfare system should have the infrastructure, resources, and policies needed to serve the best interests of the children in its care.

Once again, the fact that these principles focus on children in out-of-home care is not intended in any way to diminish the importance of services provided by DHS and DYFS to other children and their families, but is merely the result of the fact that the class of children certified by the Court in this lawsuit was confined to children in out-of-home care.

(3) CHILD WELFARE PANEL

A panel of five nationally-recognized experts in child welfare and related fields (the "Panel") will work with the State to help it develop a comprehensive, detailed reform plan, with specific steps and timetables in which to take those steps, sufficient to implement the goals of the settlement in keeping with the above listed principles.

- The State will issue the plan in six months and if the Panel finds that the plan will accomplish the goals and principles of the settlement, it will be accepted and incorporated into the settlement agreement. The Panel will then designate specific provisions of the plan that will be enforceable by the Court.

- The Panel will remain active for 18 months after the plan is accepted, during which time it will provide assistance to the State in implementing the plan, monitor progress and issue reports every six months.

- If, after meeting with the defendants to suggest alterations to the plan, it is not acceptable to the Panel, the parties will return to Court for the limited purpose of deciding the scope of a remedial court order.

(4) OUTCOME MEASURES

The plaintiffs and the State have agreed to a number of specific outcomes by which to measure the well-being of children in out-of-home care in New Jersey. The Panel will specify the level of achievement in each area and the time periods in which those levels will be met, and may establish additional enforceable outcome measures. The outcome measures listed in the settlement agreement are:

A. Decrease length of time in care for children with a goal of reunification.

B. Decrease length of time in care for children with a goal of adoption.

C. Increase proportion of siblings in foster care who are placed together.

D. Increase proportion of children in foster care who are appropriately placed with relatives.

E. Increase proportion of children in foster care who are placed in their home neighborhoods.

F. Decrease incidence of abuse and neglect of children in out-of-home care.

G. Decrease proportion of children in out-of-home care who are placed in congregate settings.

H. Decrease average number of placement moves experienced by children while in out-of-home care.

I. Increase the proportion of children in care, and their families, who receive the services they need.

J. Decrease the rate of re-entries into out-of-home care.

K. Reduce the number of adoptive and pre-adoptive placements that disrupt.

(5) MONITORING AND ENFORCEMENT

During the 18-month period after the plan is approved by the Panel, the Panel will

function as the monitor and will report on the State's progress in implementing those provisions that have come due during the applicable monitoring period. After the expiration of the 18-month period, a separate monitor will be chosen by the Panel and the parties. Both the Panel and the Monitor will have access to all records and personnel necessary to measure compliance with the settlement, which applies to DYFS as well as all agencies with which DYFS contracts for services to children in out-of-home care.

If plaintiffs determine that the State is out of compliance with one or more of the enforceable provisions of the settlement, plaintiffs can seek to enforce the settlement. The parties will first engage in a mediation process, however, aimed at obtaining agreement on the nature of the problem and on necessary steps to correct it, if any. If the mediation process is unsuccessful, plaintiffs can seek to prove non-compliance with the settlement in Court and, if successful, can ask the Court to enter any orders it deems necessary to enforce the settlement. The time periods for this process are abbreviated in situations that pose an immediate risk of harm to the well-being of children in DYFS custody.

(6) DURATION OF THE AGREEMENT

If there are no pending notices of non-compliance, on-going corrective action plans based on non-compliance or remedial court orders then in effect, defendants can ask the Court to end its oversight of this settlement at any time at least four years after the settlement agreement was signed (i.e., two years after the end of the Panel's monitoring process), if they can show the Court that they have been in substantial compliance with the enforceable terms of the settlement throughout the previous two years.

If defendants satisfy this requirement, plaintiffs can still request that the Court continue its oversight if plaintiffs can show to the Court's satisfaction that such oversight is still necessary to accomplish the purposes of the settlement.

(7) ATTORNEYS' FEES

Claims such as those brought in this lawsuit may entitle a party, under certain circumstances, to apply to the Court for its reasonable attorneys' fees and costs. In this case, the parties have negotiated a compromise of plaintiffs' claim for fees and costs. If the settlement is approved at the upcoming hearing, plaintiffs' attorneys from the not-for-profit organization, Children's Rights, Inc., will receive the sum of $1,650,000 in fees and $86,000 in costs. Plaintiffs' attorneys from the law firm of Lowenstein Sandler P.C. will receive $150,000 in fees and $143,000 in costs.

(8) COVENANT NOT TO SUE

Upon approval of this settlement, plaintiffs will be barred from bringing additional legal actions for injunctive relief against the defendants based on events that occurred prior to the signing of the settlement agreement on June 23, 2003. Plaintiffs are also barred from

bringing any class-action lawsuits seeking system-wide injunctive relief based on alleged actions or omissions by defendants occurring from the date of the signing of the settlement agreement until December 31, 2005. This settlement will not act as a bar or otherwise affect individual suits seeking damages or individual equitable relief.

This Notice Has Been Approved For Distribution By:

The Honorable Stanley R. Chesler
United States District Judge

Dated: July 15, 2003