

foster-care referrals, including efforts to keep troubled families intact through counseling.

"The agency is making a stronger effort to keep siblings together and nationally the trend is away from congregate care and toward moving children into homes with families," she said. "There's also been a trend away from drug abuse in New York City and there are all sorts of efforts to keep families together."

The gradual phase-out of foster care at the Mount is still being worked out. It is scheduled to be completed by July 1, 1995, the expiration date of the current two-year, \$12.1 million contract with the CWA.

The children and adolescents who live on campus likely will be moved into other programs contracted by the CWA, Mount administrators said.

Kids living in foster homes and group homes probably will remain where they are, although the management of the homes will shift to the CWA or its contractors, Ms. Calhoun said.

The Mount rents the group homes so no exchange of property needs to take place, according to Michael Drespel, the Mount's acting executive director. He said landlords have been notified that new agencies may be taking over.

In place of its foster-care program, Mount Loretto trustees hope to expand the existing program for adolescents with developmental disabilities, and open new educational and recreational programs for kids, including special schools, and after-school and day-care centers. The board also is exploring an alliance with Bayley Seton Hospital, another church-affiliated facility, for senior care and housing.

The plan represents a major change of direction for "The Mount," which was established in 1883 by Father John C. Drumgoole as a boys' orphanage. The mission has adapted to child welfare trends many times this century — from the care of 1,500 children during the Depression, to the placement of 100 Cambodian and Vietnamese refugees in foster homes in the 1970s — but never failed to shelter needy kids.

"It's all just beginning," said Drespel. "We're continuing to move ahead on the new initiatives but nothing dramatic has changed [since last Monday's announcement]."

Drespel said architects this week have been surveying campus residences for possible use by state Office of Mental Retardation and Developmental Disabilities (OMRDD) program participants. The Mount hopes to expand its OMRDD program from the current 16 residents to about 80.

The Mount this week also met with city education officials for preliminary talks on opening an inclusionary school on campus, in which special education and regular education kids would learn side by side.

While administrators talk over new programs and transition issues with city and state officials, more than 320 jobs hang in the balance.

The CWA echoed Mount Loretto's stated intention of allowing case workers to continue their cases. The new foster-care agencies would absorb the Mount's caseload and hire the Mount's caseworkers.

"Kids will remain, as much as possible, with staff," Ms. Calhoun said. "The agency is working directly with Mount Loretto and their staff to arrange for a smooth transition."

"At the same time we're phasing out the CWA programs we're trying to get new programs in so that, number one, staff can retain their employment and pension benefits," Drespel said.

But Mount administrators acknowledge that layoffs are possible.

Leaders of Local 342-50 of the United Food and Commercial Workers Union, which is the largest of three Mount Loretto employees' unions, representing about 200 social and child-care workers, did not return several phone messages asking for comment on the labor issues.

Talks between Mount administrators and the unions are scheduled.

"At this point they appear to be very understanding of our position and we're starting off at a point of understanding," Drespel said. "Where it goes from there I don't know."

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