

# Children's Services Reform Initiatives

Presentation to Senate Finance Health and  
Education Sub-Committee

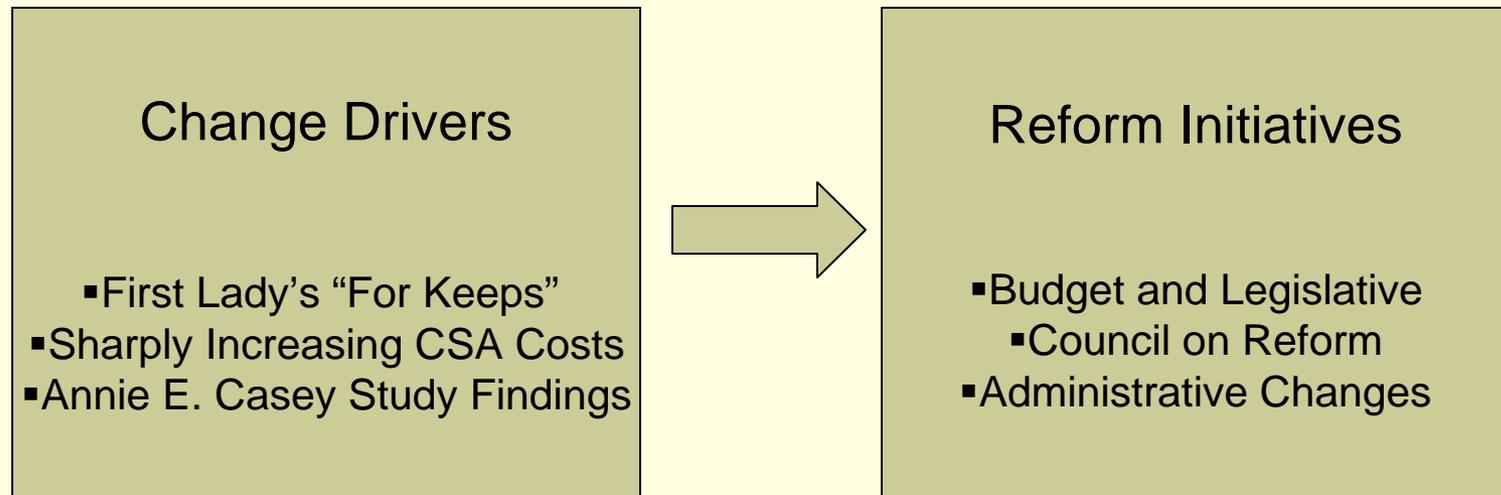
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# Virginia's Reform Initiatives

*We are engaged in a number of interrelated efforts to fundamentally change how human services are delivered to children and families in the commonwealth.*



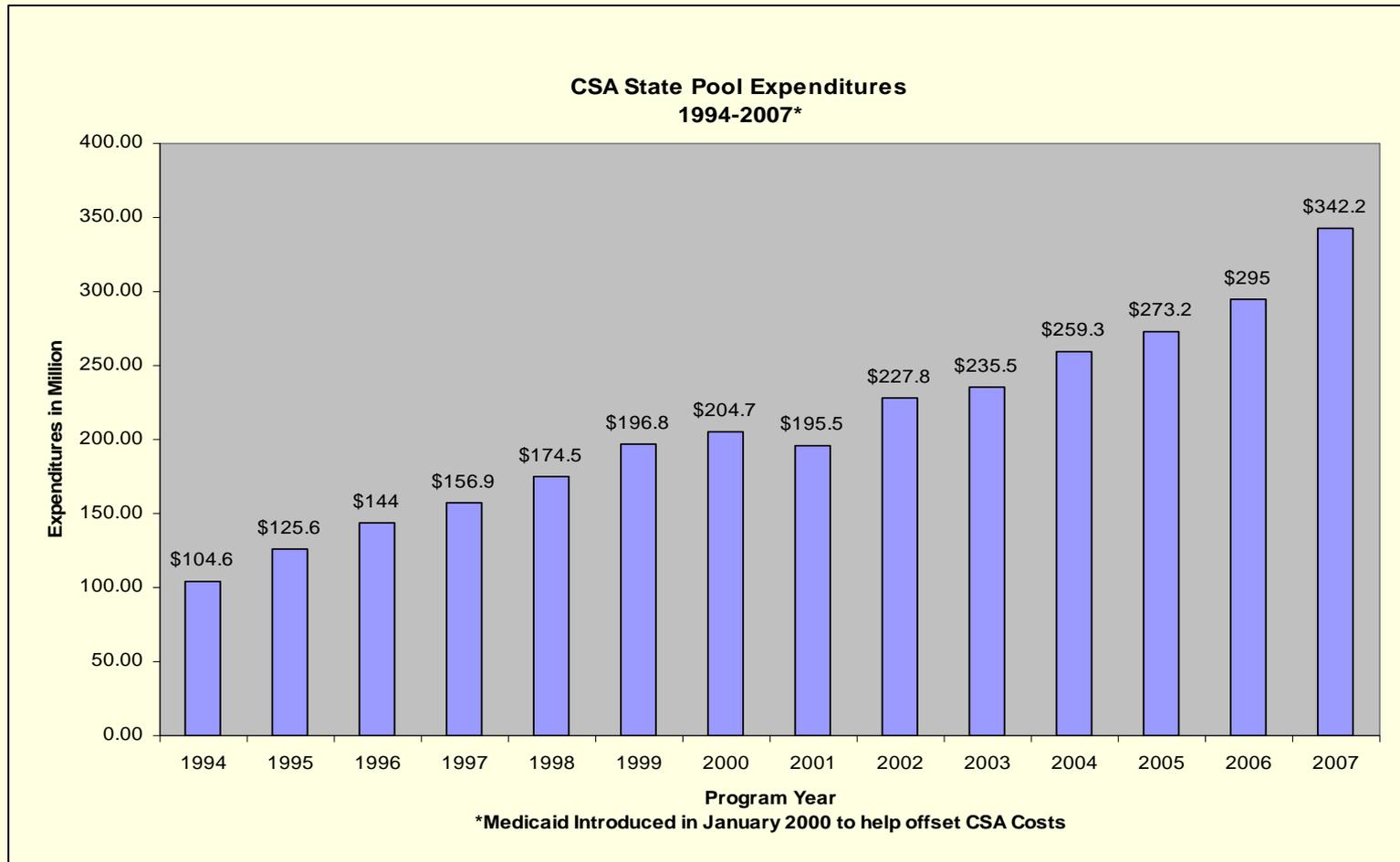
# The need for change in Virginia was initiated by First Lady Anne Holton and her For Keeps Initiative

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- For Keeps is an effort by the First Lady to,
  - Strengthen the voices of youth in foster care and of foster parents
  - Find permanent families and family connections for children and foster care or at risk of coming into care
  - Champion efforts to improve family and community supports for all children
- Her effort to address the well being of children in care, spawned partnerships with many local and national foundations and organizations to include Child Trends and The Casey Strategic Consulting Group
- These partnerships have led to a broader look and assessment of at-risk children in Virginia, supported and led by the Health and Human Resources
- Based on the findings of the assessment, a number of recommendations have been made to strengthen Child Services (to include DSS, CSA and DMHMRSAS) in Virginia

# CSA Expenditures

- \$342.2 million in FY07 (\$219.7 state; \$122.5 local)
- \$47.2 million increase (\$30.2 million state; \$17 million local)



\* In FY07, average local match was 36%; average state match was 64%; ranging from 17% to 53%.

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# Casey Strategic Consulting Group

## Key Findings

***Strengthen financial incentives:*** there are opportunities to improve existing financial incentives and motivate a shift from reliance on congregate care to less restrictive alternatives

## KEY DATA

- The State guarantees payment of 64% (on average) of the cost of any type of service, regardless of the level of spending
- In 2006, 45% of CSA expenditures were used to support congregate placements\*\*
- In 2006, 24% of initial foster care placements were in congregate care\*\*\*
- In Jan '07, 24% of foster care children were in congregate care (national average = 18%, better jurisdictions place less than 10%)
- 52% of teen (12 and up) initial placements were in congregate care, a 24% increase from 2000

## CSCG FINDINGS

### **Current incentives are not strong enough:**

- There is often limited accountability to the State for local spending – in some cases, local decision makers do not recognize that the level of local match required for CSA services can be influenced and reduced by local service decisions.
- The flexibility of CSA funds is not readily recognized –in some cases, localities believe that rules around funding following the child prevent funding start up of community based services.

**Significant growth in the use of congregate care, and growth in expenditures for congregate care**

\*CSCG's definition of congregate care includes group homes, shelter care, residential treatment facilities, and psychiatric institutions.

\*\* CSA data cited comes from CSA Data Set or CSA Fiscal Data.

\*\*\*Data cited in presentation are from the Childs Trends data analysis, unless otherwise noted.

*Establish a state-level practice model reinforced by training:* there are opportunities to articulate a statewide approach to care and disseminate it through training

## KEY DATA

- Training for CW caseworkers is only mandated for CPS caseworkers
- Limited skills training in VISSTA curriculum
- Limited formal state-administered CSA training
- In 2003, 44% of teens achieved permanence, a 28% gap from the national average of 72.%
- After 7 years, 24% of young children entering care in 2000 had not achieved permanence. These children potentially will “age in” to teens who have an even greater chance of not achieving permanence.
- In 2006, 43% of children in care were African-American, although only 23% of the child population in Virginia is African American\*

## CSCG FINDINGS

- State practice is unclear, training is limited:**
- Current practice model in many localities results in less permanence for children. VA still uses permanent foster care as a goal
  - Programmatic training for DSS caseworkers and their supervisors and local CSA staff and FAPT/CPMT teams is inconsistent and availability is limited
  - Existing state training programs have not been held to performance standards and have not been consistently evaluated for effectiveness
  - Collaboration/integration among key agencies around practice principles and expectations has improved, but is still quite limited

**Overuse of congregate care and poor permanence outcomes**

# *Implement a strategy to increase resource families:* there are opportunities to improve resource family recruitment and support

## **KEY DATA**

- JLARC study indicates that in some large localities, three-quarters of children in residential care would otherwise be in foster care or less restrictive placements if foster homes/community services were available
- In 2006, 5% of children were in formal kinship placements
- The use of regular foster care for teens has decreased from 41% in 2000 to 23% in 2006, while usage of formal kin placements has declined to almost nothing
- Significant gap between current foster care payment rate and the rate recommended in a new study (i.e. current teen rate = \$546; recommended teen rate = \$760)\*

## **CSCG FINDINGS**

### **State support for resource family development and support is limited:**

- State leadership and technical assistance for resource family recruitment, development, and support is limited
- Foster care board rates are inadequate to attract and keep foster parents, resulting in overuse of therapeutic foster care
- Minimal use of kin as a formal placement option.
- Limited support services provided to resource families with CSA funds

**Insufficient resource families in some areas and over-reliance on congregate care**

\* SOURCE: Establishing Foster Care Minimum Adequate Rates for Children (Report Forthcoming October 2007. Children's Rights, University of Maryland, National Foster Parent Association.)

\*\* CSCG defines resource families as kin, foster families and adoptive families

# Summary of Key Performance Data

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- ✓ 23% of Virginia's children age out of foster care without permanent connections, which is the highest percentage of children in the country
- ✓ 43.7% of teens (12 & older) achieve permanence, this is 28.5% below the national average of 72.2%
- ✓ After 7 years in the foster care system, 24% of younger children had not achieved permanence; therefore, "aging in" to the teen population, which has a very poor chance of achieving permanency
- ✓ In 2006, 24% of children that came into care would experience their first placement in a group setting (congregate care), rather than a family-based environment. For teens that figure is 52%. The national average is 18%; however best practice is closer to 10%.
- ✓ Fewer than 5% of children in foster care are being placed with relatives
- ✓ CSA budget is dominated by congregate care costs (45% of \$295 million budget = \$133 million (excluding Medicaid))

# RECOMMENDATIONS

“Based on our findings, we believe the following steps are essential to improving outcomes for children and families in Virginia:”

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1. **Strengthen financial incentives** to reduce reliance on congregate care and serve children in the least restrictive settings possible.
2. **Establish a state-level practice model** focused on family-centered care and permanence that is reinforced by a uniform training program for resource families as well as local staff in DSS and CSA (integrated with DMHRSAS practice model).
3. Create and implement a statewide strategy to **increase availability and utilization of relative and non-relative foster placements** to ensure that children can be placed in the most family-like setting that meets their needs.
4. **Enhance State DSS and CSA capacity** to develop and disseminate policies and best practices, and provide technical assistance to localities in support of the newly-established practice model.
5. Build on current State efforts to **create a robust performance monitoring/quality assurance system** to identify and measure outcomes, monitor quality of practice, and improve accountability.

# Budget and Legislative Initiatives

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- \$22.6M to increase payments to foster care and adoptive families
  - 15% increase in first year, 10% increase in second year
    - \$7.9 M (GF) and \$5.2 M (NGF) in FY 2009
    - \$14.8 M (GF) and \$8.4 M (NGF) in FY 2010
  
- \$4.4M to enhance child welfare worker training
  - \$2.2 M (GF) and \$1.4 M (NGF) in FY 2009
  - \$2.2 M (GF) and \$1.4 M (NGF) in FY 2010

# Budget and Legislative Initiatives

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- \$6.9M to improve the recruitment and retention of foster parents
  - \$3.4M (GF) and \$1.1M (NGF) in 2009
  - \$3.6M (GF) and \$1.2M (NGF) in 2010
  - 17 FTEs to work in regions to assist localities recruit, train, and support foster families
- \$300,000 to collect outcome data on children served by the CSA

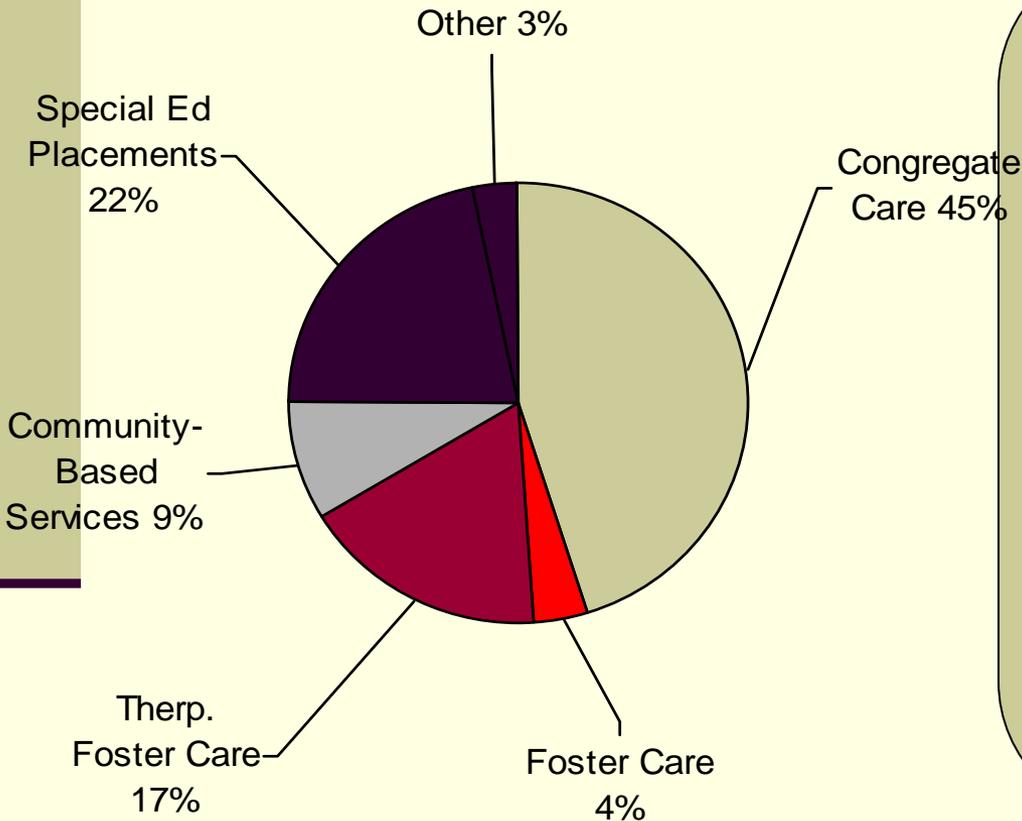
# Budget and Legislative Initiatives

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- Changes in CSA State/Local match rates - Aligning financial incentives and service goals.  
Savings:\$12.5 million
  - Reduces the local match rate for community based services while increasing the local match rate on congregate care.
  - Changes will be phased in over 3 years to allow localities to conduct training and establish community-based services.
  - \$12.5 million represents a reduction of only 5% of the projected expenditures for congregate care over the biennium.
  - A simple reduction in congregate care bed days used can produce savings.
    - Statewide average LOS is 7 months
      - National average LOS is 5 months

# CSA Budget

Total CSA Costs (2006) = \$295 million\*



## CSA Funding Shortfall:

- Caboose Bill
  - \$54 million
- SFY09
  - \$65 million
- SFY10
  - \$93 million

Source: CSA Data 2006

\* Does not include Medicaid dollars

# Legislative Initiatives

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- SB 493, HB 825 - Establishes minimum training requirements for foster care and adoption workers.
- SB 25, HB 811 – Extends eligibility to allow a relative to receive TANF payments for relative child in certain cases. Will produce GF savings of \$283,000.
- SB 394, HB 750 – Eliminates De Novo Appeal from the J&DR Court to Circuit Court on Adoption planning and termination of parental rights cases.

# Council On Reform (CORE)

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- With the assistance of the Casey Foundation, the Council on Reform has been established to help lead this reform effort.
  - Phase I – Work with 13 localities to develop shared vision for children’s services and best practices at state and local levels.
  - Phase II – Implement reform statewide.

# Administrative/Policy Initiatives

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- Ensuring the provision of “Care Coordination” for children in or at risk for placement in congregate care settings.
- Policy clarification regarding the provision of “start-up” funding.
- Policy clarification of the flexible use of CSA funding to facilitate the development of community based care and support best practices.

# Summary of Reform Initiatives

