

**Senate Finance Committee
Subcommittee on Health and Human Resources**

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Gary L. Jones, Ph.D

Thank you, Chairman Colgan and Chairman Houck and members of the Subcommittee.

I am Gary Jones, CEO of Youth For Tomorrow, a private residential, state accredited school and counseling center in Prince William County serving 12-18 yr. olds from nearly 30 local political jurisdictions from the Potomac River to the West Virginia border and from the Pennsylvania border to the outskirts of Richmond.

Mr. Chairman, this issue has caused me for the first time in my 20 years with Youth For Tomorrow to appear in Richmond to voice opposition to an initiative before the General Assembly. My attempt this afternoon will be to place a perspective from residential care facilities on a budget initiative which, if enacted, will force local placing agencies to direct children from their “most appropriate placement”, which may be residential, to a placement in foster care or other community-based services – simply because it is less costly.

I am representing the Board of VCOPPA (Virginia Coalition of Private Provider Associations) and the Board of VAISEF (Virginia Association of Independent Specialized Education Facilities). While I serve, also, on Virginia’s State Board of Education, my comments today do not reflect the views of the BOE nor the Department of Education.

VCOPPA and VAISEF represent some 300 organizations serving over 20,000 children of all ages. Let me be very clear, our organizations commend the Governor and First Lady for placing their hearts and public policy initiatives in the right place – focusing on improving the lives of at-risk children in the Commonwealth. We join them in this endeavor – with one exception.

The one initiative to which we take particular exception and think is ill-advised is the proposal in the budget to create a “fiscal disincentive” to localities for placing our most vulnerable children in residential care. This idea will place in jeopardy those children whose “most appropriate placement” is to “reside, temporarily at least, in a residential facility – as required by CSA standards.

Instead, we are going to try to force these children into community-based services that may not be their most appropriate placement, or may not even exist at all in that community.

Every community, especially those in rural areas, does not have equal access to community-based services – and giving them an incentive or disincentive does not change the availability of services; it only penalizes the communities that are already struggling to find appropriate services and makes more difficult and costly for them to serve high-risk youth.

The Casey Foundation has stated there is no evidence residential care delivers services better than community-based services but costs 6-10 times more. What they have been reluctant to share is they have no outcome evidence which supports the effectiveness of their policy initiatives as proposed in Virginia and implemented in other states.

In fact, their initiatives in other states have “mixed reviews”. Where these initiatives have been adopted, we have seen residential care facilities “close down” within a year or so after the changes were put in place and then, during the third and fourth years, the social service industry in those states find they need more residential care. Unfortunately, by then, it may no longer be an effective alternative or, in some cases, simply no longer there. The victims – children already at-risk – are then denied one of the segments of the social service continuum of services guaranteed under federal law.

Permit me to mention just a few painful examples of children who come to Youth For Tomorrow because community-based services, as good and effective as they are, have been unable to meet their needs:

- 1/3 of our girls come to us after physically and/or sexually abusive relationships in a traditional foster care setting; another 1/3 from similar relationships in their own homes; and 1/2 of our boys have suffered from abusive family relationships as well.

- 40% of our children come to us from failed experiences in the traditional foster care system – usually because the foster family or families no longer desire a child in their home because of his/her behavioral issues – substance abuse and/or distribution, sexual offenses, explosive anger which foster families believe endanger their personal safety and/or mental health issues which impair a child's assimilation into a family's environment.
- Virtually all of our public placements come to YFT 2 or more years behind in grade level.
- 2/3's of our students attending our accredited secondary school read at the 7th grade level or below; and 1/2 of those children read below 4th grade level. These are products of our public schools living in dysfunctional homes of one kind or another.
- In CY 06 and CY 07, the DSM Analysis (Diagnostic Statistical Manual produced by American Psychiatric Association) which is used to diagnose mental health disorders of our children showed we served 54 children with Oppositional Defiant behavior, 35 with Cannabis Abuse, 34 with Dysthymic Disorder (depression), 27 with Conduct Disorder, 24 with Mood Disorder, 23 with ADHD issues, 18 Bi-polar, 13 with Adjustment Disorder, 13 with Post Traumatic Stress and 13 Sexual Abusers of a child.

In other words, Mr. Chairman, we and other private providers like us, are assigned the task by local placing agencies of addressing the multiple disorders or afflictions of the children placed in our care. These are not children who are simply homeless and are in need of permanent placement in someone's home, these are children who need special services to address their behavior not always available in the traditional foster care system or even their own home.

Now let's take these typical resident profiles and look at outcomes:

- As a result of our 6:1 pupil-teacher ratio and 12 month school year, YFT students frequently achieve 2 grade level improvements in 18 months.
- Last Spring, 52 of our 70 students took the SOL's – 42 passed at least one, many passed two and a couple passed three.

- Over 30 former residents, having achieved a high school diploma or a GED, are now serving in the Armed Forces with over 20 of them in Iraq and Afghanistan.
- As a result of our \$800,000 privately endowed scholarship program created just three years ago, over 20 high school graduates are now attending the colleges of their choice. Several others are attending proprietary institutions and apprenticeship programs with the help of the YFT scholarships.
- Most of our children are re-united with their families after receiving, on-campus, the benefits of our individual, group and family counseling services.
- 84% of our residents, upon discharge the past two years, took positive steps:
 - * 21% -- postsecondary education
 - * 40% -- public/private schools
 - * 23% -- Employment or military
 - * From a counseling perspective, after 6 months at YFT, our children reported the following changes as determined by an assessment instrument called Juvenile Treatment Outcomes (pre-test and post-test used in 6 month intervals)
 - * 62% identified improved coping strategies
 - * 59% reported a reduction in depression
 - * 56% reported improved social adjustment
 - * 55% reported a reduction in suicidal ideation
 - * 54% reported higher self-esteem
 - * 41% reported a reduction in anxiety

Youth For Tomorrow's outcomes illustrated here are typical of what you will find in similar residential facilities serving at-risk children around the Commonwealth who offer residential, education and counseling services.

Is this costly? No denying that; but even the JLARC study directed by the General Assembly a couple of years ago concluded the costs of CSA supported residential care facilities are not out of line with the services provided. If you really want to make it costly, chase residential services out of the market and watch your juvenile justice budget skyrocket as you have to build more detention centers. I hope we learned our lesson there years ago with what we saw in the de-institutionalization of the mentally ill. That in the long run cost this Commonwealth much more and not just in dollars and cents.

While many people may think residential care facilities are in this “business” for the money, I can assure you this is not the case. On the contrary, all of us are raising money from the private sector to supplement the funds received from CSA in order to meet the needs of our children!

At Youth For Tomorrow, we raise over 1/3 of our operating budget from the private sector to meet the ever-increasing demands placed on us by frequently changing state regulations and/or CSA managers. The same can not be said, by the way, for the regulations placed on foster care which have not been modified since 1989.

Having said that, there ARE ways for you to save money on CSA. Increase your case management services, which should assist in insuring appropriate initial placements and conducting timely utilization reviews. These measures would provide real cost savings in the CSA budget and SHOULD be done to insure taxpayer dollars are spent wisely AND that children are being treated appropriately. But the Commonwealth should not punish localities for making appropriate placement in residential programs. We strongly recommend that the state match for residential placements remain at the level provided today.

Your localities have the tools to make sound assessments of children when they come into the system that direct them to the best course of treatment. Reward the proper assessments and penalize poor placements made contrary to the assessment indicator, unless there is some compelling reason to contradict the initial assessment.

Can you imagine the LIABILITY of a local government who, despite a good assessment that points a child to a residential placement, instead places that child in an INAPPROPRIATE community-based setting because the state cut funding to residential services? Who will shoulder the blame if there is a tragic outcome because the locality had to make the placement decision not based on what was best for the child, but on what was best for the Commonwealth’s budget or on the recommendation of a think tank whose findings could not be supported by any evidenced based outcomes?

We ask you to carefully and cautiously proceed ahead. Already we have heard that just the anticipation of this issue is already driving future behavior, both at the local level, where some localities are already telling residential providers, especially those not within fifty (50) miles of their

jurisdiction as required by CSA standards, that they will no longer be able to afford their services. At the corporate level, business decisions are already being considered on whether to continue to provide residential services in Virginia; needless to say, once these services are gone, they will be difficult and certainly more expensive to bring back.

We encourage you to consider supporting the Governor's and First Lady's initiatives – with one exception – the “fiscal disincentive” placed on residential care placements.

By all means, strengthen and improve the community-based services provided in your localities. We are ready to work hand-in-hand with you and our friends in local government to begin building the infrastructure to provide these services.

Certainly changes and improvements in the delivery of social services are warranted but they should be done based on evidence of efficacy of the proposals and not, as in the case of the disincentive proposal, on taking funds from one segment of the social services continuum and putting those funds into another segment of the continuum without acknowledging, much less preparing for, the unintended consequences of these decisions on the most vulnerable children in our communities.

In summary,

- We are child advocates
- We are for improving and strengthening social services to at-risk children
- We are for “the most appropriate placement for children”
- We have evidence residential care works for at-risk children
- The cost of our services are in line with the services provided – so says JLARC
- We supplement the cost of our services through private sector fundraising
- We offer suggestions for more efficient utilization of CSA funds
- Be mindful of the liability of inappropriate placements due to lack of funding
- We request the state match for residential care remain at the present level

For these reasons, among others, the 300 organizations represented by VCOPPA and VAISEF oppose the fiscal disincentive in the proposed budget.

Thank you, Chairman Colgan and Chairman Houck and members of the Health and Human Resources Subcommittee for this opportunity to appear before you today.

Thank you, Chairman Colgan and Chairman Houck, for the opportunity to bring the views of the VCOPPA and VAISEF institutions and the 20,000 children they serve to your attention.

Gary L. Jones, Ph.D
Chief Executive Officer
Youth For Tomorrow
11835 Hazel Circle Dr.
Bristow, Va. 20136
703/368-7995