

Approved: 2-24-99
Date

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE.

The meeting was called to order by Chairperson Phill Kline at 9:00 a.m. on January 27, 1999 in Room 514-S of the Capitol.

All members were present except: Rep. Doug Spangler

Committee staff present: Legislative Research - Stuart Little, Robert Waller, Kathie Sparks
Revisor of Statutes - Jim Wilson, Mike Corrigan
Secretary - Ann McMorris

Conferees appearing before the committee:

Secretary Rochelle Chronister, Social and Rehabilitation Services
Joyce Allegrucci, Commissioner, SRS Children's Family Services
Bob Hartman, Executive Director, Kansas Children's Service League
The Honorable Jennifer L. Jones, District Judge, 18th Judicial District, Wichita
Robert D. Smith, President & CEO, United Methodist Youthville

Others attending: See attached list

Chair opened the meeting at 9:10 a.m.

Foster Care Privatization

Secretary Rochelle Chronister, Department of Social and Rehabilitation Services, briefed the committee on the various areas covered by the Department of Social and Rehabilitation Services. She commented on social services provided by SRS including investigation, child protective services, family services and case management. She noted significant improvement in child care in the past year. She introduced Commissioner Joyce Allegrucci, SRS Children and Family Services.

Commissioner Allegrucci reviewed the Kansas Child Welfare Initiatives Overview which includes Social Services, Family Preservation, Adoption and Foster Care/Reintegration. Service contracts are being negotiated to coordinate their conclusion at the end of the fiscal year in order to present a clearer annual report on expenses. She reviewed foster care funding issues and noted all contracts are four year contracts renewable yearly. The risk share is built-in as cost unknown until end of each year. Discussion on the responsibilities of providers, need for legislation, lack of medical records on children, funding for foster care, mental health care and substance abuse. Commissioner Allegrucci was requested to provide written response on outside case kids so the committee could obtain a better understanding in this area. (Attachment 1)

Robert Hartman, executive director, Kansas Children's Service League, noted their challenges are the need for additional foster parents, assisting courts with case loads and avoiding overloading court dockets, providing essential mental health services, staff turnover and intensive training in this field. He reviewed the mission of KCSL and the background of KCSL as a foster care contractor. He noted future challenges and trends. (Attachment 2)

The Honorable Jennifer L. Jones, District Judge, 18th Judicial District, Wichita spoke on privatization issues and concerns. She stated that focus should be on the root cause(s) of the problems: (1) Tremendous increases in number of children referred to the contractor; (2) lack of quality personnel and inadequate training; (3) lack of foster homes, particularly therapeutic placements. She urged the committee to make children's issues a priority in their deliberations. (Attachment 3)

CONTINUATION SHEET

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE, Room 514-S Statehouse, at 9:00 a.m. on January 27, 1999.

Robert D. Smith, President and CEO, United Methodist Youthville, provided an overview of the public/private partnership of the foster care system and some of Youthville's joys and frustrations concerning the new foster care system. Foster care funding issues and the need to cover true costs of care were discussed. The Board of Directors for Youthville anticipated a certain level of financial loss going into this project, but losses have far exceeded what was anticipated and acceptable. He reviewed the strategies they implemented in 1998 to decrease claims cost. (Attachment 4)

Next meeting will be held on January 28, 1999.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

Attachments - 4

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: JANUARY 26-1999

NAME	REPRESENTING
Bob Hartman	KANSAS CHILDREN'S SERVICE LEAGUE
January Scott	"
Joe Whitaker	"
Lee Nichols	Kansas Families for KIDS
Bill Henry	KS Governmental Consulting
Bob Smith	Methodist Youthville
Danielle Xloe	Governor's Office
TK Shively	KS Legal Services
Barbara Rolph	Wichita Childrens Home ^{SALVATION ARMY}
Helen Piper	" Childrens Home
Janet Hatchett	Wichita Childrens Home
Roy Seebert	Dept of Admin
Jakene Cole	San. Lynn - Intern
Bob Smith	United Methodist Youthville
Kerthy Parter	OJA
Mike Sheehy	Federico Consulting
Mark Nelson	OJA
Bill Sireel	Journal - World
Sarah Robinson	Wichita Childrens Home

**State of Kansas
Department of Social
& Rehabilitation Services**

Rochelle Chronister, Secretary
Janet Schalansky, Deputy
Secretary

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**House Appropriations
January 27, 1999**

Testimony: Foster Care

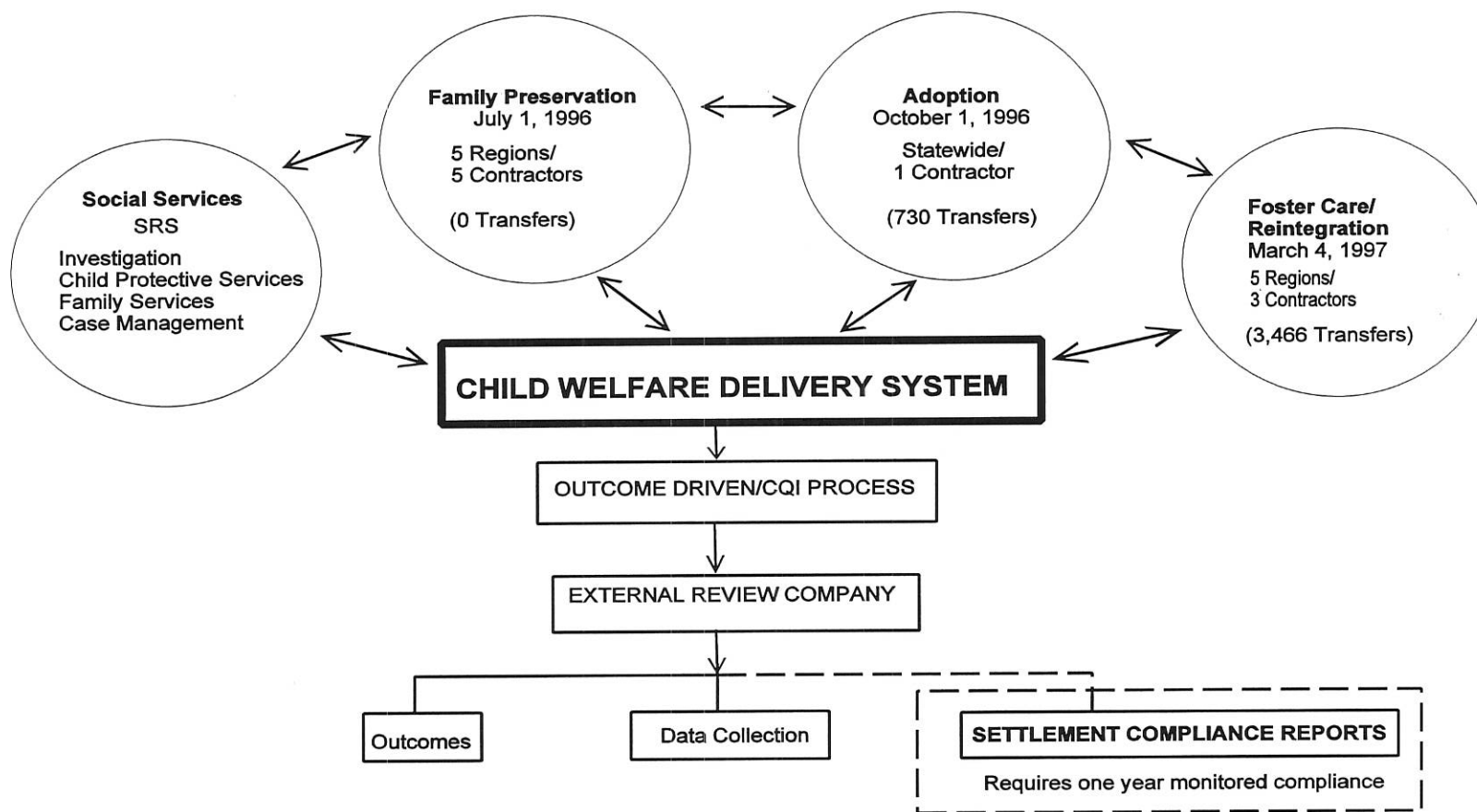
**Children and Family Services
Joyce Allegrucci, Commissioner
(785) 368-6448**

Contents

Testimony	None
Attachment A	Kansas Child Welfare Initiatives Overview
Attachment B	Outcome Measures
Attachment C	Review of Foster Care Funding Issues

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KANSAS CHILD WELFARE INITIATIVES OVERVIEW



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FAMILY PRESERVATION

MEASURE	Year One	Year Two	Nov. 98
Outcome #1: Contractor shall accept all SRS referrals.			
1. 97% of all families shall be engaged in the treatment process.	98%	98.6%	98.2%
Outcome #2: Children will be safe from abuse and/or neglect.			
1. 90% of families will not have confirmed abuse or neglect during program participation.	98%	99.1%	99.8%
2. 80% of families successfully completing the program (no child removed from the home) will have no confirmed reports of abuse or neglect within six months of case closure.	97%	96%	95%
Outcome #3: Children will not require out of home placement.			
1. 80% of families will not have a child placed outside the home during program participation.	90%	91%	95.8%
2. 80% of families successfully completing the program (no children removed from the home) will not have a child placed outside the home within six months of case closure.	89%	92%	93%
Outcome #4: Deleted in year three.			
Outcome #5: Deleted in year two.			
Outcome #6: Family members will be satisfied with services provided.			
1. Participants (parents and youth ages 14 through 21 living in the home) will report 80% satisfaction measured by the Client Satisfaction Survey 30 days from the start of the program.	90%	91%	94%

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ADOPTION

MEASURE	Year One	Year Two	Nov. 98
Outcome #1: Children shall be placed for adoption in a timely manner.			
1. 55% of children shall be placed with adoptive families within 180 days of the receipt of the referral for adoption.	36.6%	40%	45%
2. 70% of children shall be placed with adoptive families within 365 days of the receipt of the referral for adoption.	N/A	67%	65%
Outcome #2: Children shall have permanent homes through the adoption process.			
1. 90% of adoptive placements shall be finalized within 12 months of the placement date.	N/A	89%	83%
2. 90% of adoptive placements shall continue to be intact 18 months following finalization.	N/A	100%	100%
Outcome #3: Adoptive family members shall be satisfied with adoptive services.			
1. 90% of families (parents and youth age 14 and over living in the home) shall report satisfaction with the adoption process at the time the adoption is finalized.	100%	92%	59%
Outcome #4: Siblings should be kept together.			
1. 65% of children will be placed with at least one sibling.	72.5%	69%	74%
Outcome #5: Children shall remain in the same foster care placement pending adoption.			
1. 90% of all children placed for adoption shall experience no more than two moves from the point in time parental rights are terminated until the adoption is finalized.	98%	99%	97.9%
Outcome #6: Children are safe from maltreatment			
1. 95% of children in the care and supervision of the contractor will not experience substantiated abuse/neglect prior to finalization.	N/C	99%	100%

N/A: Long Term outcome, not yet able to measure.

N/C: Outcome was added in subsequent year.

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REINTEGRATION (FOSTER/GROUP CARE)

MEASURE	Year One	Nov. 98
Outcome #1: Children are safe from maltreatment.		
1. 98% of children in the care and supervision of the contractor will not experience confirmed abuse/neglect while in placement.	99.9%	99.2%
2. 80% of children will not experience confirmed abuse/neglect within 12 months after reintegration.	N/A	96.6%
Outcome #2: Children experience a minimal number of placements.		
1. 70% of children referred to the contractor will have no more than three moves subsequent to referral.	96.8%	88.9%
2. 65% of all children will be placed with at least one sibling.	74.1%	78%
Outcome #3: Children maintain family, community and cultural ties.		
1. 70% of children referred after the implementation date are placed within their contract regional boundaries.	87.3%	80%
2. 75% of youth, 16 and over, released from custody have either completed high school, obtained a GED or are participating in an educational or job training program.	48.8%	80%
Outcome #4: Children are reunited with their families in a timely manner.		
1. 40% of children placed in out-of-home care are returned to the family or achieve permanency within six months of referral to contractor.	20.9%	25%
2. 90% of children integrated with their family do not re-enter out-of-home custody within one year of return home.	N/A	67%
3. 65% of children achieve permanency within one year of referral to contractor.	N/C	33%
Outcome #5: Clients will be satisfied with services.		
1. 80% of parents and youth (ages 14 and over) report satisfaction with services as measured by the Client Satisfaction Survey upon case closure.	62.2%	53% Adult 70% Youth

N/A: Long Term outcome, not yet able to measure.

N/C: Outcome was added in subsequent year.

**Review of Foster Care Funding Issues
December 23, 1998**

I. Background

✓ **Initial Case Rates Per the Contracts**

Contractor	1st Year Rates Paid Per Child	2nd Year Rates Paid Per Child*	3rd Year Rates Paid Per Child	4th Year Rates Paid Per Child
Kansas Children's Service League	\$15,504	\$14,876	\$14,080	\$13,564
Kaw Valley Center	\$12,860	\$13,240	\$13,640	\$14,060
United Methodist Youthville	\$13,550	\$13,943	\$14,347	\$14,763

These moneys were intended to cover the cost of all placements and services (food, clothing, shelter, mental health services, etc.) until the child has been successfully placed at home. The contractor is also responsible for services for up to one year to ensure that the child remains at home. Physical medical treatment and drug and alcohol services are excluded from the rates. The concept was that the contractors would make money on some children and lose money on others, but would cover their costs overall.

✓ **Risk Share Per the Contracts**

The concept of risk share was a component of the original Foster Care contracts. Risk sharing was built into the contracts to compensate for a lack of historical data on expenditures and is redefined annually.

II. So, what happened?

- ✓ **SRS budgeted for Foster Care based on the initial case rates that turned out to be too low.** The case rates did not cover the contractors costs. SRS erred in not anticipating that the rates were too low and the subsequent substantial impact of risk share on the budget.
- ✓ **Increased Caseload.** The foster care contractors have had a significant increase in the number of children in their care. The number of open foster care cases - those the contractors still are responsible for- increased 34% overall from June 1997 to October 1998. There are two factors at work that explain the increase in the number of children in custody. First, children are staying in custody longer than was assumed in establishing the case rates. This increases the caseload because fewer children are leaving custody. Second, there has been an increase in the number of children coming into custody due to the increased emphasis on child abuse/neglect investigations.

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III. What has SRS done?

- ✓ **SRS paid \$20.5 million for Risk Share Year 1.** Under the Year 1 provision, SRS paid two contractors, Kaw Valley and United Methodist Youthville, that allowed them to recoup part of their excess costs. The three contractors absorbed nearly \$5.0 million in losses. SRS managed to cover most of Year 1 Risk Share at the end of FY 98 by using one-time federal funds resulting from the Maximus revenue maximization project; forced savings in field operations; maximizing federal funds; underspending in child support pass through payments; and squeezing every available federal and state dollar.
- ✓ **SRS made a one-time payment of \$24.7 million to the contractors to help with the costs of the transition children who remained in custody longer than anticipated.** (SRS public announcement in September including presentation to Legislative Budget Committee). The additional funding was from the federal TANF Block Grant. TANF dollars for child welfare "emergency assistance" can be used for limited purposes for abused, neglected, and abandoned children.
- ✓ **SRS has issued a Request for Proposal** to contract with a vendor to do a financial data collection and analysis of the three foster care contractors and the adoption contractor. The vendor will collect data regarding average monthly costs, length of stay and rates paid by the contractors to subcontractors. The vendor will review cash flow and the financial position of each contractor and develop recommendations regarding the case rate payment system and the OCR payment system. The final report is anticipated to be completed by mid-April.
- ✓ **Foster Care negotiations for Year Three** (February, 1999 through June, 1999) are beginning this month. The negotiations have been accelerated in order to move the contract negotiations in concert with the State's budget cycle.



LEGISLATIVE BRIEFING House Appropriations

Submitted by: Kansas Children's Service League
January 27, 1999

KANSAS CHILDREN'S SERVICE LEAGUE¹ (KCSL) is a statewide not-for-profit agency whose mission is to "promote the well-being of children by strengthening the quality of their family life through the provision of prevention, early intervention, treatment, advocacy and placement services."¹

This is an historic time in child welfare services. As an organization KCSL is proud to be a part of the challenges, growth, and progress made in improving the system for children and families in this state. Through the work of the SRS Transition Oversight Committee and the recent Legislative Post Audit Reports, we are beginning to develop a clear picture of what is working, and what the current challenges are for those of us who are committed to the success and continuous improvement of the child welfare system. Following we have outlined key points for discussion around our role in this system at this juncture.

▼ BACKGROUND: KCSL AS A FOSTER CARE CONTRACTOR

➤ **KCSL is a not for profit, mission driven agency whose board is committed to quality community services and systems reform.** KCSL is governed by a statewide board of directors. The service continuum we provide and the advocacy efforts in which we engage, are driven by the needs of the communities we serve. In part, our decision to bid for a contractual region was drawn from the support and confidence from the communities whom we have served for many years.

➤ **Foster Care Services:** Currently we provide foster care services in Region 3 which encompasses the SRS area of Topeka, Manhattan and Salina. Since the beginning of the foster care contract KCSL has received 1482 referrals for children in out of home care. Approximately one-half of those children remain in our care.

➤ **KCSL's Financial Structure:** Three quarters of our current total budget relates to our contracts of adoption, family preservation and foster care. Foster care comprises \$11 million of our total budget. We also receive a variety of federal grants such as Head Start. Additionally we receive funding from 30 United Ways and private contributions.

(over)

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YOUTH SHELTER
2600 SE 23RD
TOPEKA, KS 66605
913-234-5424
913-234-8316 (FAX)

EMERGENCY
CHILDREN'S SHELTER
802 BUCHANAN
TOPEKA, KS 66606
913-232-8282
913-232-4142 (FAX)

OTHER LOCATIONS

CIMARRON
CLAY CENTER
CONCORDIA
DEERFIELD
GARDEN CITY
HUGOTON
HUTCHINSON
JUNCTION CITY
KANSAS CITY
LEOTI
LIBERAL
MANHATTAN
MANTER
MARYSVILLE
SALINA
SATANTA
SCOTT CITY
ULYSSES
WICHITA

¹The League is a Charter member of the Child Welfare League of America, is accredited by the Council on Accreditation of Service for Children and Families, a member of the National Committee for the Prevention of Child Abuse, the Children's Alliance of Kansas, the Coalition for America's Children and a founding member of the Children's Coalition.



Attachment 2-1

House Appropriations Committee
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▼ CURRENT CHALLENGES

- **We are continually developing our systems.** It is important to recognize that a system of this nature is not static. As such, we are faced with often time major modifications in how we deliver services or do business. As we have become more experienced we believe we can institute efficiencies that will ultimately lead to improvements in a more timely fashion.
- **Management Information Systems are not yet fully developed.** Although we have generated more information about the children in our system and the system itself, we need to become more skilled at how that information can be used to improve the system. We must work toward a more integrated management system while at the same time minimizing escalating administrative costs around the increasing demand for data.
- **Training is a key component in developing a skilled and qualified work force.** It is no secret that the new system has tapped the pool of qualified workers. Although turnover has leveled out from its initial trends, we must continue to address ways in which we can stabilize and support a developing work force. Clearly one of our best strategies is to provide support through ongoing training.
- **Service quality and cost containment.** As a provider of critical services, we must balance service needs of the child with financial viability. In assessing the costs of this system, consideration must be given to variables over which we have little control. Collateral systems such as education, health care, and the courts are not held to the same outcome standards as the child welfare system. The inherent conflict in philosophies coupled with the lack of shared outcomes often times creates significant barriers to our organization's ability to achieve outcomes.
- **It takes time to build relationships.** We continue to work with other community services, providers, the court system, the mental health systems, and the education system. It requires a great amount of effort on all our parts to identify mutual outcomes. Unfortunately, this is a slow process
- **Community service capacity.** We are committed to ensuring the use of as many existing community services as we can in the implementation of this contract. However, we still struggle with making sure the appropriate service is available to a child in our region and that we serve a child close to his or her home.

▼ TRENDS AND FUTURE CHALLENGES

- Predicting case loads and service needs
- Incentives for innovation
- Using information to improve the system
- Investing our charitable dollars in prevention service to slow the front door of the system
- Developing accuracy and efficiency in our management information systems.

Presented by: Kansas Children's Service League

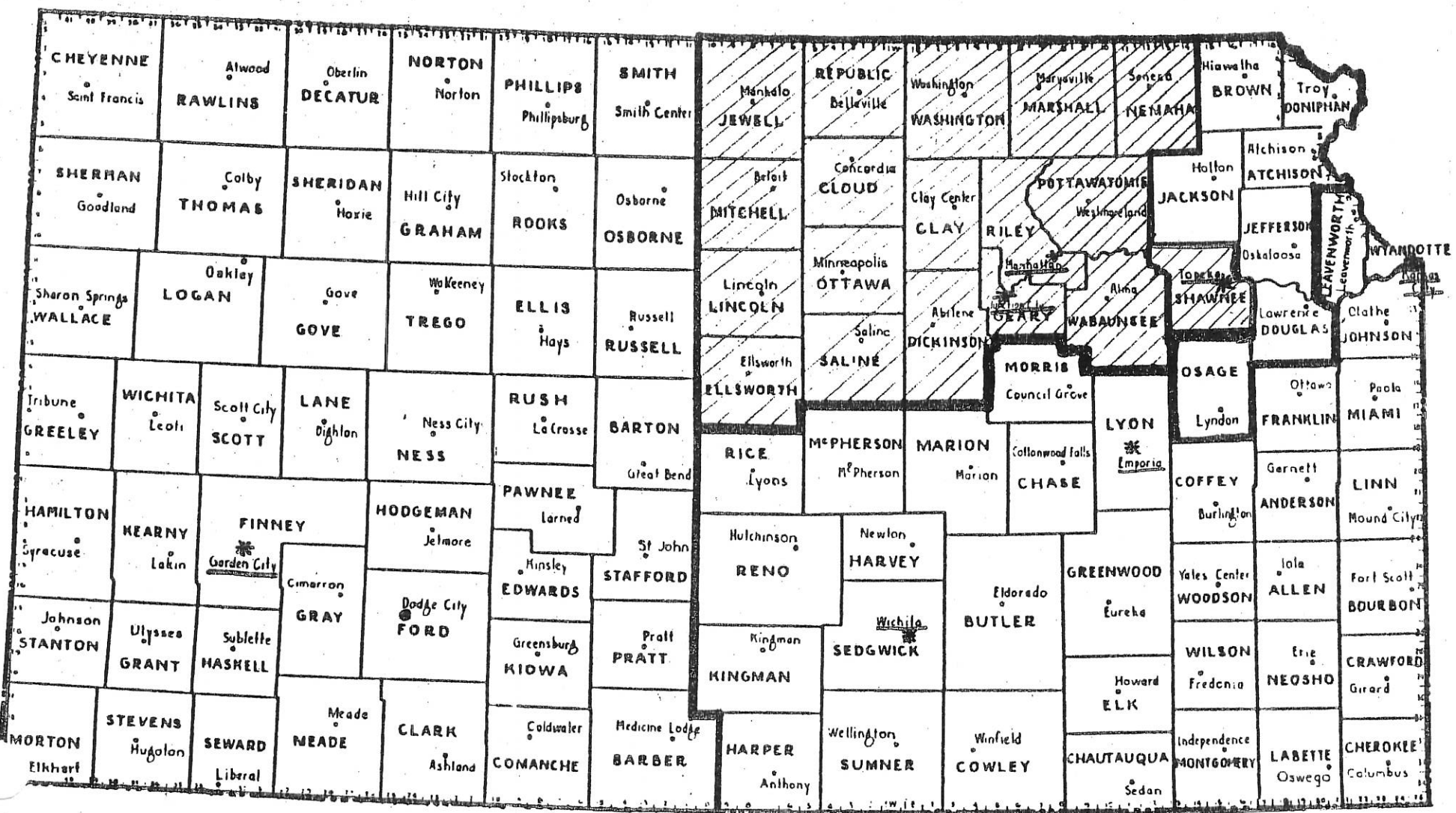
For additional information:

Robert Hartman, Executive Director, 316-942-4261, ext. 244 (Wichita)

Melissa Ness, Director of Advocacy & Education, 785 274-3100, ext. 404 (Topeka)

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Region 3



PRIVATIZATION ISSUES AND CONCERNS

**Testimony before the House Appropriations Committee
January 27, 1999**

**The Honorable Jennifer L Jones
18th Judicial District
Wichita, Kansas**

SRS's decision to privatize foster care has significantly changed the entire system. The ripple effect from what might originally have been thought of as just a contract between a state agency and a private entity has been astounding. I don't believe anyone looked at the "big picture" when privatization became the plan.

Be that as it may, now that it has occurred, everyone involved in the child welfare system has been forced to deal with the effects of privatized foster care. I have reviewed the report from the Legislative Post Audit Committee and find it to be quite accurate in its findings, conclusions and recommendations. Let me assure you that if time permitted I could tell you of many "sensational" cases and incidences where the contractor has failed to adequately perform their duty. The time has come, however, for us to stop looking at the atrocities, which by the way, continue to occur, and focus on the root cause(s) of the problems.

In my estimation they are as follows:

A. Tremendous increase in number of children referred to the contractor.

Since SRS is no longer providing direct foster care services,
their resources have concentrated on thorough investigation of

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abused/neglected children. Logically, more investigations lead to more filing of cases, which leads to more children in the system. SRS has long been indicted for inadequate investigations and for children being left too long in bad situations. It is not uncommon for a case to be filed today where SRS has received numerous intakes on a particular family, however, no intervention was made on behalf of the child or children.

The single most important fact to remember is that we are talking about children and parents in crisis. They do not remain static or in a vacuum while this system goes on around them. You cannot concentrate just on the child or just on the parent. It is not realistic to think that case filings will/could stop because the system is in crisis – the reality is that children continue to be abused and neglected every day.

We are seeing an increase in older children, teenagers who are reporting abuse with marks and bruises to prove it, who are refusing to go home to be abused again. They are the products of the old system where cases were investigated and closed and the children not protected. We do not want to return to that system. The fact that SRS is doing a better job of investigating cases is a good thing, not to be negated by the fact that privatization has created a multitude of additional problems.

B. Lack of Quality Personnel and Inadequate Training

United Methodist Youthville continues to have a tremendous turnover of case managers—the front line workers who are responsible for providing the needed services. Only recently have those workers been required to be licensed social workers. As a result, many case managers who had finally learned how to do their jobs were forced to leave or be reassigned as family support workers, a position that many considered to be a demotion. Unfortunately, we lost some very good workers.

Attached as Appendix A is part of an actual court report submitted just this week illustrating the extent of this problem.

Why is the turnover so high? That is a question Youthville has yet to answer. From my observations and inquiries it is due to the lack of quality training programs prior to the case manager assuming the position. I recently spoke with some of those "good" workers who resigned instead of accepting a family support worker position. One shared that she had been on the job six (6) months before she finally felt that she knew what to do in order to be effective.

She, like many others, had no experience in child welfare or with the court system when she took the position. Because there was no formal training program in place and no direction from SRS, she basically had to figure out how to do things on her own. She further advised that she was on the job five (5) months before she had any

training on how to prepare a report for court and what information to include. When she left her position she spent the last week training her replacement who had just been hired.

"On the job training" is not the ideal method for managing families with serious, oftentimes chronic problems.

Quick burnout also seems to be a major problem. The original "model" Youthville envisioned, i.e. -- managing these cases from an interdisciplinary approach with small caseloads of no more than ten (10) cases on average, has not come to fruition. Due to the increase in cases filed and the high turnover, caseloads continue to fluctuate well above ten per worker. I am told many workers are putting in, on average, 60 - 70 hours per week. As a result, morale is low and although the workers want to do a good job, many tasks are not completed in a timely manner and sometimes not at all. Instead of administration providing the case managers with the needed support staff (adequately trained family support workers, transportation officers, typists, crisis intervention counselors) they continue to berate them because paperwork is not being kept up and children are not going home fast enough.

I know that it is not popular to "micro-manage" someone you have just hired to do a particular job, however, in this case it is imperative that SRS do just that. SRS must take on more responsibility for managing these children. After all, SRS is the one

who has requested these children be removed from their parents home and have asked the court to give them legal custody of the child(ren). As the legal custodian they must be held accountable for their actions—parents are.

C. Lack of foster homes, particularly therapeutic placements.

The post audit report enumerates in detail the problems in this area. Suffice it to say this continues to be a major problem.

Therapeutic foster homes are desperately needed in our area. Many children are being placed outside of Wichita for this reason. Distance from parents, siblings, and needed services only exacerbates the problems and further delays the reintegration process. Many therapeutic foster homes have been lost due to the lack of support and services needed by the foster parent in order to maintain a child needing this level of structure and care. Attendant care and respite care are vital services which are virtually non-existent.

As you know, foster parents are requested by statute to communicate in writing to the court at least once every six (6) months about the child(ren) in their care. Many continue to complain about the lack of contact with the Youthville workers supervising their cases, phone calls not being returned, the fact that they are expected to transport the children to therapy and to visits without having much to say about it in advance and the difficulties involved in getting clothing vouchers pre-approved. Many are frustrated and are threatening not

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to accept other children or to only do so as an emergency, temporary placement.

The State of Kansas would not expect the Secretary of the Department of Corrections to house and maintain criminals without supplying prisons, guards and other needed services so why should we expect any less for poor, abused and neglected children who have done no wrong; or foster parents who have opened their hearts and homes to them?

Privatization of foster care, coupled with the enactment of the Adoption and Safe Families Act (ASFA) has greatly increased the demands on our court.

Due to the increase in the number of cases filed, more attorneys are needed to represent parents and children. In Sedgwick County we have contracted with nine (9) attorneys to represent parents on a part-time basis. Unfortunately, due to the volume of cases and three (3) judges handling these cases on a daily basis, these positions have turned into "full-time work for part-time pay." Consequently, we too have experienced a high degree of turnover. We have lost, and are continuing to lose good attorneys; attorneys committed to children and families, because they cannot afford to maintain a practice yet are in Juvenile Court every day.

We also have three (3) guardians ad litem on contract representing all of the children currently being served in Sedgwick

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County (over 1000). How many children do you suppose they see if they are in court every day?

More case filings have also increased demands on the District Attorney's office, the Court Clerk's office, the Court Services Officers, and the community agencies that provide services to children and families; particularly in the mental health arena. Privatization's impact has trickled down to every part of the system and improvements will not be forthcoming unless we take a system-wide approach to solving the problems.

I am most appreciative of the Governor and Secretary Chronister's wisdom and insight into this approach. The additional funds given to the courts last fall to assist with the implementation of ASFA's requirements was a lifesaver to us. As a result, we were able to hire a pro-tem judge to handle all of the Juvenile Offender cases. This enabled myself and the other two District Court Judges to hear the ASFA cases, maintain regular review hearings of those cases that were already pending and still meet the challenges of the new cases filed on an almost daily basis. Had we not received that assistance I shudder to think of what shape we would be in by now; perhaps more importantly, what shape the children and families we serve?

Youthville has recently been quoted as saying that the courts have been the "bottleneck" in moving children through the system. Perhaps, therein lies the problem. I am not interested in just "moving

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children through the system". I am looking for parents who can recognize mistakes they have made in the past and can now demonstrate changes in their behavior and parenting methods so that the same problem does not resurface as soon as the children are returned and the case is closed. I am looking for a service provider that is responsive to the needs of children and families in crises. I am looking for safe, permanent families for children.

In conclusion, I wholeheartedly support the recommendations of the Performance Audit Report and believe that their implementation is key to improving the foster care program for Kansas children. The other essential element is sufficient funding to other parts of the system which have been affected by privatizing foster care.

The creation of a "public defender type" office that provides legal representation to children or parents would also be of great benefit. If we can provide this service to indigent adults who have raped, beaten, murdered or in some manner victimized another human being, surely we can do the same for defenseless children and parents.

I was certainly pleased to hear the Governor's commitment to children during last week's "State of the State" address. I can only hope and pray that you too will join him in his efforts to improve the lives of Kansas children and families.

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APPENDIX A.

IV CASE SUMMARY:

- A. This case was received on 4/23/98 from Colleen Horner social worker SRS Wichita, Kansas.
- B. The children were taken into SRS custody due to chronic truancy issues.
- C. Attention should be given to the diagnosis of the mother [REDACTED] Substance Abuse.
- D. This case was transferred from UMY case manager Tara Person to Case Manager, Sheri Alexander on 8/21/98
- E. This case was transferred from UMY case manager Sherri Alexander. To case manager Dianna Todd on 12/1/98 after Ms. Alexander resigned Position.
- F. This case is currently been managed temporarily by Team # 30 Lead, David Osio because Ms. Todd has resigned her position.
- G. This case will be immediately assigned to a new case manager as soon as staff can be hired.

V. INFORMATION REGARDING PARENTS AND CHILDREN:

A. MOST RECENT COURT ORDERS: Journal Dated 9/17/98
(see section B. Outstanding orders).

B. OUTSTANDING ORDERS

Parent status:

[REDACTED]

TESTIMONY

To

Appropriations Committee

January 27, 1999

By

Robert D. Smith, President and CEO
United Methodist Youthville

Attachment 4-1
House Appropriations Committee
January 27, 1999

Mr. Chairperson and members of the committee. I am Bob Smith, President of United Methodist Youthville. I would like to thank the House Appropriations Committee for the opportunity to share with you, our legislators, an overview of the public/private partnership of the foster care system and some of Youthville's joys and frustrations concerning the new foster care system. In October of 1995 the State Department of Social and Rehabilitation Services announced that in 1996 it would privatize the entire child welfare system in Kansas. It would be done in three phases beginning with family preservation, then adoption and finally foster care/reintegration.

In November 1996, Youthville became the lead agency in providing foster care services, or all out-of-home services, to children and their families in Region V(Sedgwick County) and Region IV (all of western Kansas). I have included a map in the last page of your copy of my testimony, which breaks out each region and lists the contractor for that region. Additionally, I have also included a step by step overview of how a child enters and exits the foster care system.

Now, when it has been determined that a child needs to be temporarily removed from their home because they are no longer safe in that environment, United Methodist Youthville is responsible for three phases of care. Phase one is the intake and assessment of that child, case planning and case management. Phase two consists of the out-of-home care and intensive child and family services. The final phase is the reunification and support of the family or implementing an alternate permanency plan if reintegration with the biological family is not possible. We have offices in Colby, Dodge City, Garden City, Great Bend, Hays, Hutchinson, Liberal, Newton, Pratt, Wellington and Wichita, in order to respond to any family/child emergency within one hour and to serve families in their own communities.

For more than 70 years, Youthville has been serving the children of Kansas in an effort to make lives better. Never has our role been more challenging than it is today, as we enter into the third year of our public/private partnership contract with the state of Kansas. We have designed a new system of 24-hour care, with goals that include no more than one hour response times to families, lower social worker case loads, and expanded services and outcomes-based accountability. To build this system from the ground up has been an extraordinary challenge for all involved, as evidenced in the following Youthville statistics:

BEFORE PUBLIC/PRIVATE PARTNERSHIP	CURRENT
2 Campuses and 1 Satellite Office	2 Campuses and 13 Satellite Offices
230 Staff	623 Staff
70 Foster Homes	372 Foster Homes
250 Children	2616 Children

It is a work in progress, but a process that becomes better day by day. This is evidenced by the results of the 1998 Legislative Post Audit, which showed that children are experiencing fewer and more appropriate placements, more complete and timely case plans, and more appropriate and timely services—all due to the recent strides made in child welfare.

This brand new, revolutionary system of caring for children is being studied and copied by states across the country, albeit in nearly all cases at much higher levels of funding. Missouri's reimbursement rate is \$3,200 per child, per month, Texas's reimbursement rate is \$2,172 per child, per month, and Utah's reimbursement rate is \$4,050 per child, per month. On average, Kansas reimburses Youthville at the rate of \$1,045 per child, per month, but currently it costs Youthville approximately \$2,100 per child per month.

There has been much discussion in recent weeks about foster care funding issues and how this has affected contractors and providers. Despite the many positive aspects of this new, privatized system, it has not come without a cost—literally, an **investment**--that is higher than what anyone could have known or foreseen. Case rates that were agreed to in the initial public/private partnership contracts were based on the best information available at the time. With two years of experience, we now know that they are too low to cover true costs of care. Reasons for this include:

- The 1998 LPA report points out that historical information used to determine costs of care was incomplete. The total cost of care could not be accurately determined. Overhead absorbed by other agencies, facility costs, legal and transportation related costs did not show up in historical data available.
- Only 20 percent of those children that enter the system are able to return home within the original goal of six months. Funding was based on the assumption that 60 percent of the children would be moved out of the system within six months of a referral. That goal was lowered to 40 percent by SRS last year.
- 14 counties have experienced an increase of more than 1000 % in the number of confirmed cases of abuse and neglect between calendar year 1995 and 1997; 12 of these counties are in the Youthville service area.

This should not be interpreted solely as an increase in rates of abuse or neglect of children. Abuse and neglect reports have increased from 1995 through 1997, but the rate of increase is not the primary cause for increased numbers going into the foster care system. Rather, it is more due to the fact that SRS personnel have been freed to investigate 100% of reported cases of abuse or neglect, a primary goal of this new public/private partnership. During this period of time, **the confirmed state-wide identified cases of abuse has increased from 3,000 to more than 13,000 annually!**

There is no clearer example of the above-outlined problem than that seen in Wichita. When the state of Kansas transitioned foster care services to Youthville two years ago, historical trends dictated the population would remain about 500 children, and Youthville

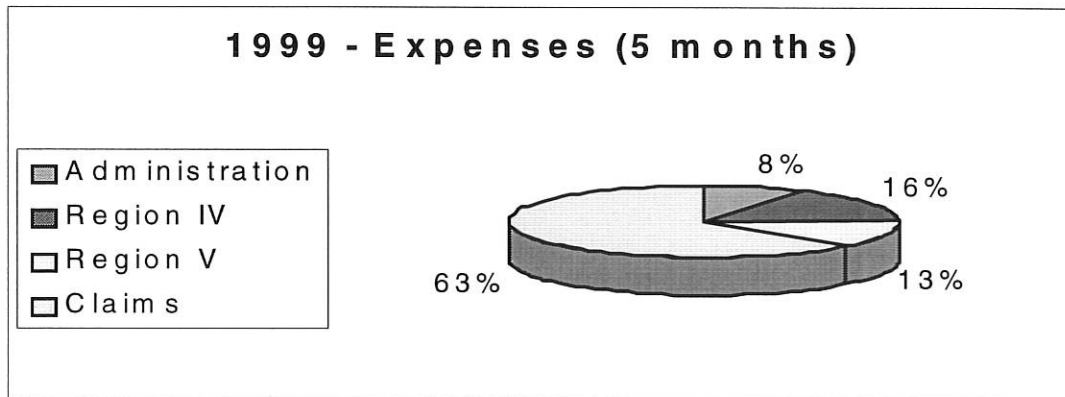
planned on receiving about 40 children per month. Instead, we have routinely seen between 60 and 65 new referrals per month.

These increases have quickly exhausted the new system's resources. Foster homes have filled to capacity, with more than 400 children from the Wichita area placed outside of their community and waiting lists growing daily. The domino effect set in: case managers quit, appointments were missed, finances became tight and courts became so overloaded that children frequently waited three months before judges could be asked to send them home. Wichita's challenge was no longer a lack of workers to investigate reports of abuse or neglect—the new system had allowed SRS to do just that. The challenge became—and remains—how to handle the problems that are uniquely Wichita's.

This increased level of response by the Department results in greater safety for our children, but has caused additional financial strain in the system. The dramatic increases in the number of children coming into the system have magnified per child losses being experienced by Youthville.

The Board of Directors for Youthville anticipated a certain level of financial loss going into this project. The Youthville foundation allocated \$4 million dollars to help offset those expenses but the losses have far exceeded what was anticipated and acceptable.

- Over \$2.8 million was spent renovating and upgrading facilities to prepare for the children entering the new system. In addition, our 1997-1998 audit reports another \$3 million dollars in losses. These losses are in addition to the million plus dollars raised annually through private donations.



A break down of our expenses by percentage shows our overhead at 8% and the majority of cost is our claims at 63%.

We have looked hard at our agency and our providers to cut overhead and develop strategies that allow us to do what is best for children at a reasonable cost. While this new public/private partnership is proving that the burden of care works best in the private sector, the financial burden for these children's care should remain a state responsibility. However, the contractors, judges and providers must continually work on strategies to

return children home safely and in turn reduce claims cost making this system a true public/private partnership!

Youthville has developed an action plan that would decreasing claims cost by 5% (\$1 million) in year 3. Some of the strategies we have implemented in 1998 include:

Strategy	Description	Date Started	Results
Wichita's Youthville Clinic	Six master level clinicians who do assessment on 60% of kids within 48 hours of referral. Additionally, they provide individual therapy with children.	1-Jul-98	We are able to present an assessment at first temporary hearing which details what mental health services are needed. The services are then provided in a more timely manor.
Clerk in District Court --shared strategy with Lutheran Social Services	expedite processing of journal entries.	7/98 thru 12/98	It was an average of three months before journal entries were typed and distributed and this added to court backlog. The new process gives Youthville appropriate time and helps expedite processing of kids into the adoption contract.
Meetings with the Wichita judges	Meet monthly with judges	January of 1998	Still have not achieved a bridging of philosophy.
Foster care recruiting pilot program	Added two new recruiters who responsible for a smaller area and one which was their hometown.	Summer of 1998	The local community ties in western Kansas has made a big difference in the numbers they could recruit.

Strategies that are now being developed are:

Strategy	Description	Date Started	Anticipated Annual Savings
Therapeutic Foster Care	Intensive specialized care for severely emotionally disturbed children.	Mid December (This program will need 3-4 months to develop)	\$1.8 Million
Attendant Care	One-on-one specialized care for severely emotional children. This program will help prevent placement disruptions.	Nov 1, 1999 still recruiting and training workers (a key piece of this is crisis intervention). This program should be online by February 1, 1999.	\$800,000
Kinship Placements	Intensive family mediation services to identify relative placements.	We have sent two of our key foster care people to a training in Topeka. We will begin program in March 1999.	\$620,000
Increased efforts to recruit family foster homes	A strong marketing plan has been developed utilizing many key community public relations experts who were kind enough to volunteer their time and expertise.	New marketing plan begins February 1, 1999.	For every bed developed \$13,000 is saved
SED Unit	Specialty case managers to wrap community services around SED kids.	Anticipated starting date in February 1999.	Absorbed in annual saving of other strategies
Reduced current annual budget significantly without effecting quality of care to children.	Change Wichita model to case manager model This model is not a cost efficient model considering resources available in Wichita area.	Anticipated starting date first of February 1999.	\$1.2 Million

To truly cut cost and achieve safe permanency for children in foster care we know we can not do it alone, we look to our legislators for leadership, our partner SRS for guidance and our fellow contractors to share successes and our community for support.

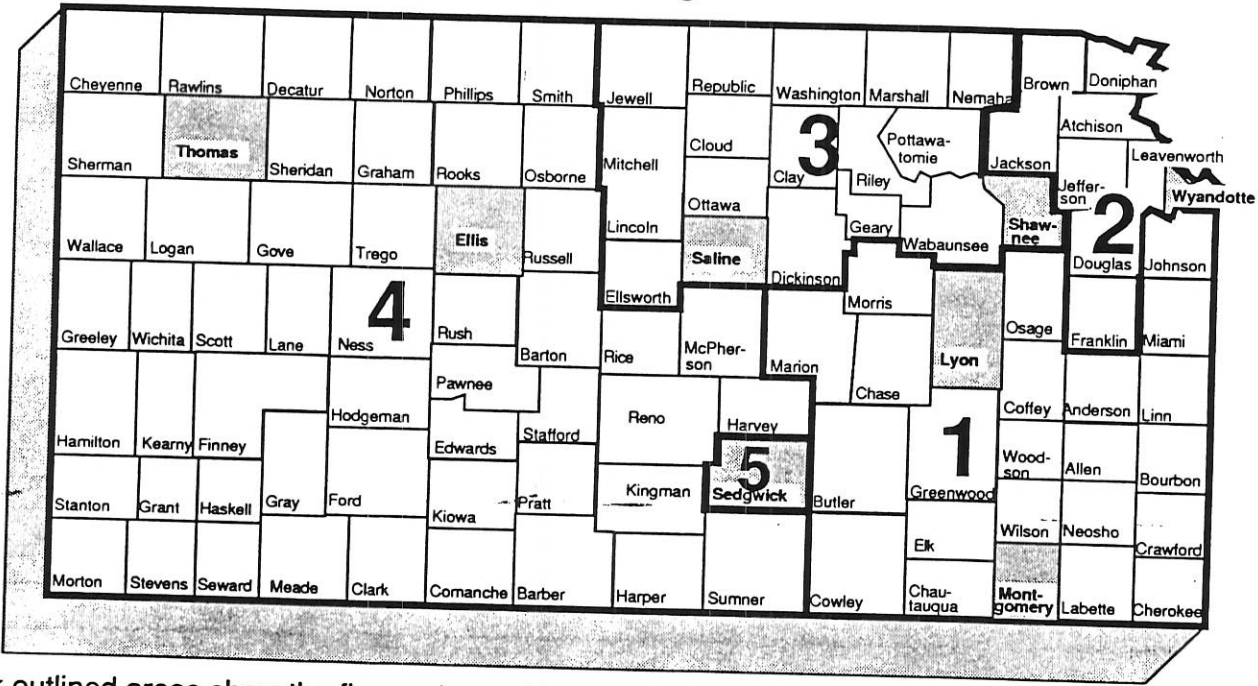
The design and implementation of the public/private partnership in the child welfare system in Kansas has presented tremendous challenges for all parties involved in this transition. Unanticipated factors, complications and problems are to be expected in any endeavor of this magnitude. However, the Department of Social and Rehabilitation Services, the contractors, and service providers should be commended for their work in designing a system that will provide high quality of care for children at a reasonable cost. Quality care offers the best chance for ultimate success, with children safely leaving the system and rejoining their families.

The victimization of children in our society through abuse, neglect or abandonment is not a problem that will go away. The numbers continue to grow. The needs continue to increase. The demands continue to multiply. And behind every new crises is a child--an infant, toddler, adolescent, teenager, **a person**—who is struggling to grow, develop, and live in a world that has treated them unfairly. The State of Kansas must provide funding for the care of children taken from the home. This funding must be adequate to insure continued successful outcomes for children, and the ongoing fiscal health of all the non-profits committed to children. The choice is ours—not the children's. But these children will bear the burden--or reap the rewards-- of the decisions made during the 1999 legislative session.

How children enter and exit foster care

1. Police or SRS workers investigate report of child abuse or neglect.
2. SRS either finds the report to be groundless, refers the parents to a family preservation program, or forwards its findings to the district attorney's office.
3. If the findings are serious enough, district attorney's office asks the court to declare the child to be a child in need of care. If the judge agrees, child is placed in foster care.
4. Judge, lawyers representing the parents and the child, and social workers agree on what parents must do – drug or alcohol rehabilitation, steady employment, independent living, mental health counseling – before child will be returned.
5. Judge monitors parents and child's progress.
6. Depending on that progress, judge will either allow the child to return home, leave the child in foster care, or sever the parents' rights and put the child up for adoption.

Contractor Regions



Black outlined areas show the five regions within the State. Kaw Valley has Regions 1 and 2, KCSL has Region 3, and Youthville has Regions 4 and 5. We reviewed a sample of 146 cases from 8 cities in the shaded counties.