



CHILD WELFARE



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Funding of Child and Family Services Reviews Program Improvement Plans

State child welfare agencies address the needs of one of our nation's most vulnerable populations: abused and neglected children. When children are at risk of harm, child welfare systems in all states intervene to investigate abuse and neglect allegations, assist families in caring for their children, and provide alternative care for children, when necessary. Child welfare systems are charged with meeting these children's needs for safe and permanent families and developmentally appropriate physical and mental health care and educational services that promote their well-being.

The federal government, which funds slightly more than 50 percent of child welfare services nationwide, holds states accountable for achieving these safety, permanency and well-being outcomes. It does so through the child and family services reviews (CFSRs). (See the box, "The Child and Family Services Reviews at a Glance.") The reviews examine state child welfare agency performance in helping children to grow up safely, in permanent homes, and in communities that are focused on their well-being. In other words, the reviews evaluate whether states actually are improving outcomes for the children and families whom they serve through child welfare agency programs.

After a review, states are assisted through training, technical assistance (TA), and ongoing federal support in developing and implementing a Program Improvement Plan (PIP) to address areas in which they were found to be out of conformance with federal requirements. PIPs are intended to promote comprehensive system reforms, and states are encouraged to incorporate practice principles that are believed to support positive outcomes for children and families. These include working with and addressing the needs of the entire family, providing easily accessible services that are community-based and tailored to the needs of the child or family, and helping families learn how to best care for their children. The reviews are also designed to help states create their own processes for continually evaluating the effectiveness of their child welfare systems.

The Child and Family Services Reviews at a Glance

- Congressionally authorized review of state child welfare systems.
- Launched in 2000; administered by the central and regional offices of the Administration for Children and Families, U.S. Department of Health and Human Services.
- States conduct their own statewide assessment with support from the federal government.
- Federal and state teams conduct an onsite review of three sites in the state, examining 23 items under three outcome domains—safety, permanency, and child and family well-being—for a sample of children and families served by the state child welfare agency. During the statewide assessment, the teams also examine 22 items under seven systemic factors that affect outcomes for children and families.
- States prepare a Program Improvement Plan to develop or enhance policies, training, and practice identified as needing improvement to increase positive outcomes for children and families. The plan must address any outcome domains or systemic factors that are not in substantial conformity and their associated items.
- Federal penalties apply when states do not make the required improvements.

The first round of CFSRs took place during federal fiscal years 2001–2004, a period during which states experienced a significant decline in revenues and made budget cuts in many human service programs. From 2002 through 2004, state legislatures closed an aggregate budget gap of about \$200 billion.¹ During the first round of CFSRs, no state was found to be in substantial conformity with all CFSR requirements; accordingly, all states were required to implement PIPs while most were facing serious budget shortfalls that affected the availability of new resources.

About This Report

This report describes how some states are using new resources or are reallocating existing resources for PIP implementation. The findings in this report are based on a review by the National Conference of State Legislatures (NCSL) of PIP-related documents and informal and voluntary telephone interviews with key state contacts who are responsible for overseeing PIP design and implementation. The interviews were conducted from April 2004 through February 2005, a period during which states were in various stages of PIP development.

In preparing this report, NCSL staff attempted to reach child welfare agencies in all 50 states and the District of Columbia to conduct interviews. Of those, staff were able to speak with contacts in 39 states and the District of Columbia; 24 of these provided sufficient information for inclusion in the report. Of the remaining states, staff were unable to reach four, an additional four did not have approved PIPs during the interview period, and three had just begun PIP implementation at the end of the interview period. For each of the states discussed in this report, staff obtained approval from the state agency that administers child welfare services.

During the interviews, the NCSL asked the state contacts to do the following: 1) identify any new or reallocated federal and state resources that the state used for PIP implementation, 2) describe how such resources were being used, and 3) discuss whether and how the state's budget situation had affected PIP development or implementation. When possible, NCSL staff also consulted state appropriations bills, related summaries, analyses of state budgetary actions that affect child welfare, and other state reports to clarify the information obtained through the interviews. In addition:

- For all but a few states, the NCSL interviewed the state PIP contact before completion and close-out of the PIP. This report therefore does not include information about any new or reallocated resources that may have been made available for PIP implementation after the interview. For the same reason, this report does not include information about the renegotiation of PIP strategies that may have occurred after the interview or address the ultimate completion status of strategies referenced.
- The NCSL did not attempt to gather information on the extent to which counties have contributed new or reallocated resources for PIP implementation.
- In most cases, time did not allow for more than one interview per state. In some cases, this limitation affected the level of detail provided.
- This report does not include technical assistance provided free of charge by federally funded national resource centers or by other sources.

The findings of the interviews and analysis regarding state funding of PIP activities and the effects of state budgets on child welfare more generally are discussed below.

State Finances: Effects on Child Welfare

The effect of the recession on state finances has been well documented by a number of sources, including the NCSL.² Although many states have had to make severe cuts in programs such as Medicaid and education to close significant budget gaps, child welfare agencies in many states have managed to avoid substantial budget cuts. The Urban Institute's latest survey of child welfare financing, for example, found that overall state funding for child welfare increased by 7 percent

from fiscal years (FY) 2000 to 2002.³ Yet, that increase was not reflected in every state: 13 states reported reductions in total spending on child welfare, ranging from 1 percent to 19 percent.

Although most governors and legislatures have been willing to spare child welfare from drastic cuts, the majority of state child welfare agency administrators assumed that no new funds would be available for PIP implementation. Accordingly, they developed PIPs that included policy and practice changes that could be implemented within existing resources and without a major reallocation of such resources. At the same time, many states, in their PIPs, cite chronic resource limitations as a major challenge to improving outcomes. These include shortages of trained and experienced caseworkers and a lack of mental health and substance abuse treatment services. Because of resource limitations, many states took advantage of free technical assistance that was available from a number of sources, including federally funded national resource centers.

In addition, four state PIP contacts said that the overall budget situation in their states hindered PIP development, implementation or both:

- The Indiana Family and Social Services Administration dropped a plan to request additional resources to meet Council on Accreditation caseload standards in the face of fiscal constraints.
- The Kansas Department of Social and Rehabilitation Services reported that budget constraints required the agency to renegotiate PIP goals and made it difficult to maintain progress in all areas that were identified as needing improvement.
- The New Mexico Children, Youth and Families Department reported that information technology was not funded at the requested level, prompting the state to request delay of a PIP action step to import into the agency's management information system data regarding screening and prioritization at intake.
- Budget constraints in Texas include lack of sufficient staff to provide child welfare services and lack of funds for purchased services (including contracted adoptions, client services needed to achieve plan goals, placement capacity and kinship support services) and for technology, training and other support functions.

In these states, therefore, the PIP contacts reported that state finances negatively affected their PIPs and, of the states responding to this report, most reported no new funding for their PIP activities.

Some states, however, reported significant changes in the availability of resources in support of PIP implementation. The changes in these states were of two types: appropriation of new resources and reallocation of existing resources. Within these broad areas, this report presents state funding activities by category. Under appropriation of new resources, state activities fall into three categories:

- Child welfare workforce improvements;
- Comprehensive system reform; and
- County PIP-related efforts.

Under reallocation of existing resources, state activities fall into two categories:

- Enhancement of quality assurance (QA), coordination of PIP implementation, and provision of TA to local offices; and
- Other PIP-related purposes.

A final type of state funding activity discussed briefly in this report is appropriation of new resources that are unrelated to PIP implementation.

Appropriation of New Resources for the PIP

A few states reported that their legislatures appropriated additional funds for PIP implementation. Within this category, the strength of the connection between the CFSR and the additional funding varies by state. In two states, Alaska and West Virginia, the state PIP contact noted that the relationship is clear because the state agency based its request for additional funds primarily on the CFSR findings.

Other states also are using new resources appropriated by the legislature to fund PIP strategies, but the legislature's decision to increase funding for child welfare appears to have been based primarily on factors other than the CFSR:

- In Connecticut, New Jersey, and Tennessee, the states' PIPs are closely coordinated with a child welfare reform plan that was developed as a result of litigation.
- Georgia's PIP is linked to an ongoing child welfare reform process that originated with a governor's task force on child protective services (CPS), which predated the CFSR.
- In Florida, increases in funding for the child welfare workforce were influenced by a legislative study of turnover among front-line child protective investigators.
- The New Hampshire legislature funded new staff positions for reasons unrelated to the CFSR, including the goal of achieving accreditation, but the state child welfare agency ultimately allocated those positions in response to the CFSR findings.

Although these states are using new resources to fund PIP strategies, it is uncertain whether the legislatures would have appropriated new funds based solely on the CFSR findings.

States appropriated new resources for a variety of improvements related to PIP implementation, which are discussed below.

Child Welfare Workforce Improvements

Of the states that appropriated additional funds for PIP implementation, most used the new funds to address child welfare workforce issues, such as high caseloads, staff shortages, and high rates of staff turnover. Many PIPs cite these issues as major obstacles to improving outcomes. In addition, a Government Accountability Office (GAO) review of the CFSRs completed in 27 states found an average of nine CFSR indicators per state in which a rating of "area needing improvement" was at least partially attributable to workforce deficiencies.⁴ Many caseworkers interviewed for the GAO report said that high caseloads and staff shortages had a negative effect on their ability to make well-supported and timely decisions regarding children's safety.⁵ To address those issues, the following states appropriated funding for workforce improvements.

- **Alaska:** Alaska's PIP, approved in September 2003, identifies several global themes that apply to many areas of the state's performance on the CFSR. One of these is workload management. The PIP states that high workloads and correspondingly high rates of staff turnover are factors that contributed to the CFSR findings that improvement was needed in several areas. These included, for example, the areas of timeliness of initiating investigations (item 1), services to the family to protect children in the home and prevent removal (item 3), and worker visits with the child or parents (items 19 and 20).

Alaska's PIP included several action steps for addressing high caseloads:

- Assigning administrative, clerical, and other “extraneous” duties to staff other than front-line workers;
- After clarifying the duties of front-line workers, conducting a caseload analysis; and
- Establishing sufficient staffing levels to meet the Child Welfare League of America (CWLA) caseload standards and to protect children and prevent removal. (The standards are available on the CWLA Web site at <http://www.cwla.org>.) Under this third step, the PIP calls for the state to research alternative staffing methods and work schedules—such as flexible shifts, weekend workers, and other procedures—to ensure adequate coverage on all cases. Through the PIP, the state also sought to strengthen and streamline the hiring process.

In response to the PIP goal of meeting CWLA caseload standards, the Legislature in 2004 funded 26 new positions in the areas of investigations, QA and independent living. In addition, the governor's FY 2006 budget contains a request for an additional 30 positions, to be funded with \$6 million in new appropriations.

- **Florida:** Florida's PIP, like Alaska's, identifies several overarching issues as central to improving the state's performance. Two of these are workforce related: retention of experienced supervisory staff and reduction of caseloads. In addition, the state's PIP, approved in April 2003, contains an action step to stabilize the workforce to initiate timely investigations of child maltreatment reports (item 1). Included in the benchmarks for this action step is a funding request for additional child protection and support staff and salary increases for front-line staff.

While Florida's PIP was being developed, the state Senate Committee on Children and Families was conducting a two-year study of turnover among child protective investigators and investigator supervisors. The study concluded that the primary cause of high turnover rates was excessive caseloads and workloads.⁶

In 2003, the Florida Legislature made the following resources available to the Department of Children and Families:

- \$13.4 million in state funds and \$16.9 million in federal funds for salary increases and retention bonuses for front-line staff, and \$1.9 million in state funds for front-line retention strategies, including \$1 million for a social worker educational loan forgiveness program;
- 376 new positions, including 342 family services counselors and 34 additional child protective investigators; and
- \$4.6 million for 88 positions in QA and contract management.
- **Georgia:** A key strategy in Georgia's PIP, approved in October 2002, is to reduce caseloads for both child protection and foster care caseworkers by September 2004. Georgia wanted to bring caseloads more in line with nationally recognized standards, such as those of the CWLA. Georgia plans to reduce caseloads incrementally through annual increases in legislative appropriations. The state believes that reductions in caseloads will help make improvements in areas addressing the permanency goal for the child (item 7), placement with siblings (item 12), and worker visits with the child (item 19).

Georgia developed its PIP in the context of an ongoing child welfare reform initiative. One goal of the initiative was to build a well-trained and stable workforce.⁷ In turn, the state's PIP lifted from the child welfare reform initiative the goals, strategies and detailed work plans that directly responded to the CFSR findings, one of which was caseload reduction.⁸

During the past five years, two governors and five Georgia state legislatures have allocated new resources, with the intent of lowering caseloads and reducing turnover. In some parts of the state, including Atlanta, turnover had reached 70 percent.⁹ According to the state's quarterly PIP reports, the state Division of Family and Children's Services (DFCS) received a total of 596 new positions: 171 in FY 2000, 100 in FY 2001, 100 in FY 2002, 100 in FY 2003, and 125 in FY 2004. The DFCS did not submit a request for additional staff for FY 2005 because of the state's budget shortfall.¹⁰ The agency's FY 2006 budget, however, contains funding to hire an additional 500 CPS staff.

The state hopes to further reduce turnover and caseloads through a reorganization of the DFCS that began in February 2004. The DFCS reported that the reorganization includes the following.

- A certification program for child welfare case managers was developed to ensure a high standard of practice, create a climate of continuous quality improvement, and promote staff retention.
- Georgia initiated a centralized hiring and training project in the metropolitan Atlanta area that includes a streamlined process of recruitment, assessment, job placement, and training.
- New case manager and supervisor training has been enhanced, with a curriculum that focuses on areas of need identified by the CFSR.
- Cell phones and personal computer tablets were deployed to case managers.
- CPS ongoing case managers will be given a 5-percent pay increase in July 2005 to bring their salaries in line with the salaries of CPS investigative staff.
- Case managers who have higher caseloads will receive a conditional 4-percent pay increase effective July 2005.
- The state is making more effective use of resources by improving screening of CPS intake calls. Reports that do not meet the standards for CPS intervention are referred to diversion workers.
- **New Hampshire:** New Hampshire's PIP, approved in May 2004, calls for the creation of permanency planning teams in each of the 12 district offices to improve State performance in the area of achieving permanency for children (item 7). Each team consists of two new staff positions—a permanency worker and an adolescent worker—plus an existing administrative case reviewer and a supervisor. The new staff will be available to consult with other workers and will carry their own caseloads. The permanency planning teams are trained and supervised by a permanency supervisor, another new staff position located in the central office.

To fund these new positions as well as additional administrative staff, the New Hampshire Division for Children, Youth and Families (DCYF) incorporated a recent staffing initiative into its PIP. That initiative added 43 new positions with \$2.09 million in state funds and \$2.2 million in federal funds for the FY 2004–2005 biennium. The federal funds originate from a mix of Title IV-E administration, Medicaid, and Social Services Block Grant funds.

The staffing increase originally was part of the DCYF's plan to achieve accreditation by the Council on Accreditation and was developed in response to a legislative audit of the state's foster care system. The audit found that excessive workloads hindered the DCYF's ability to provide quality services to children and families and recommended that the division develop and adhere to workload and caseload standards. Although legislative appropriations for the new positions pre-dated the state's CFSR onsite review, the DCYF ultimately decided to allocate the positions to address needs identified in the CFSR.

- **West Virginia:** West Virginia's PIP was first approved in June 2003, but a renegotiated PIP was approved in February 2005. Although the original PIP did not include a goal or action step related to staffing increases, the renegotiated PIP incorporates a staffing increase approved by the Legislature in 2004 in response to the CFSR findings. The Legislature appropriated \$2.9 million for 219 new staff, including 85 case aide positions; the remainder of the new positions went to front-line caseworkers and new staff dedicated to TA, training and regional planning. Under the renegotiated PIP, the new case aides will be used to improve the quality and quantity of visits with children and parents. The case aides will act as mentors to parents, helping them to improve their parenting skills so that children may be safely reunified with their families more quickly than in the past.

Comprehensive System Reform

Three states have closely aligned their PIPs with ongoing child welfare reform efforts that require funding for capacity building in a number of areas. In Connecticut, New Jersey and Tennessee, the settlement of litigation requires comprehensive system changes and significant legislative appropriations for new staff, enhanced services for children and families, and other system improvements:¹¹

- **Connecticut:** The state's PIP originally was approved in August 2003 in the midst of the *Juan F* class action litigation. In October 2003, the parties to the litigation agreed to transfer management authority over the Department of Children and Families (DCF) to the federal court and a three-member management team. The court ordered that the PIP be held in abeyance (temporarily set aside) and that an "Exit Plan" be prepared defining outcome and performance measures that must be achieved as a prerequisite for terminating court jurisdiction. The court accepted the Exit Plan in January 2004. In March 2004, the federal Administration for Children and Families (ACF) agreed to renegotiate the PIP on the basis of the Exit Plan, and the court withdrew its prior order to hold the PIP in abeyance. Notwithstanding these actions, the deadline for PIP completion—August 2005—remained unchanged.

Although the Exit Plan does not list specific action steps, the DCF developed a Positive Outcomes for Children (POC) plan that outlines action steps/goals associated with each Exit Plan outcome measure. On the basis of the plan, the POC team developed a status-of-work matrix, similar to a PIP matrix. As of May 2005, the matrix was being used as the basis for identifying action steps that must be completed and performance measures that must be achieved by August 2005, the deadline for PIP completion.

The Exit Plan contains 22 outcome measures, including some that mirror the CFSR outcomes and systemic factors. Other measures include the following.

- Caseload standards for CPS investigators, in-home treatment workers, out-of-home treatment workers, adolescent and specialty workers, and voluntary and probate workers;
- The reduction of the number of children placed in residential care to equal no more than 11 percent of the total number of children in out-of-home care; and
- The achievement of specified educational and employment goals by at least 85 percent of all youth ages 18 or older prior to discharge from DCF custody.¹²

To implement the Exit Plan, the legislature supplemented the DCF's FY 2004–2005 budget with approximately \$40 million, including the following:

- Appropriating \$8.66 million to make permanent more than 175 social worker positions that were created to meet caseload standards in the Exit Plan/PIP;
- Appropriating \$950,000 for flexible emergency services;

- Providing approximately \$10.2 million for enhanced support for families of children returning home from residential treatment, including the development of family support teams, treatment foster care, group homes, and wrap-around services;
 - Funding two additional attorneys and three paralegals at the DCF and two assistant attorneys general, three paralegals, and one secretary in the Attorney General's Office;
 - Appropriating \$500,000 to expand foster and adoptive parent recruitment efforts; and
 - Appropriating \$500,000 for five social workers and associated costs to allow visitation of children in out-of-state residential treatment facilities.
- **New Jersey:** New Jersey already was involved in sweeping child welfare reform when it was required to develop its PIP, which was approved October 1, 2004. The PIP incorporates many elements of a comprehensive reform plan—"A New Beginning"—that was approved in June 2004 and required by the settlement of a lawsuit filed in 1999. The PIP notes that the PIP and the reform plan must be aligned to reflect a unified approach to system improvement.¹³ Many elements of the reform plan have been integrated into the PIP; in the reform plan, these are roughly categorized according to the three domains of child safety, permanency, and well-being. The following are examples of these elements:
 - In the safety area, centralized intake of maltreatment reports, separation of the investigative and permanency functions, and flexible funding to meet immediate needs;
 - In the permanency area, recruitment of 1,000 new resource families (foster, relative and adoptive parents) in FY 2005, expansion of services and supports for resource families, and deployment of adoption specialists to district offices; and
 - In the well-being area, the hiring of a nurse for each district office, provision of a comprehensive health evaluation to each child in care, and expansion of substance abuse, domestic violence, and housing services.

Although New Jersey's PIP must be completed by October 1, 2006, the state estimates that implementation of "A New Beginning" will take five years and will cost \$320 million. For FY 2005, the Legislature appropriated \$125 million in state general funds to the Division of Youth and Family Services (DYFS), matched with more than \$60 million in federal funds. The DYFS used these funds for a range of changes, such as for hiring 1,000 casework staff positions; increasing payments and supports for resource families; creating a centralized hotline; and purchasing equipment for caseworkers, including cars, computers, cell phones and digital cameras.

- **Tennessee:** The state's PIP, approved July 2003, provides for an increase in the availability of services to children in state custody and their families through the use of a needs assessment process agreed upon as part of the settlement of the *Brian A* class action lawsuit in July 2001. The *Brian A* settlement requires the state, among other actions, to annually assess the need for additional out-of-home placement resources and related services. It also requires the Department of Children's Services (DCS) to commit at least \$4 million every year for five years to implement the findings of the needs assessments and to provide \$2 million in contingency funds each year during the same period. The needs assessment process and related funding are intended to reduce the state's reliance on congregate care facilities and to develop additional foster homes and therapeutic placements within children's home communities. The first needs assessment was completed and approved in July 2002 and the second in November 2004. The spending plan associated with the second needs assessment was approved in April 2005.

Tennessee's PIP incorporates the *Brian A* needs assessment process as a strategy under the following CFSR performance indicators:

- Children are safely maintained in their homes whenever possible and appropriate (Safety Outcome 2);
- Children have permanency and stability in their living situations (Permanency Outcome 1);
- Families have enhanced capacity to provide for their children's needs (Well-Being Outcome 1);
- Children receive appropriate services to meet their educational needs (Well-Being Outcome 2); and
- Service Array (systemic factor).

The DCS reported that the state legislature gave it \$8 million per year in state general funds during the PIP period (FY 2004 and FY 2005) to implement the needs assessment process. In FY 2004, the state spent \$6.9 million of the \$8 million; the remainder reverted to the general fund at the close of the fiscal year. In FY 2005, the state spent \$8 million: \$4.5 million on needs identified in the first needs assessment and \$3.5 million on needs identified in the second needs assessment. The DCS is spending funds linked to the second needs assessment in the general areas of transportation, placement support and stabilization, resource family support and recruitment, and retention of adoptive and foster families.

In addition, in December 2003, the parties to the litigation resolved a motion to hold the defendants in contempt of court by requiring the development of a comprehensive plan to implement the settlement agreement. The plan, "Path to Excellence," was approved by the court in August 2004. For FY 2005, the state committed an additional \$3.4 million in state funds and \$2.6 million in federal funds in budget enhancements to implement the plan. These enhancements include funding to meet an increase in the adoption caseload, increase the rates for foster parents, and equalize adoption assistance and foster care rates. The state also provided \$3.2 million for salary enhancements, matched with \$1.2 million in federal funds, and agreed to additional salary enhancements for FY 2006 and FY 2007. Although this enhanced funding was not contemplated in Tennessee's originally approved PIP, the state reported that the additional resources have generally supported program improvement efforts.

State Support of County PIP-Related Efforts

Some states are supporting PIP implementation that is being conducted at the county level. In California and New York, the two largest states with state-supervised, county-administered child welfare systems, lawmakers appropriated a small amount of funding that could be used for certain PIP-related initiatives.

- **California:** In the FY 2005 budget, the governor proposed and the Legislature approved \$13.4 million to support the California Child and Family Service Review System (C-CFSR), created by a state law passed in 2001 in response to the CFSR. The funds will be used for county self-assessments and improvement plans, peer quality case reviews, and data integrity improvements.

The law redefined how the state Department of Social Services (DSS) holds the 58 county child welfare agencies accountable for results and created a system that resembles the CFSR in many ways, such as the following:

- It defines indicators, performance measures, and systemic factors similarly to how these are defined in the CFSR.
- It requires counties to prepare self-assessments similar to the statewide assessments required by the CFSR.
- It requires counties to undertake peer quality case reviews of a random sample of cases.¹⁴

According to California's PIP, approved in July 2003, the C-CFSR is the primary process for identifying underperforming counties, ensuring that counties are making necessary system improvements, and evaluating the state's progress in achieving PIP goals.

California also created a Child Welfare Services Program Improvement Fund, consisting of private grants, gifts or bequests, to be appropriated by the Legislature for the purposes enumerated in the statute, which include PIP implementation.¹⁵

- **New York:** New York's PIP, approved in April 2003, contains an action step to support and expand the number of localities with permanency mediation initiatives, which use alternative dispute resolution processes to reach agreement on a child's permanency plan without the need for contested court proceedings. The PIP commits the state to identify first-year funding for new mediation programs and to support a minimum of three pilot sites during the first year of the PIP.

The State's Child Welfare Quality Enhancement Fund (QEF), funded at approximately \$2 million per year with Temporary Assistance for Needy Families (TANF) funds, was created in 2002 to support initiatives that increase the availability and quality of child welfare programs or test innovative models for service delivery. Local programs are selected for funding based on criteria developed by the state Office of Children and Family Services (OCFS). The QEF provided \$400,000 in each fiscal year (2003 through 2005) for permanency mediation programs in New York City and several upstate counties. For FY 2004 and FY 2005, the OCFS supplemented this amount with an additional \$150,000 per year in federal funds under the Child Abuse Prevention and Treatment Act, for a total of \$550,000 per year.

The QEF also has provided \$350,000 per year in flexible funding for PIP implementation at the local level, focusing on the achievement of timely permanency for children.

Reallocation of Existing Resources for the PIP

In all states, existing personnel have had to assume additional responsibilities related to PIP implementation. Thus, every state has, to some extent, informally reallocated staff time in response to the CFSR and the PIP. Because it is difficult to quantify such informal reallocations, states were asked to identify only quantifiable changes in the use of existing resources for purposes of PIP implementation, including funding, personnel or both.

States reallocated resources for two types of improvements related to PIP implementation: 1) enhancement of QA, coordination of PIP implementation, and provision of TA to local offices; and 2) other PIP-related purposes.

Enhancement of QA, Coordination of the PIP, and Provision of TA to Local Offices

The majority of states that reallocated existing resources for PIP implementation did so to strengthen the child welfare agency's capacity to create or enhance QA programs, monitor and coordinate PIP implementation by local offices, and assist local offices with their implementation. The following state activities are related to the reallocation of resources for QA, the coordination of PIP implementation, and the provision of TA.¹⁶

- The **Iowa Department of Human Services** (DHS) reported converting eight field positions (one per service area) to quality assurance/improvement (QA/I) positions to create a formal state QA effort. These staff will lead the QA/I efforts in the service areas and will be part of the DHS Quality Council, which will provide state oversight of the DHS. The agency implemented these changes as part of the state's PIP action step to create an agency-wide QA system.
- In early 2004, the **Michigan Department of Human Services** reallocated five staff to a newly created Child Welfare QA Unit. The state's PIP, approved in May 2004, notes that this unit serves the dual purpose of monitoring and overseeing

PIP implementation, including conducting data gathering and analysis and quarterly onsite reviews, and expanding and strengthening the state's QA activities. The unit also prepares regular reports for the Legislature pursuant to a mandate in the state appropriations bill. The department also created an oversight team made up of interagency personnel.

- The **Nebraska Department of Health and Human Services** reported that it had been planning to implement a formal QA system for the Office of Protection and Safety and that the CFSR and PIP reinforced those plans. The department reallocated existing funding to hire a QA administrator and redirected staff resources and existing funding to implement QA activities such as the Nebraska CFSR and targeted case reviews. The state's final CFSR report noted that, although the state has a number of QA components, it has no comprehensive QA system. Nebraska's PIP includes actions to strengthen QA in two areas: 1) establishing standards to ensure that children in foster care are provided quality services (item 30) and 2) developing an identifiable QA system (item 31).
- The **Oregon Department of Human Services; Children, Adults and Families** reported that resources for PIP implementation were obtained under the state's Rebalance Plan, which allows a state agency to request permission from a legislative committee known as the Emergency Board to reallocate unspent funds from one program area to another. The Emergency Board authorized the state to reallocate funds to create a PIP coordinator position, two technical analyst positions for the State Automated Child Welfare Information System (SACWIS), and 30 new caseworker positions.
- The **Texas Department of Family and Protective Services** reallocated funding to create 31 new staff positions statewide for purposes of PIP implementation. These new positions include 24 child safety specialists who provide secondary review of high-risk cases, such as those involving very young children or families with a history of multiple referrals. The remainder of the new positions were created to monitor PIP performance and conduct QA activities, including case record reviews and monitoring of aggregate data. The state is moving toward a QA process similar to the CFSRs.
- The **Vermont Department for Children and Families** created two new positions in the area of QA, funded from existing resources. The state's CFSR final report noted that the state had not had a formal QA system since 1996 because of mandatory cuts in the workforce. Accordingly, establishing a QA system was a high priority in the state's PIP.
- The **West Virginia Department of Health and Human Resources** reassigned four field positions from direct service to provision of support and TA for PIP implementation.
- The **Wisconsin Division of Children and Family Services'** PIP, "Wisconsin's Child Welfare Program Enhancement Plan" (PEP), provides for the reallocation of existing staff resources at the state level to provide guidance and support to child welfare agencies to implement PEP strategies at the local level and to develop local program improvement objectives. The reallocation of staff resources and funding was part of the governor's "Kids First Initiative," announced in the spring of 2004. Continuation of the staff resources and funding is contingent on legislative approval of the 2005–2007 state budget bill by July 2005.

The agency reallocated nine state-level positions to enhance the agency's capacity to assist county child welfare agencies. Most of these positions were vacant at the time of the reallocation. The PEP notes that the reallocation is designed to address multiple CFSR performance items in the areas of protecting children from abuse and neglect (Safety Outcome 1), maintaining children safely in their homes (Safety Outcome 2), ensuring permanency and stability in children's living situations (Permanency Outcome 1), preserving the continuity of family relationships and connections (Permanency Outcome 2), and enhancing families' capacity to provide for their children's needs (Child and Family Well-Being Outcome 1).

The agency also reallocated \$2.1 million (\$1.6 million in state funds and \$.5 million in federal title IV-E funds) that was saved because of lower-than-expected foster care caseloads in the Milwaukee child welfare system, which

is administered by the state. (In 1995, the state Legislature transferred authority of the Milwaukee child welfare system from Milwaukee County to the state Department of Health and Human Services. The state created a Bureau of Milwaukee Child Welfare and assumed authority in 1998.) The funds are being used to develop policymaking capacity at the state level (including filling the above-mentioned nine reallocated positions), provide TA to counties regarding implementation of PEP strategies, implement a statewide QA program that includes CFSR-style case record reviews, contract with universities for child welfare training, and create a new foster/adoptive parent resource center.

Other PIP-Related Purposes

A few states reallocated existing resources to build capacity in defined areas, including training foster and adoptive parents, expediting pending adoptions, lowering CPS worker caseloads, offering services to prevent unnecessary placement, and implementing family-centered practice.

- The **Indiana Family and Social Services Administration** reported reallocating approximately \$1 million to enhance foster parent training in response to a successful recruitment effort that was part of the state's PIP.
- The **New York Office of Children and Family Services** dedicated \$750,000 to a fund that reimburses attorneys who represent prospective adoptive parents, with a goal of expediting the adoption process. The state also allocated \$50,000 to one county to pay staff overtime to reduce the backlog of paperwork necessary to complete pending adoptions. The state PIP contact reported that these actions were taken as part of the PIP implementation process.
- The **Tennessee Department of Children's Services** converted 14 vacant positions in the central office to CPS case manager positions in the field. Under Safety Outcome 1 (Children are, first and foremost, protected from abuse and neglect), the state's PIP included a plan to lower caseloads through redistribution or increases in staff. According to the state's quarterly PIP reports, the department decided to reallocate staff in February 2004 after proposed staffing increases were ultimately dropped from the governor's FY 2005 budget.
- The **Wyoming Department of Family Services** reallocated funds to address a change in the focus of child welfare services as a result of the PIP. Wyoming's PIP includes as a key strategy the shift to a family-centered model of practice, with greater emphasis on supporting families, preventing removal, reducing out-of-home placement costs, and reinvesting the savings from out-of-home placements to "front-end" services.

In the area of maintaining children safely in their homes whenever possible (Safety Outcome 2), the PIP includes the action step of requesting that the Legislature provide funding for 19 additional field staff to lower caseloads and ensure that caseworkers have the time required to deliver family-centered services. In its PIP, the state also noted that it anticipates that the implementation of wrap-around services will permit reallocation of resources from high-cost placements to community-based in-home services. Finally, the PIP mentions another strategy to promote a family-centered approach: the development of family drug treatment courts with intensive services and enhanced accountability for meeting treatment plan goals.

To implement these PIP strategies, the department reallocated the following funds from existing resources:

- \$1.765 million from out-of-home placement funds to create 19 new positions (16 caseworkers and three supervisors) at the front end of the child welfare service continuum. The state agency has the authority to reallocate funding for this purpose, but the creation of new positions required the approval of the legislature.
- \$800,000 to support the training of caseworkers, judges, attorneys and school personnel about the Family Partners program, a form of family group decision making.

- \$150,000 to partially fund a new family drug treatment court, which provides intensive judicial supervision of dependency cases that involve substance abuse. The Department of Health also reallocated an additional \$100,000 from existing funds for this purpose, for a total of \$250,000.

Appropriation of New Resources Unrelated to PIP Implementation

Some states reported new resources for child welfare that could not be directly linked to the CFSR or PIP. The following states appropriated resources for purposes unrelated to the reviews.

- **Arizona:** Implementation of Arizona's PIP took place between November 25, 2002, and November 25, 2004. In September 2003, midway through the PIP process, the governor released her Action Plan for Reform of Arizona's Child Protection System. She then called the Legislature into special session in fall 2003 to address child welfare reform. That session resulted in legislation that, among other measures, appropriated \$6.3 million for additional staff, compensation adjustments, equipment upgrades, and an increase in foster care reimbursement rates. The Legislature funded an additional 75 positions during the 2004 legislative session.
- **Nebraska:** Shortly after Nebraska's PIP process began in August 2003, the governor formed a Children's Task Force in response to a series of child deaths. In response to the task force's recommendations, the Legislature included in the FY 2005 budget \$5.1 million in state funds and \$1.02 million in federal funds to create 120 new positions.
- **North Carolina:** During the implementation of North Carolina's PIP, the legislature appropriated \$3 million to increase monthly foster care maintenance rates by \$50 per payment. In 2004, following completion of the state's PIP, the legislature appropriated \$4 million in state funds and \$1 million in TANF funds for counties to hire a statewide total of 89 additional CPS staff and CPS support staff. It also appropriated \$1.6 million to raise monthly foster care rates by an additional \$25 per payment. The North Carolina PIP contact stated that these appropriations were not related to PIP implementation.

Perspectives on State PIP Funding

Although most states are implementing their PIPs without major changes in resources, some states have provided new funding and others have reallocated resources in creative ways to support the achievement of PIP goals. These new and reallocated resources primarily are being used in two ways: to increase and stabilize the front-line, child-welfare workforce and to enhance states' QA efforts.

Not surprisingly, states differ in the level of resources that they are making available for PIP implementation. These differences are due largely to events and circumstances outside the CFSR and PIP processes. In Connecticut, New Jersey and Tennessee, for example, substantial new resources were made available for PIP implementation because of litigation and related reform efforts. Other states that have recently agreed to major reforms in settlement of child welfare litigation also may soon find themselves with new resources for PIP implementation. Clearly, court intervention can be a potent motivating factor in the allocation of new resources for the child welfare system.

In other states, the CFSRs alone have generated additional funding for PIP implementation. Alaska, West Virginia and Wyoming have used their CFSR results to obtain legislative approval for additional resources. Legislative initiatives in these states were successful in part because of the argument that such resources are necessary to avoid federal financial penalties for failure to achieve PIP goals. Future rounds of reviews will show whether other states are able to leverage the CFSR in similar ways.

Notes

1. National Conference of State Legislatures (NCSL), *State Budget Update: November 2004* (Denver: NCSL, 2004).
2. Ibid.
3. Cynthia Scarcella, et al., *The Cost of Protecting Vulnerable Children IV: How Child Welfare Funding Fared During the Recession* (Washington, D.C.: Urban Institute, 2004).
4. U.S. General Accounting Office, *Child Welfare: HHS Could Play a Greater Role in Helping Child Welfare Agencies Recruit and Retain Staff*, GAO-03-357 (Washington, D.C.: U.S. GAO, March 2003), 21.
5. Ibid., 20.
6. Florida Senate Committee on Children and Families, *Retention of Protective Investigators and Protective Investigator Supervisors: Interim Project Report 2003-110* (Tallahassee, Fla.: Florida Senate Committee on Children and Families, 2003).
7. Georgia Department of Human Resources (GDHR), *Safe Futures for Georgia's Children* (Atlanta: GDHR, 2001).
8. Georgia "Program Improvement Plan" (approved October 1, 2002), 13.
9. Barton Child Law and Policy Clinic, *Workplace Supports to Improve Georgia's Child Protective Services* (Atlanta: Emory University School of Law, n.d.), available on the Internet at http://www.childwelfare.net/activities/legislative2002/workingpaper/section1_1.html.
10. Georgia Department of Human Resources (GDHR), *4th Quarterly Report on Safe Futures: A Plan for Program Improvement*.
11. Hawaii's PIP, approved July 2004, also calls for comprehensive system improvements funded with Temporary Assistance for Needy Families (TANF) and Social Security Block Grant funds. We were unable, however, to determine what proportion of these funds, if any, actually have been spent to implement PIP-related strategies.
12. *Juan F. vs. Rowland Exit Plan*, Civil Action No. H-89-859 (AHN).
13. New Jersey "Program Improvement Plan (Introduction)" (approved October 1, 2002), 2.
14. Barbara Needell and Ken Patterson, *The Child Welfare System Improvement and Accountability Act of 2001: Improving Results for Children and Youth in California* (Sacramento, Calif.: Foundation Consortium for California's Children and Youth, 2004).
15. AB 2496 (2004), codified at Cal. Welfare and Institutions Code §16524.
16. The CFSR systemic factor on QA examines whether a state is operating an identifiable QA system, and the CFSRs require states to have a process in place to measure and report their progress in meeting PIP goals. Many of the states listed here are implementing QA processes that mirror the CFSRs.

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