

HOUSE COMMITTEE ON CHILDREN AND YOUTH

THURSDAY, AUGUST 27, 2009

FOSTER CARE AND ADOPTION INITIATIVES

Fiscal and Social Impact of Best Practice – William Browning

For much of its history, child welfare has been a system long on good intentions but short on results. The evidence of this is the percentage of the prison population who were former foster children, former foster children who become homeless adults, neglectful and abusive parents abused or neglected as children, etc.

The state and national initiatives illustrated here today show that Pennsylvania's child welfare system is proactively looking to change this cycle born of a deficit based system and replacing it with a strength based solution focused system. While the activities are resource intensive these activities lead to long term social benefits for the children and families we serve while also creating long term fiscal benefits for the taxpayers.

Lackawanna County Children and Youth Services is an example of how an agency can increase services with a proportionately small up front investment leading to long term positive program outcomes and progressively greater cost savings.

Four years ago following a change in CYS administration and on the heels of a county fiscal crisis, the administration with support of the Family Court shared the following with all CYS staff:

"Within the next 4 years Lackawanna County Children and Youth Services will become a clinically based, research grounded institution, providing a full array of services to provide for the safety, well-being and permanency of the County's children through the empowerment of families."

In addition, we stated that the available options were limited to a reduction of prevention services and staff reduction which has been proven to be ineffective or the more preferable solutions which are to efficiently use existing dollars and terminate funding of costly non-productive programs and reinvest dollars in staff development and research driven, outcome based programs.

We choose the latter approach, stressing the important ties between fiscal accountability and successful program outcomes rather than enter into the positive feedback loop of crisis spending, increased staff turnover, increased crisis spending.

While promoting program reforms to support the change in practice, we also became good consumers, evaluating purchased services for effectiveness, negotiating fair market prices for services rendered and realigning staff to provide services in-house whenever practical –from both a program and fiscal perspective.

These fiscal measures along with the substantive program and court changes resulted in improved program outcomes while reducing our expenditures. In 2005 the average days a child remained in out of home placement was 624. Currently the agency average is 247 days in care, a 60% percent reduction. While the social impact is obvious given the research showing that children will thrive more with their natural family than even the best foster home, the fiscal impact was equally great. Days in care in FY 2005 translates to a cost of \$15,600 per child versus \$6,175 today using the lowest per diem rate. The savings were actually greater since Lackawanna CYS and JPO relied heavily on expensive residential placements in FY2005. Our purchased service budget has decreased from \$4,454,267 to \$2,018,831 a 54.7% cut. Overall our CYS budget has decreased from approximately \$24,000,000 to \$18,000,000. It must be understood that the fiscal benefits were an outcome, not a result of reactionary cuts which have proven counter productive in the past.

Of utmost importance in this practice shift was the active collaboration and leadership of the courts. Our President Judge Chet Harhut was willing to accept the hypothesis that more frequent reviews would lead to a reduction in overall placements and therefore not require an increase in court resources. This hypothesis was confirmed in that the average time in care for youth in our intensive courts is approximately 90 days. In addition, cases that require termination of parental rights occur in a timely fashion leading to more timely adoptions. One the federal outcome measures that a child reaching their 17 month in care is adopted in that same year has increased 244%.

The intensive court model can require weekly reviews of cases and move families along at a much quicker pace than the statutory 6 month reviews through a balance of accountability and provision of services.

Juvenile Probation also benefits from the intensive court model reducing their out-of-home placement by over 70% in the same time frame. As evidence that the use of less restrictive settings does not compromise public safety, there has also been a 55% decrease in petitions filed during the same time.

Lackawanna County has gone through a transformation from a fiscally challenged agency with poor outcomes to a fiscally sound agency with continually improving outcomes. Therefore the county is well positioned to speak on the consequences of doing only the regulatory minimum. This lead to an extremely high out-of-home placement rate, continual over budget and over match, resultant staff cuts and turnover, that took the last four years to undo. Reactionary budget cuts to child welfare always have the same effect – short term initial benefit which is usually wiped out in months as agencies shift into crisis mode. During the height of the Lackawanna's budget crisis in FY2003-04, there were 13 casework vacancies left unfilled in an attempt to save money. Because of the high caseloads, there was a resultant high turnover rate (50%) which lead to a reliance on purchased services including out-of-home placement. The initial savings of less than \$300,000 from the vacancies lead to \$3.5 million in overmatch.

Lackawanna County is but one example of how a county when allowed to reinvest its money and the realignment the agency for maximum efficiency to promote better outcomes for children and families can do so while improving its fiscal position as well.

We are also an example of what can happen, long term, socially and fiscally when program cuts occur for short term benefits.