

Testimony Presented

To

Pennsylvania House of Representatives

**Children and Youth Committee**

June 20, 2012

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Good Morning. My name is Andrea Boyles and I am the CEO of the Youth Service Bureau in Centre County, here representing the Pennsylvania Council of Children, Youth and Family Service (PCCYFS) provider members. My agency is a member of PCCYFS and with me is Bernadette Bianchi, PCCYFS Executive Director, who is available for any questions.

PCCYFS is a network of more than 120 private providers of children's services here in the Commonwealth. Through our agencies, we provide services to all 67 counties through purchase of service agreements with county children and youth agencies.. Private agencies like mine deliver the clear majority of direct services that are required by federal and state laws and state regulations to keep children safe and to protect communities. These services include direct, mandated services in the child welfare and juvenile justice systems, and are paid for with a combination of federal, state and county dollars. These dollars flow from the federal and state levels to the counties here in Pennsylvania through the Needs Based Plan and Budget requirements defined in Act 148 of 1976 and in Act 30 of 1991. I am here today to ask that you carefully consider amending Act 30.

You will see that Act 30 currently does not include any requirement for payments of actual costs of purchased services. Additionally, no state statute currently addresses the need for timely payment to private agencies that are contracted as an agent of the county to meet public mandates. As private agencies it is our choice to do this sort of work. We choose to take on the most difficult situations, we choose to spend our time and energy with traumatized children, broken families, and angry teenagers. We want to do these things because it is our mission, but we are only able to do these things as our part of a contract with counties. We must find a way to make those contracts meaningful if we are to continue to do this job and deliver the positive outcomes we all want and all kids deserve.

In our business, like every business each year costs go up. Our agencies face the same increases in health care costs that every other private business does. We are challenged with the cost of fuel. We struggle to attract and retain great employees. Yet, each year the disparity between the actual costs incurred by our agencies, and the rates paid for these services increases. In the overwhelming majority of situations, contracted rates do not cover actual costs of mandated services which must increasingly be subsidized by private donated dollars.

Our experience at the Youth Service Bureau has been one of the better ones. Each year, we raise approximately \$400,000 in private donations. These dollars come with enormous effort including four major fundraising events and individual donor work. For us, the majority of these dollars are flowing into community based prevention services, services that are designed to keep kids safe and keep them out of deeper end, more costly services down the road. We provide these services at no cost to counties.

But each year, we are forced to consider moving more of those private dollars into mandated services, services which ought to be paid for by the counties with whom we contract. If things continue as they are, we will have to consider providing fewer prevention services, services that can literally change the course of a child's life and as a result save significant costs down the road. But as I said, we have had a better experience than most. In some counties, prevention services are practically non-existent as private dollars have been moved to cover the ever escalating cost of other mandated services.

The issue of actual cost of services is at the heart of the challenge we face. The timing of the Needs Based Process for counties and the budget and planning process for private providers are disconnected. Actual costs incurred by private providers are not reflected in the Needs Based Budget and Planning Process or by DPW during their review of county requests. And yet, private agencies are on the front lines, delivering the services that must be delivered. In addition to an absence of regard for the real cost of taking care of our most vulnerable children, additional mandates are frequently imposed by the state upon counties and provider agencies with no regard to related cost. With almost no exception, these mandates require additional documentation, data collection and data entry, all of which take time away from direct services to kids and families. Across the Commonwealth these challenges have led to program closings, decreased staffing levels, and increased pressure in an already stressful environment.

At the Youth Service Bureau, our greatest challenge has been attracting and retaining staff. I am embarrassed to say that we start our group home workers at \$9 per hour. My neighborhood Sheetz store can and does do better. I have experienced times

when some of the teens in our transitional living program were making more per hour than the staff I hired to care for them. Each spring, I ask my finance and program folks to budget with everyone making at least \$10 per hour, and each spring they come back to me and say it simply cannot be done. I am embarrassed, I am outraged, and I am stuck. I can pay them more at the cost of prevention services but I should not be forced to make that choice with private donor dollars.

A reasonable review process, with reasonable expectations that costs will increase, and a reasonable commitment to paying bills on time would go a long way to rectify this situation. And again, as I said, I am one of the fortunate ones. I am not ready to close programs because I am fortunate to be located in a county that is faring well. What about kids who live in counties not faring so well? Should they be cared for by a provider who is struggling to make ends meet? In addition to being dealt a bad hand in their family situation, do they get dealt another by our system?

Adding insult to injury, state scrutiny of the contract documentation process for federal Title IV-E funds has served to complicate and delay the county/private provider contracting process. This process is truly unbelievable. In my agency, I watched the person charged with the process this year work every weekend for six weeks in a desperate attempt to meet the state's expectations. Across the Commonwealth, even when we have completed all the preparatory work demanded, private services providers are left delivering services in good faith without signed purchase-of-service contracts, without being paid for months and without guarantee of referrals or utilization. The risks taken by our agencies continue to increase. While not the focus of the proposed bill

under consideration, costs incurred and resources depleted in this effort are another significant threat to the continued viability of private agencies.

If private providers continue to struggle, if private providers continue to close their doors, who will pick up the pieces? Clearly, the Commonwealth and counties are not prepared to take full responsibility for the array of mandated services currently delivered by private agencies. This places at-risk, abused and neglected children in even greater jeopardy of not getting their basic needs met. Frankly, this places a future burden on our already overburdened adult mental health and prison systems. Is that what we want? I know it is not.

House Bill 2295 will result in several key amendments to the current County Needs Based Plan and Budget process as defined in Act 30 of 1991 including:

- Section 701.1 would insert a Purpose section in the Public Welfare Code with language that prescribes current child welfare and juvenile justice practice and aligns that practice with existing law and regulations.
- Section 704.1 (a) (2) would be amended to allow the use of state Act 148 funds to reimburse counties for non-basic education program costs incurred on behalf of dependent and delinquent youth under the care of the juvenile court that are intended to enable youth to catch up to expected grade level and/or provide career and technical training opportunities not otherwise available through basic education programs.
- Section 710 would require the County Purchase of Services process to:
  1. Cover the actual costs incurred in delivering purchased services,

2. Include contract extension language to address continuity of services and payments until a new contract is signed,
3. Include a "timely payment" provision that would require counties to reimburse the cost of services provided within 30 days of receipt of an accurate invoice,
4. Require the Department of Public Welfare (DPW) to convene a rate methodology task force consisting of delineated representation from the private and public sectors charged with developing guidelines for a process to determine the actual cost of services purchased. The task force shall be convened within 60 days of the effective date of this section and provide its recommendations to the General Assembly within 9 months of being convened, and
5. Going forward, county Needs-Based Plan and Implementation Budget requests shall once again reflect the actual and reasonable projected costs of purchased services.

On behalf of all the members of the Pennsylvania Council of Children, Youth and Family Services, I thank you for your consideration of these amendments to a critically important piece of legislation. These changes will support the continued vitality and viability of the private provider community which has work hard to meet the increasingly complex needs of vulnerable children, youth and their families in the Commonwealth for more than 125 years.

Submitted by:

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