

**Franklin County Children Services
2014 1.9 Mill Renewal Levy with .4 Mill Increase Proposal**

**HSLRC Meeting Minutes
April 24, 2014**

The Human Services Levy Review Committee (HSLRC) meeting was called to order by Ken Wilson on Thursday, April 24, 2014 @ 3:08 pm.

ROLL CALL

HSLRC members present: Jerry Friedman, Denise Bronson, Jean Carter Ryan, Ken Wilson, and Nathan Wymer.

HSLRC members absent: Jesse Hemphill and James Bowman.

A committee quorum was present.

Office of Management and Budget (OMB): Heidi Hallas Warren, Zak Talarek, and Justin Nahvi.

Franklin County Children Services (FCCS): Chip Spinning, Alice Maddox, Don Peasley, Hope Foster, Deborha Armstrong, Juliana Harrison, and Tina Rutherford.

WELCOME AND INTRODUCTION

Mr. Wilson thanked FCCS staff for coming back to discuss some of the committee concerns surrounding the levy. He then turned the meeting over to FCCS staff to talk through the assumptions built into projections, programmatic issues such as seeing an increase in AR and if a change could be set as a goal over the proposed levy period.

FCCS DISCUSSION

Ms. Maddox began the discussion with addressing services built into the budget model. Services have been grouped under supportive services and staff costs due to a new wrap around model being used. The agency has gone from a set number of services to building a continuum of services and individualizing the services provided to each family. She then asked Ms. Rutherford to provide further explanation.

Ms. Rutherford explained how services are provided and how the agency previously used a model of set services. Families are now being assessed and provided individualized unique services to ensure each area is addressed opposed to leaving gaps.

Ms. Maddox then stated that when doing the budget, the agency looks at all the individual line items for services, the aggregate amount over time, the growth pattern and discussions with program staffing to verify any changes.

When determining child welfare expenses, the agency looks at leveraging staff cost and supportive services cost in order to balance out placement costs when budgeting. More wrap around services provided allows the family unit to remain as one unit opposed to removing the child in some cases. She then explained the Kinship Program and how it impacts the supportive services line. More services will be put into place when using this program, so it will have a direct impact on the bottom line. Trauma requires more staff capacity and supportive services. Youth impacted by violence affects the bottom line by preventing youth coming into the system and working with the juvenile system and school system.

Both EdPass and Teen Decision Making are prevention services that affect the bottom line. Placement cost represents 50% of the budget and is down from 62%.

Mr. Wilson asked how much fluctuation the agency sees in the caseload mix. In reviewing the budget each year, is the agency assuming the mix would remain constant and that within paid placement the costs are within the range of the contracts based on the providers that are being paid for the youth served.

Ms. Maddox responded that the placement projections originally started out as a larger number, but was reduced while working with OMB. Over the last five years, there has been a major reduction in placement costs. The number of kids in placement reduced as well as the individual per diem rate overall. However, the number of children in care also reduced; there was a net positive effect on the bottom line. This reduction is in Franklin County, the State of Ohio, and the reported by the Federal Government. There's been a philosophical change in the child welfare system. The impact of foster care on children has been equated to traumatic stress experience to veterans when leaving war. Therefore, it's better for a child to be maintained within their families by providing more services. When doing the 2013 budget, the agency noted that over the last six years, there was a drastic increase in supportive services and a reduction in placement cost. This resulted in a \$9 million increase in supportive services and a \$15 million reduction in placement cost annually.

Dr. Bronson asked how reduction in placement costs looks projected out over time.

Ms. Maddox responded that recent experience shows that the reduction is leveled off across the United States. While keeping the children physically safe, it's easier to keep them emotionally safe by keeping them physically in their home. This means that you have children in the system that would have traditionally come into care but are no longer coming into care due to more supportive services being put into the home. The system has not reset itself at a lower level. There will be the normal growth, but the major reduction will not continue.

Dr. Bronson asked does the cost for supportive services level off over time.

Ms. Maddox responded by stating that while placement was decreasing, supportive services were increasing by double digits from year to year. This has been leveled off in the budget model.

Mr. Friedman discussed how the medical care is under tension due to institutional default and how it's trying to move into more of an ambulatory community based environment. As a continuum there are certain levers that allow you to move one way or another. It sounds like the agency is trying to focus more on the root cause opposed to simply treating the symptoms. The committee questions the agency's ability to adjust the levers. It sounds like when a differential response is able to be used, there's no flexibility due to state statute. He voiced concern on if we've hit bottom in terms of placement and asked if there's a way to incentivize those responsible for placement in order to get them engaged to move people back sooner and track the cost and projections to determine the savings over time.

Ms. Rutherford provided more detail on the incentive piece of Alternative Response. She stated that AR is not a service intervention; it's a way to intervene with the family in order to assess the home appropriately. FCCS found that there was only one type of response to families when a report of abuse or neglect was received called the traditional forensic interview response. Based on family need, this was not always the appropriate route, so there are now two different paths.

Traditional Response

- perpetrator and a victim labeled or alleged child victim
- physical or sexual abuse

Alternative Response

- low-moderate risk
- no fault labeled

If a family is on an AR path and something occurs to put the child's safety at risk, the child has to be placed in order to provide safety, the family switches paths and becomes traditional. So, this is an assessment intervention opposed to a service intervention. Therefore, flexibility is available, but depends on the family needs and if they're low-moderate risk or high risk.

Mr. Spinning added that the agency is increasing the amount of AR cases based on the need. This could potentially get to 65-70% but since it's based on the need, there's not a hard number. This is more of a mechanism to engage the family differently opposed to a lever. Research states that if you engage a family for the first time through an alternative pathway, they're more likely to engage in services and potentially have a lower residuum rate than others.

Mr. Friedman asked if there is a cap on spending for a family and if the cost of a community setting would exceed the cost of placement.

Ms. Rutherford responded that there is not a formal cap but the safety of the child is monitored to ensure safety is being provided.

Mr. Friedman then asked if this would be trying to prove a negative by saying is the child safe without evidence of abuse.

Dr. Bronson questioned if the agency has looked into the average cost to a family who is getting supportive services and how it compares to the average cost of child in placement.

Ms. Maddox responded that supportive services are 11% of the budget versus placement at 50%. The initial month a family receives service is costly because of hard services provided in the beginning. Then less expensive soft services such as counseling and day are provided for a child in foster care as well.

She then explained incentives built into the managed care contract. The incentives are tied into the federal standards. There is an opportunity to receive additional dollars if these standards are met. In normal placement agreements, the agency has worked on abilities to evaluate each individual provider. No incentives have been introduced yet until they're functioning at a certain level and accustomed to reviewing their reviews to address any performance issues. The natural progression will be to move them over to something similar to the managed care providers.

Mr. Spinning then added that the agency is in the early stages of a federal grant that will allow the agency to do assessments early on. Many of the children have experienced trauma, so as the agency moves toward a more trauma informed system, the early assessments will be utilized to provide more information on what type of services need to be put in place.

Dr. Bronson stated that this information is helpful and that she doesn't see where these things were built into the current model. She then questioned what the agency impact will be as it moves into the trauma informed system. What impact will this have on the number of children served and the types of services provided? Will this increase the supportive services cost? As placement cost goes down and supportive services levels off, how does that look going forward? Are there any other factors such as changes in federal funding or the anticipation of serving older kids? None of these factors seem to be considered in the 10 year projection, but we believe these would have an impact on expenditures and the cost of service.

Ms. Maddox responded by stating that the model was originally built off of 2014 projections. After discussion with OMB, the model was moved back to 2013 actuals. After removing some items from this model, there was an \$8 million difference per year, over a 10 year period that equates to \$80 million.

Dr. Bronson asked what items were pulled out.

Ms. Maddox responded that the current model does not support three major changes.

1. Youth coming into the agency from the juvenile justice system. These youth will be unable to be placed in regular foster homes and will be served at a higher cost. The cost will range anywhere from \$200-\$500 per day.
2. A higher number of calls coming into the agency from parents for support. As the agency works to become a resource to the community, parents will begin calling for needed support due to them having a difficult time maintaining the child at home.
3. Maintaining youth between the ages of 18-21 at a cost of \$4,000-\$11,000 per month. The agency emancipates approximately 250 18 & 19 year olds each year. Additional staff will be needed to manage the youth, additional placement cost and service cost. The average child that has been emancipated from foster care will be homeless within a year and will cost the adult system across their life approximately \$300,000. So, should more dollars be used up front to ensure the child is stable enough to take care of themselves?

Mr. Wilson then questioned if 2013 actuals were used as the base, and 50% of spending was for placement, were extra enhanced services provided as needed and if those cases were low-moderate and placed in AR. He then asked if that level of service was provided across the board. If you take this model and project forward, what would the missing variable be 18-21?

Ms. Maddox responded by stating that the services were not provided to individuals age 18-21 and the other issue is with the number of children in foster care leveling off, yet the daily per diem for foster care has increased. Also, based on expenses in early 2012, the placement providers were reduced 5% across the board. In the new contract, this will be given back to them over a three year period. Across this levy, there are three contracts that will be negotiated with placement providers. Due to this, the growth rate was left at a minimum level. The growth in placement projections and cost of living was used. The mix of children in care has changed. As wrap around services are put into place so that you can keep the child at home, the mix of children brought into care are the more complex youth at a higher cost.

Mr. Wilson asked with this reduction, if providers will be forced to find greater efficiencies which could impact the safety of the child.

Mr. Spinning responded by stating that the agency will only pay the amount to actually provide the service. Since the 5% reduction, the providers have been operating at a loss.

Ms. Maddox added that through Ohio Department of Job & Family Services (ODJFS) any provider that wants to be eligible to receive federal funds (4E) has to submit a cost report and audited financial statements. ODJFS will then take the expenses and review census for the year and divide out the allowable expenses to provide the per diem. Some providers experience a 5% reduction with no increase to their per diem rate.

Mr. Wymer and Mr. Wilson discussed that with the high end institutional services within the community; there is not excess capacity to gain price efficiencies because of being limited to a certain number of beds.

Dr. Bronson then asked if it would be possible to create different models showing the maximum number of anticipated families coming in seeking services, the maximum number of children coming from juvenile court and the maximum number of kids who are in the 18-21 year old group. As well as, something that shows the minimum impact on projections. Providing a range on how these factors will impact the projections going forward will give an idea of how the different assumptions would play out.

Mr. Spinning stated the current model is the best case scenario or most conservative approach under the assumption nothing changes.

Mr. Wilson stated that he isn't seeing a growth in AR under this scenario to show where we are reaching out to 65%.

Mr. Spinning and Mr. Wilson discussed that the AR growth information can be provided but it will not change the placements. There could be more cases that come in and fall under AR, but there would be a baseline number of children in paid placement.

Ms. Maddox stated that when a family comes to the agency, based on the presenting problems, the family will either be assessed under the AR or traditional model. Based on the findings at the end of the assessment, they made continue in AR, or if additional issues are found, they may need to be transferred to ongoing and provide services there.

Dr. Bronson asked if there is a cost difference between the different assessments.

Mr. Spinning responded by stating that AR would be more costly because it takes longer to do the intervention and work with the families. Intake staffing has expanded from 120 in 2009 to 250 due to the volume of intakes increasing and that it takes more time to manage an AR case than a traditional case.

Ms. Rutherford then discussed child safety, risk factors and any safety threats or child vulnerabilities to ensure good decisions are made and the child is at no further risk once they come into agency doors. Historically, the agency felt tied to creating safety through placement. Today, if there is eminent risk, the child will be put into placement in order to keep them safe. However, depending on the variables, if safety can be created in the home or through kin, the agency will pursue this route to create an immediate safety net. She noted that either way has a cost attached.

Dr. Bronson then asked how this translates into projections going forward and how much money is actually needed in order to provide the supportive wrap around services. She stated that the committee needs to get a sense of what is going up, what is coming down and how it plays out across time to ensure there is a good case to put out there for voters and that they understand the why behind what the agency is asking for. Hopefully, this conversation will provide a clearer picture and describe the projections better and allow people to understand why if placement costs are dropping, when historically the agency stated placement cost as the driver and most expensive thing. It now sounds as if placement costs are not the only driver, there are other equally important things increasing when supporting families.

Mr. Spinning stated that the agency will take these factors and build scenarios for the committee to review.

Mr. Friedman added that the other important piece is the hardcore group of placements. If you have a continuum or stratification within the children being placed and these are the high cost cases, from a review basis, getting a win in one of these cases is worth a lot. It will not be total savings put into your pocket because they will transition into community based care, but the cost of the institutional placement is at a high cost. Hospitals use to be paid based on a cost report. This report is now unrelated to the cost or dollars paid. Payment is on a prospective basis where there are winners and losers. Overall, you're looking at how efficiencies are achieved in order to maintain a margin. This is what institutional providers have to address to the extent that you can create a continuum where an individual can be moved between a very high cost versus a lower cost, yet still appropriate placement. You want to incentivize them by paying some kind of fixed cost that they can move around. When talking about levers, a lever the agency is employing would be managed care. He questions across what scope of service within the continuum managed care is operating and if they are strictly in the community based or placements.

Ms. Rutherford and Mr. Spinning responded by stating that once a family is assessed, if a decision is made that a service need must be done at a deeper level within 30-45 days and assigned to managed care, they have it for the full continuum from opening to permanency. This is equal to about 1/3 of the cases and they receive a per diem and incentives if federal measures are achieved. So, there are incentives to provide the lowest, least costly piece of care while meeting the child's needs.

Mr. Friedman then asked how the per diem is calculated.

Ms. Maddox responded that the per diem rate is based on case rate and there is responsibility for that family for two years after the case closes.

Mr. Friedman questioned if the case rate varies based on stratification or risk levels and how that works. If there is a stratification within the high risk category, does it make sense to try and differentiate the per case per diem between lower risk and very high risk.

Ms. Rutherford stated that this difference is built into the case rate because the family could be served on a voluntary basis where the case is closed out within 4-6 months. Or, a child that is in a high end residential placement that's there for 18 months at \$400 a month per diem. This is how it balances out within the case rate because it is a randomized assignment.

Mr. Spinning added that in reviewing the case mix increase, children coming in from the court tend to cost more, there has been an increase in the number of kids that have been in Department of Youth Services institutions over the years. Historically, the agency has primarily served abused and neglected children. Today, the agency should think more about managed care for kids and juvenile justice kids and separate the model.

Ms. Maddox added that as youth come into care, the agency is working diligently to keep placements as short as possible. The average stay is 9-10 months but is based on the type of care.

Dr. Bronson asked what is driving the number of children coming in from the juvenile court.

FCCS staff responded by stating that the needs have significantly increased. There are about 550-600 cases per year come over and about half are custody orders and then another 10% are opened to custody not long after. The agency is working collaboratively with the court to try and divert children from coming into the system. There are more children with felonies coming into the system.

Mr. Friedman asked how competitive is the managed care industry with regard to the population.

Mr. Wilson stated that if 1/3 of cases are in managed care, if a RFP went out requesting to up that ratio, would the capacity be there to shift more cases over to managed care and what the negative would be if we increased to 2/3 of the cases.

FCCS staff responded by stating this could happen over time due to the need for training. Historically, one of the concerns to keep the number manageable is being able to manage the families and children if a provider was to abruptly shut down.

Mr. Friedman then asked if these are managed care entities in the sense that they have certificates of authority from the Department of Insurance and have reserves. He added that the concept in healthcare you need to provide or arrange for the services. There must be a security bond in the event that you're unable to provide services. If providers are assuming the responsibility from a fiscal prospective, the agency can't staff up to find coverage for the specified number of children.

FCCS staff will research the security bond and get back to the committee, but the placement care contract could be assumed immediately so that the immediate care isn't interrupted, but someone would need to manage this.

Mr. Wymer stated that the agency is in a reactionary model and asked what the agency is doing on the front end to try to prevent the increase in children with felonies.

Mr. Spinning responded by stating that there are collaborative efforts with the court under the cross over youth initiative or juvenile alternative initiative. There is diversion staff in the court, so there are often times where the youth is not sent to a detention home, yet they are sent to a foster home where the child is engaged in services immediately. This is still new to the agency and has only been in place for 18

months. If the agency is aware that the child is coming into the system, the earlier the agency has information on the child that can ensure a plan is put into place when going into court and ensure the child is not put into placement.

Mr. Wymer then asked if the agency has seen an impact.

Mr. Spinning stated that there is a small percent of domestic violence cases being sent to FCCS. He stated that a guess would be 20-30% is coming into the agency.

Ms. Carter Ryan then stated that she would like to get back to the big picture. Based on a \$175 million budget with 4,000-5,000 cases per year, why is the number of children not shrinking? Are there other things that should be done to reduce the number of abused and neglected children?

Ms. Maddox added that more effort has been put into prevention services, community based services and collaborating with other systems. When you look into the reasons for abuse and neglect, you find substance abuse, mental health issues and poverty issues. These issues are being addressed by other systems, but the results are the abuse and neglect of a child. The agency is trying to address the underline problems by working with the system partners and community partners to ensure resources are available.

Ms. Rutherford added that community education is also very important. Different educational campaigns are offered within the community to ensure awareness. Examples are the Choose Your Partner Campaign that educates young women on selecting a partner; Safe Sleep Campaign provides education on caring for newborn babies, etc. The goal is that these educational campaigns can reduce the possibility of something happening.

Mr. Wymer asked how the agency targets their audience.

Ms. Armstrong stated that it depends on the message at hand. The campaign message would determine the target audience. There are many efforts within the community to encourage them to be a part of making connections with our children through volunteering, mentoring programs, and resources at the settlement houses. Ongoing faith based community programs are offered, information and literature is available in Somali and Spanish. There are also efforts to promote and educate the need of foster, adoption and kinship programs.

Ms. Harrison noted that another large area is mandated reporters that include between 500-600 professionals in the business of providing services for children such as daycare providers, teacher, schools, and medical facilities.

Mr. Spinning added that the campaigns determine their target audience by zip code. He provided an example of the Safe Sleep campaign that targets zip codes with the highest infant mortality.

Mr. Wymer thanked the agency for providing this additional dialog to assist the committee with understanding.

Mr. Friedman questioned if there is an appropriate forum for community wide activities to ensure there are collaborative efforts.

Ms. Armstrong responded by stating that the agency partners with the State of Ohio. Information is shared back and forth about different resources and shared links are provided on their website. The agency also serves on the Franklin County Safe Sleep Task Force that has partners such as the Health Department and various hospitals.

Mr. Friedman asked if the Family & Children's First Council was still around.

Ms. Armstrong stated that the agency is still involved with the initiatives.

Mr. Wilson asked where the dollars spent for these activities are expensed out of.

Ms. Maddox responded that coordinating services are in the staff cost. Paid services come out of the supportive services line.

Mr. Wilson then asked if the agency believes that referral calls will lead into more investigations as people become more comfortable with the agency.

Ms. Rutherford stated that it's hard to gauge because a phone call could be for assistance with food in the home. However, once you take food to the home, there are other issues. Once a family is comfortable with the agency and received positive intervention, they are more likely to call back and ask for help.

Mr. Wilson then asked how safety concerns such as utilities are handled. Is this call passed onto JFS?

Ms. Rutherford answered by stating that it depends on the type of call and how eminent the risk is. The agency can make direct intervention or link them to partners for immediate services without an open case. There are screening guidelines that provide legal jurisdiction to intervene versus a parent calling in and has a need.

Mr. Friedman asked if those cases captured in the total numbers and brought in as a system statistic.

FCCS staff responded by stating that once these cases are screened in, they are brought in as a report and included in the investigation mix. About 75% of the investigations are direct child abuse or neglect classification.

Mr. Friedman then asked FCCS staff to explain the relationship with their board and how they work around some of these initiatives, case mix or financing issues.

Mr. Spinning stated that the budget is addressed at the finance committee. Contracts, initiatives and value added services go through the board. He stated that most of the partners are at the table during Family and Children First meetings. The agency also has MOU's for shared services with Job & Family Services, Child Support, ADAMH Board, Developmental Disabilities and the courts to prevent duplication and ensure everyone is working toward the same outcome. He added that some of the MOU's hit multiple partners.

Mr. Friedman then asked if the agency is suffering since the Department of Youth Services (DYS) shrunk.

Mr. Spinning stated that based on the economy, there was a reduction in levy dollars.

Ms. Maddox added that the need has grown and the dollars have shrunk, so there is a bigger need to collaborate on problems.

Ms. Rutherford stated that FCCS would be the lead on the individual family level due to jurisdictional authority.

Mr. Wilson stated that in social services it is difficult to bring everyone together to work seamlessly because different things can impact a family negatively simultaneously.

Ms. Rutherford stated that there are different pots of funding with restrictions which could cause even more challenges.

She then discussed turnover in child welfare. Most staff treat the job as a stepping stone, so the agency has looked at different retention efforts.

Dr. Bronson asked if this can impact cost down the road and how it translate into projections down the road, what are the assumptions, are you anticipating a change in state legislation that will have an impact on overall funding?

Ms. Maddox responded by stating that the agency has never used full FTE's due to high staff turnover. The vacancies impact caseloads of the remaining staff and the families. A competent staff member can impact the bottom line because they are able to move a case through the system more efficiently.

Dr. Bronson stated that retention is a historical issue in child welfare. She then asked what the cost would be to retain workers (more compensation, training, etc.).

Mr. Wilson discussed items often found in an exit interview such as the job not being rewarding enough to impact work/life balance, no advancement opportunities or clear career track. He stated that training is expensive, so asked if the agency has looked into an incentive program to pay for performance.

Ms. Maddox stated that the high turnover is within the first two years of employment and is generally younger staff. New staff members tend to want more feedback and want to be more mobile.

Ms. Harrison added that the agency does take the information obtained from exit to come up with ways retool internally.

Ms. Maddox added that the agency will consider some of the expenses discussed and run them through the model.

Mr. Wilson thanked the FCCS staff for the information and stated that the committee has the same goal to make the best case when placing this on the ballot and appreciates the dialog today.

COMMITTEE DISCUSSION

Ms. Hallas Warren confirmed that the next meeting will be held on May 1st and that the draft will be provided on May 16. She stated that the deadline is August 6, which provides a two week cushion if items need to be pushed back. However, she would leave the timeline as is until the next meeting.

Ms. Carter Ryan stated that having a clear outline of budget assumptions so that the committee can follow the numbers would be helpful.

Dr. Bronson asked that OMB communicate with FCCS to ensure the other factors discussed today include the changing cost in placement, changing cost in wrap around support services, and the potential of serving the 18-21 year olds, and any changes coming down the pike that will have an impact on spending are included in the information provided back from the agency.

Mr. Wilson stated that it sounds as if the agency pulled those factors out of the model.

Mr. Talarek explained that the first model included the 2014 budgeted number for the base. Historically, the agency spent 93% of their budget. If you start with an inflated base, the projections in the out years will also be inflated. Therefore, you need to start with a reasonable projection to start 2014. So, the agency took 2013 actuals forward.

The committee agreed that the inflated starting point and projections didn't make sense and that they would like to see the key factors that will have an impact on the budget going forward under a best and worst case scenario. This would provide a better range of expenses needed in order to run the agency.

CLOSING REMARKS

Mr. Wilson placed a motion on the floor to adjourn, Ms. Carter Ryan moved and Mr. Friedman second. The meeting was adjourned at 5:20 pm.

The next meeting will be held at 3:00 PM on May 1st at 373 South High St, 26th Floor in the West Conference Room.