

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

**HSLRC Meeting Minutes
March 12, 2014**

The Human Services Levy Review Committee (HSLRC) meeting was called to order by Ken Wilson on Wednesday, March 12, 2014 @ 3:14 pm.

Ken Wilson placed a motion on the floor to nominate Jesse Hemphill as the committee chair for the 2014 Franklin County Children Services Levy Review Committee. The motion was moved by Denise Bronson and seconded by Jerry Friedman. The motion passed.

ROLL CALL

HSLRC members present: Jesse Hemphill, Denise Bronson, Jean Carter Ryan, Ken Wilson, Jerry Friedman.

HSLRC members absent: Nathan Wymer 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, Donald Peasley, Anne O'Leary, Juliana Harrison, Heather Saling, Tina Rutherford, Lara LaRoche, Deborrhah Armstrong, Hope Foster.

WELCOME AND INTRODUCTION

Heidi Hallas Warren announced that former OMB staff member Steve Mansfield retired and introduced the new OMB staff assigned to the committee, Justin Nahvi.

Heidi described the packet of information distributed to the committee (agenda, timeline, request letter, FCCS packet, resolution, Levy Book, PowerPoint presentation, levy facts/talking points).

The committee welcomes FCCS staff to begin their presentation.

FCCS Overview

Chip Spinning started with FCCS staff introductions.

Mr. Spinning then proceeded to provide an overview to include a look at where the agency was in 2009 and where they are today. The agency mission was revamped in 2008 which allows the agency to engage the community more with front door services in place and expanded partnerships, such as relationships with settlement houses, to ensure there are services within the community for families to utilize. The agency has a new added emphasis on well being opposed to just safety. This emphasis includes programs to improve academic performance and ensuring the those working with kids are trauma informed.

Mr. Spinning then referred the committee to pg. 35 of the levy book that captures the HSLRC core issues. The number one issue was a 90-day cash reserve. The current request is less than the 2009 HSLRC recommendation of a 2.5 mill replacement for the 2014 levy. FCCS actual request is a 1.9 mill with a 10 year renewal and an increase of .4 mill for a total of 2.3 mill.

Tina Rutherford provided an overview of program services and how the agency focuses on navigating relationships by building services that match the families current needs; she outlined some of the complications or challenges in serving children such as trauma exposure, domestic violence, mental health issues, addiction and poverty. She explained that with these challenges comes a great impact of child safety, family stability and overall well being. These challenges become costly because numerous systems are then involved such as juvenile justice, mental health, etc.

Ms. Rutherford summarized where the agency focus was versus where they're trying to get to and the why behind how the family is served. She noted that the more complex the need, the more services provided and that individualized treatment comes at a premium cost. Individualized services and assessing families are actually done through the Intake and Assessment Department.

Lara LaRoche stated that the Intake and Assessment Department houses the 24 hour child abuse hotline, which receives 30,000-35,000 calls per year. Approximately 12,500 of these calls were screened in reports of children maltreatment concerns. There are 20 case carrying units staffed to assess these concerns within a 30 day timeframe. Based on the volume of calls increasing over the past few years, the need for staff has also increased across the agency. The agency plans to add 2 additional units this year to assist with serving the families being screened into the system. Previous child welfare was to protect children from their families by removing them from their environment to achieve safety, and then the agency would work with the family and link them to services within 60-90 days. The current child welfare has shifted to building safety around the child within their family system and then link them to services immediately to achieve safety and stability. The agency has adjusted over the years to meet these needs by adding additional staff. The work/life balance at intake is challenging, therefore, the median tenure is 10 months. The agency is making efforts to retain staff by decreasing the case load, which would allow more time for relationships to build with families and also exploring financial incentives to reward longevity. Ms. LaRoche ended by stating that safety starts with the family and the community. Safety is achieved by partnership, so you must also effectively engage the community.

Deborrha Armstrong provided an overview of the Communications Division. She shared the different methods the agency uses to educate the community about the agency through the media (television, print, radio). Communications is also responsible for newsletters, levy planning/promotions and social media. The division provides speakers that go out into the community and speak to various types of groups or organizations on behalf of the agency. There are a minimum of 100 community presentations completed each year. Web communication and social media (Facebook and Twitter) are becoming more popular in the community. Results from a survey done in the spring of 2013 showed that more people utilize the internet for agency information over any other type of communication. The next two methods were television then newspaper. To ensure a positive presence in the community, the agency tries to remain involved with various community events such as; Festival Latina, Neighborhood Pride Program, Child Abuse Prevention Breakfast, etc. Ms. Armstrong talked about community development where support is provided from volunteers/mentors, and the agency involvement with settlement houses on a family to family program which links families to various resources available within the community.

Donald Peasley discussed the assumptions made to plan service levels out into the future. The agency started out looking at 2009 levy projections and compared them to where the agency is now. Internally, there's a link between the number of open investigations and the likelihood of the case being listed as on-going status. Planning assumptions were anchored on incident rates within the community and the number of children in the county. Census bracketed from age 0-19 and projected out for 10 years. Per the U.S. Census Bureau, there are currently 322,000 children in Franklin County and by year 2025 there will be 356,000. This means there's slow growth projected in child population within the county. Based on a 20 year history, there's a strong linkage between the annual number of child welfare investigations and the number of children in the county. The average is about 38 investigations per 1,000 children in the county. This is considered a solid average, so the agency made the assumption that this would continue in the future. Some cases are open for on-going services. Historically, about 22% of cases remain open for on-going services. With some of the practice changes previously discussed, the most recent average is

about 18%, so this was used and projected forward. Assuming that for every child welfare case, there's an 18% chance that this case will open for on-going services. Historically, there are about 1.8 children associated with every on-going case. So the agency took the number of on-going cases predicted to open within a year and multiplied it by 1.8 to provide the number of children associated within a year of on-going cases. When in custody, additional resources are needed. Historically between 45-50% of children were in custody. This recently dropped to 44-45%. The projected 44% ratio equals 4300-4500 children on the average monthly case load. A certain percentage of those in custody, are able to be placed with other family members. However, 81% of children in custody are in paid care (foster, residential, group homes).

Alice Maddox discussed the levy model/assumption used to determine the levy size. She referred the committee to follow her explanation in the levy book.

- Revenues (levy 72%, federal funds 24%, state 3%, misc 1%). Misc = child support or other agencies on collaborative efforts
- Expenses (staff cost 31-32%, placement and managed care 48-49%, supported services 11-12% admin. cost 8%, capital cost 1%)

Ms. Maddox stated noted that the agency has two levies (1.9 mill levy and 3.1 mill levy passed in 2009).

Levy Assumptions include:

- Renewal of 1.9 mill with additional .4 mill and the 3.1 mill levy replacement in 2019
- In 2014 the extra .4 mill will gain 6% due to property evaluations per projections from the Auditor's Office
- By 2019 properties will recover and the gain would be about 15%
- The agency would gain .5% each year throughout the life of the levy

Ms. Maddox then stated that there was a loss of \$10 million in 2010 due to the loss of tangible personal property tax. However, the state has since replaced those dollars at a rate of \$2 million per year and the model considers all of these items and through the life of the levy would generate \$1.4 billion.

Assumptions Considered for revenue projections

- Federal funds –3% growth rate
- State funds - child welfare training center (4% growth every other year), state child protection dollars (3% adjustment every third year)
- Misc funds – small growth due to possible increase of child support dollars

Assumptions Considered for expense projections (referenced pg. 43)

Placement and managed care based on service level projections and CPI. The model grows staff and labor cost at 3% (historically 3.99%)

Committee Question

Mr. Wilson asked Ms. Maddox to translate the 3% into FTE's.

FCCS Response

Ms. Maddox responded that this translates into 740 FTE's and is based on the 2013 actual expense budget (63% direct service, 37% administrative support - 69% are part of the labor union) – any vacancy rate would carry through. FTE's would be carried throughout the life of the levy. There will be (4) labor negotiations throughout the levy period.

Ms. Maddox discussed how the agency views retention and stated that staff in first year of employment, are only able to produce about 51%. Therefore they are trying to maintain staff to have 100% productivity by decreasing stress.

Placement expenses (mandated services - children in custody, adopted youth, emancipated youth)

Managed care expenses include in custody care, in home or private care. (Referenced pg. 38-40)

Ms Maddox stated that foster home care has decreased; residential care cost is 3 times the cost of foster care. She stated that there are an increased number of dependent children entering into foster care.

Committee Question

Ms. Carter Ryan asked for the meaning of the word “dependent” opposed to neglected children.

FCCS Response

Anne O’Leary responded that with abuse and neglect, someone is responsible for harming the child or hasn’t provided adequate supervision and dependency is generally a no fault provision or a poverty issue such as eviction or mental health issues.

Ms. Maddox continued with her model of programs explanation. She went on to explain that a child leaving foster care at the age of 18 will cost the community about \$300,000. Therefore, it may be in the best interest of the agency to increase the exit age from 18 to 21 to ensure the child is stable and able to maintain self sufficiency.

The 2013 Growth rate was 2.6% in paid care. In 2012, FCCS reduced placement providers across the board by 5%. Through the life of the levy, the agency will put out RFP’s and contract for placement services 3 times and will RFP and contract managed care services.

Committee Question

Jerry Friedman asked if there are a growing number of providers/any competition.

FCCS Response

Ms. Maddox responded that the most recent RFP had 10 new providers out of 66. Mr. Spinning added that as there have been a reduction of children in foster care, there were also transitions made to focus on developing community based programs as well.

Committee Question

Mr. Friedman asked if there’s the ability for managed care to actually reduce costs?

FCCS Response

Ms. Maddox responded by stating that in the last managed care contract performance incentives were included that stated if they were able to meet certain outcomes for child welfare services, they would be able to obtain a higher level of reimbursement from the agency. The agency also closely monitors entities, compliance and federal outcome indicators to ensure they’re following the state and agency rules.

Committee Question

Mr. Friedman asked how the outcomes are measured.

FCCS Response

Mr. Peasley responded that for managed care there are a series of composite measures the federal government uses to measure states such as timely reunification, how stable children are in placement settings, the safety while in placement or kept from further abuse, and frequency of monthly agency visitation. These items are tracked in a data system by the agency and do monthly updates.

Committee Question

Mr. Wilson asked for the average time a child is in paid placement. Is it years or 6-8 months then move to community based setting? In terms of the 3 to 1 difference in cost, it’s important to think about the average time in a paid placement.

FCCS Response

Mr. Peasley responded that a rough estimate for median length of stay in a foster home is 9 months, residential center is 120-125 days, and group home is 60 days. He explained that once a child in a foster home is reunified with their family, the agency expects that the child would come back to agency care potentially 12-15% of the time within a 12 month period, opposed to a child from a residential setting is 3 times more likely to return to the agency. Typically, at least 40% of children reunified with their families return back to the agency for further care.

Committee Question

Mr. Friedman then stated that with managed care the incentive is typically there when you can move people out of the institution more quickly for a fixed rate and that it sounds as if FCCS has that same type of hierarchy in terms of the intensity of the institutional placement.

FCCS Response

Ms. Maddox responded that with managed care providers, once the case closes, there's a 2 year responsibility that is an incentive to provide strong services up front. The case rate encourages the managed care provider to provide a setting which services can meet the need and stabilize the family unit over a long period of time. If this is not met, the cost increases.

Committee Question

Mr. Friedman asked if this case rate is fixed rate across all children or risk adjusted based on the intensity of evaluation of the individual situation. Are there tiers?

FCCS Response

Ms. Maddox and Mr. Spinning both responded that this is a fixed rate.

Ms. Maddox began to explain family support services and stated that detailed explanations could be found on page 42 of the levy book. She noted that these are services to families are evidence based practice type services such as counseling or day care. Most often families are in need of help with poverty or prevention services. Often extended support to community services allow families exiting the agency to transition to community support and maintain stability. Growth rate built at 2.72% due to the significant amount of growth over the past two years.

Committee Question

Mr. Friedman asked if the support services include mental health services for the family and if the agency has factored in the eligibility changes under the affordable care act in terms of income.

FCCS Response

Alice responded that the agency has looked at that and foster children have always carried the medical card. However, the agency is looking into how the affordable care act will impact mental health services to parents.

Ms. Maddox discussed administrative costs listed on page 43. She stated that there about 41% of these costs are fees back to the county and the remaining amount are agency expenses. There's limited growth rate in this area. The agency has consolidated facilities in order to reduce some of the costs. They are anticipating a 1.5% growth rate across the life of the levy.

Capital expenses are projected with less than a 1% growth rate.

Committee Question

Mr. Friedman asked which facilities are capitalized.

FCCS Response

Ms. Maddox responded the Mound Street, Whitehall and Frank Rd Facilities.

Ms. Maddox referred committee to pages 39, 45 & 46 of the levy book to review patterns and scenarios. She noted that annual reports were used back to 1983 to determine the income and expense growth rates. Overall, the agency anticipates from about a 10% growth rate to a 14% growth rate over the next five years. With each scenario, only the levy size changes and reflects the 3 month reserve. She noted that if the agency decides to maintain children after the age of 18, it would impact their bottom line. If adjustments need made at the 5 year mark, a reduction would need made to the larger levy to balance out. This renewal with the .4 mill increase will provide 3.5 months reserve at the end of the levy. After comparison, the agency found that the levy request would bring in \$300,000 less than a 2.2 mill replacement levy. The cost to taxpayer would be an additional \$14 per \$100,000 and the savings to taxpayers opposed to a 2.2 mill replacement would be just under \$10. She then closed by offering additional documents on a crosswalk between their budget categories and MUNIS as well as Auditor estimates to the committee.

Mr. Spinning closed the presentation by thanking the committee for their time and opened the floor for any remaining questions.

Committee Question

Denise Bronson stated that a lot of the projections for the services are based on the increasing number of children in the county and wanted to know if the agency looked at any other assumptions such as proportions of children receiving services, or any other factors opposed to a straight count.

FCCS Response

Don Peasley responded stating no other assumptions were considered and that the agency tried to simplify it by going back and making sense of the incidents rates. Mr. Spinning referred back to 20 years of experience for every 1,000 children in the county leading to 38 investigations. Mr. Peasley added that the strongest linkage found was tied to the number of children in the county. When thinking of other ways to model, no other measurements provided clarity.

Committee Question

Dr. Bronson then asked about other demographics in the county that might have an impact on the proportion of children getting services. She noted that she isn't sure this captures the type of changes that the county has experienced in the past 20 years. This might be a misrepresentation and the community might want another explanation. Are any other demographics factored in?

FCCS Response

Mr. Spinning responded by stating that 20 years ago, for every 1,000 kids, there were 38 investigations and the needs of those kids would have been much lower level services provided than those provided today. Due to expansion, more kids are being served in the community and services provided have simply changed over time.

Committee Question

Jean Carter Ryan added that the beginning of the presentation discussed how strategies have changed and questioned what the agency has seen in terms of results. It was stated that children in foster care tend to do much better and aren't getting back into the system. She asked what the demonstrated results are as these changes have been made.

FCCS Response

Mr. Spinning responded by stating that research will demonstrate that the deeper a child is in the system, the worse their outcomes are. For example, a child in foster care will have better outcomes than a child in residential care. If placement can be prevented, the better the outcome for the child. Children will do better in a family setting.

Ms. Rutherford added that federal outcomes help the agency capture measures of how long a child is in care and if they're sent home, how quickly they come back to agency for care.

Committee Question

Dr. Bronson added that NY was able to dramatically reduce subway crime rate by focusing time and resources on specific areas. She was hopeful that statistics would have been provided to show improvement to outcomes (less abuse, getting through school, etc.). She requested to know if stats exist to show these big picture statistics.

FCCS Response

Ms. Rutherford responded by stating there are snapshots that reflect improvement in those areas. She provided an example of a rigorous evaluation on the AR that demonstrated what the improvements are and where. There's also been an improvement in agency's ability to meet federal standards. This helps guide the agency to continue focus and improve in other areas as well.

Ms. Maddox referred the committee to page 20 of the levy book that shows the service population. She noted that extra initiatives such as zip codes have been added by the agency in order to look at service needs by area/demographic. Mr. Peasley and Ms. Rutherford added that items such as race, ethnicity, age, and gender are used and that there has been a 40% reduction in rate of children removed from families.

FCCS Response

Mr. Peasley added that 10 years ago the rate of which children were removed from families within the county was about 10 and the rate is currently about 6. Another shift is the number of children that have been with the agency for a longtime or status PPLA. In 2008, this number was about 500 children opposed to 165 today. The longer the stay the outcomes don't project as well.

Committee Question

Ms. Carter Ryan then stated that the ultimate goal would be that kids aren't being abused and are growing up into productive adults. Getting back to the big picture, maybe instead of focusing on outcomes where children are no longer being serviced in certain parts of the agency, the outcome should reflect that they're better off. It's not about how they're being treated, but that the agency is doing such great work that society is able to take better care of their families. Those are the outcomes she's looking for.

FCCS Response

Ms. LaRoche responded by stating that the agency attempts to build a relationship with the family with the hopes of seeing sustained long term outcomes over time. Major shifts began back in 2008; you can see some direct outcomes with the reduction in placement. But when talking about long term, it's her thought that it's just too soon to know. The agency can look at what they're doing and predict, but since it's only 5 years into the new child welfare reform, it's just too soon to measure some of the long term outcomes. However, the agency vision is there and the ultimate goal would be that child welfare isn't needed in any community. The new way of engaging families will hopefully put the agency on the path to achieve more of those long term outcomes.

Mr. Spinning added that there were 9 entities nationwide that received a federal grant about 1 ½ years ago with a portion of this is screening for trauma, whether its loss of parents, domestic violence, etc. Part of this model would be to implement functional assessments that can be done over time. This would allow the agency to do an assessment, put interventions into place, and then redo the assessment. This is where the agency would begin to get outcome data in order to scale services up or down.

Ms. Rutherford then added that when thinking long term, a healthy parent can typically raise a healthy child, and that healthy child typically becomes a healthy parent. Therefore, to see the full outcome of that would take some time with the model changes made.

Juliana Harrison added that going from an allegation driven system to looking at a family from a holistic approach makes a big difference. This is a better way of finding gaps in services. If demographics are considered and tailor services to those families, it'll make a major difference.

Committee Question

Mr. Friedman stated that he understands there's been some short term success and that it's difficult to project it. However, this is qualitative success, when the goal should be to determine how to quantify that. So, if you're reducing the number of children in custody, and moving children who historically would have moved from less intervention into custody without the appropriate intervention, there are people who are going to be moving into the other direction where they're going to be reunited and working in the community. There should be a quantifiable difference in terms of the cost per child because the cost for placement is going to cost more due to fixed costs. Mr. Friedman questioned if when a child is moved into the community, if the cost is less, however, the timeframe is extended in term of the interventions. Does this mean the money is not being saved, because it's following the child?

FCCS Response

Mr. Spinning responded by stating that the agency is simply reinvesting those dollars.

Ms. Maddox then noted that during the 2014 budget preparation, one of the things she saw in looking across from 2006 to 2012 is a significant reduction in placement cost. At the same time, there was a significant increase in supportive services costs. Although there was a net savings to the agency, in order to maintain a reduction in placement services, there must be services in place that meet the need of the family in order to stabilize the family unit. The programs to support the well being factor require an investment and staff time. By shifting service to not only meet the immediate crisis, but to meet the long term outcome for the child, the agency will be able to start seeing what the outcomes are, look at the stats, and assess or tailor services.

CLOSING REMARKS

Jesse Hemphill thanked the FCCS staff for their presentation and advised the committee to prepare any remaining questions prior to the next meeting.

Jesse Hemphill adjourned the meeting at 5:18 pm.

The next meeting will be held on Thursday, March 20, 2014 at 3:00 PM:
373 South High St, 26th Floor, West Conference Room