



Child Welfare Funding
Department for Community Based Services
Budget Review Subcommittee on Human Resources
June 4, 2019

WHO WE ARE

The mission of the Department for Community Based Services is to build an effective and efficient system of care with Kentucky's citizens and communities to:

- *Reduce poverty, adult and child maltreatment, and their effects;*
- *Advance person and family self-sufficiency, recovery, and resiliency;*
- *Assure all children have safe and nurturing homes and communities; and*
- *Recruit and retain a workforce and partners that operate with integrity and transparency.*

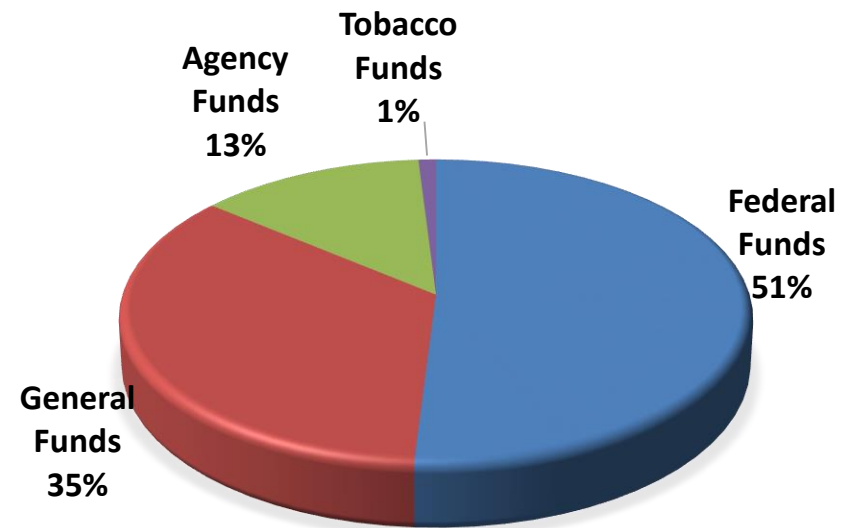
Programs Administered by DCBS

- **Eligibility determinations for Medicaid and health insurance affordability options**
- **Supplemental Nutrition Assistance Program or SNAP (formerly known as the Food Stamp Program)**
- **State Supplementation Program for persons who are aged, blind or have a disability**
- **Temporary Assistance for Needy Family Block Grant (K-TAP, KY Works, supportive services);**
- **Child Care Assistance Program**
- **Low Income Home Energy Assistance Program (LIHEAP)**
- **Child maltreatment prevention**
- **Child protective services**
- **Foster care and public agency adoption**
- **Chafee Foster Care Independence Program and Educational and Training Voucher**
- **Community Services Block Grant and standards for Kentucky's Community Action Network**
- **Family Violence Prevention and Services Grant and regulation of state-funded domestic violence shelters**
- **Adult protective services, general adult services, and alternate care services**
- **Designation of the state Rape Crisis Centers and Children's Advocacy Centers**
- **Regulation of day care, private child care, and domestic violence batterer intervention providers**
- **Child care provider professional development and quality-rating system**

DCBS Expenditures

Total SFY 18 Expenditures = \$1,112,099,313

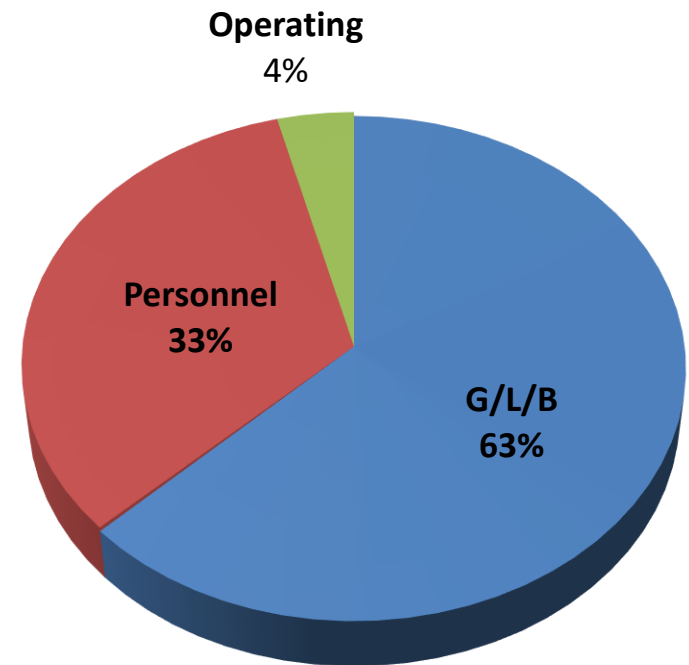
EXPENDITURES	SFY 18	
	Federal Funds	51%
	General Funds	35%
	Restricted/Agency Funds	13%
	Tobacco Funds	1%
	Total	100%



DCBS Expenditures

Total SFY 18 Expenditures = \$1,112,099,313

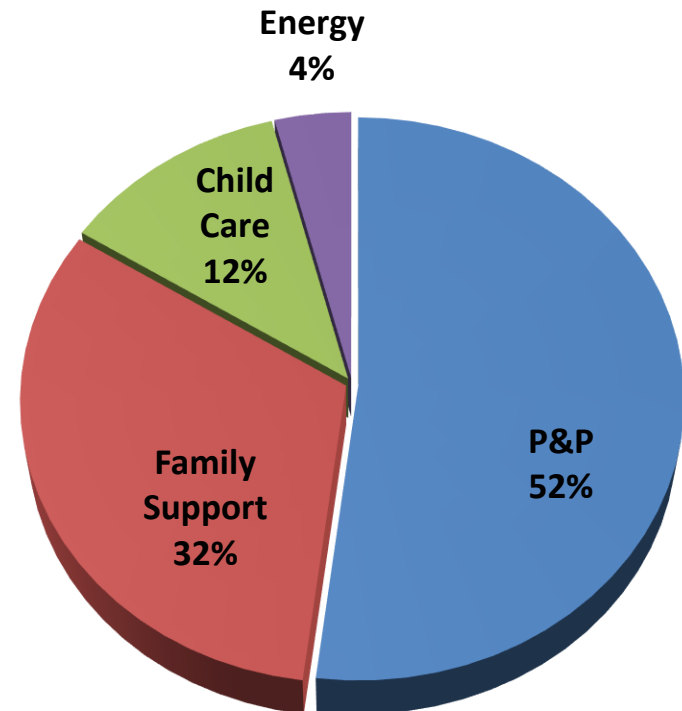
CATEGORY	SFY 18	
	Grants/Loans/Benefits	63%
	Personnel	33%
	Operating	4%
	Total	100%



Total Expenditures by Program Area

Total SFY 18 Expenditures = \$1,112,099,313

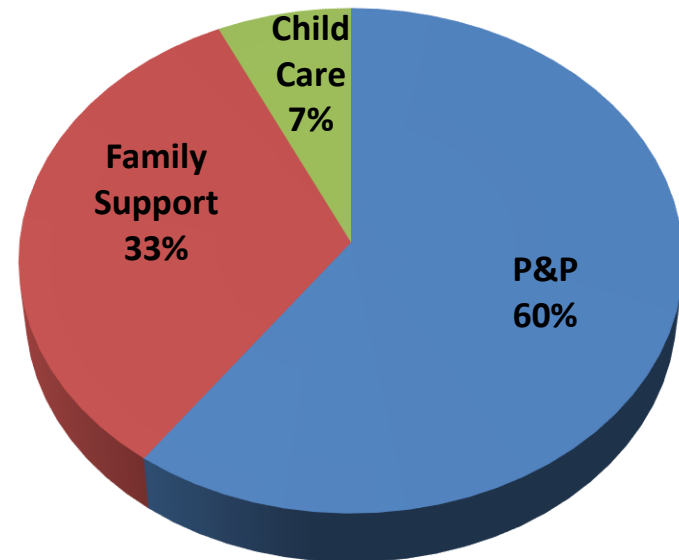
PROGRAM	SFY 18	
	Protection & Permanency (Family & Community Services)	52%
	Family Support	32%
	Child Care	12%
	Energy	4%
	Total	100%



General Fund Expenditures by Program Area

Total SFY 18 General Fund Expenditures = \$386,406,100

PROGRAM	SFY 18	
	Protection & Permanency (Family & Community Services)	60%
	Family Support	33%
	Child Care	7%
	Energy	--
	Total	100%



DCBS Protection and Permanency Budget

SFY 2018

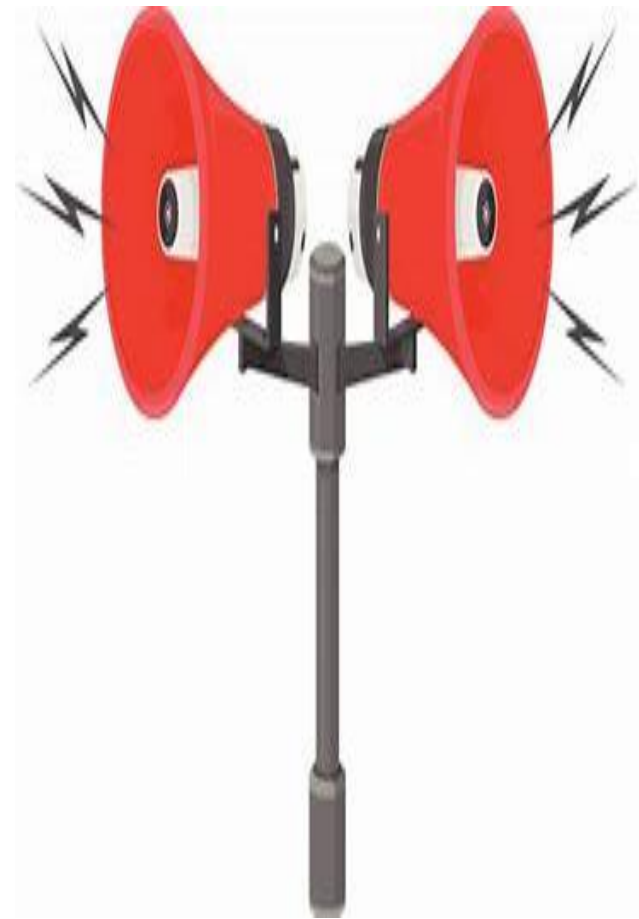
- Federal- \$223,003,700
- General Fund- \$230,831,200
- Restricted Agency- \$136,312,500
- Tobacco Dollars- \$180,000
- Total- \$590,327,400
- Increase from SFY 2017- \$29,699,800

SFY 2019 Estimated

- Federal- \$231,559,600
- General Fund- \$306,881,500
- Restricted Agency- \$168,117,700
- Tobacco Dollars- \$2,500,000
- Total- \$709,058,800
- Increase from SFY 2018- \$118,731,400

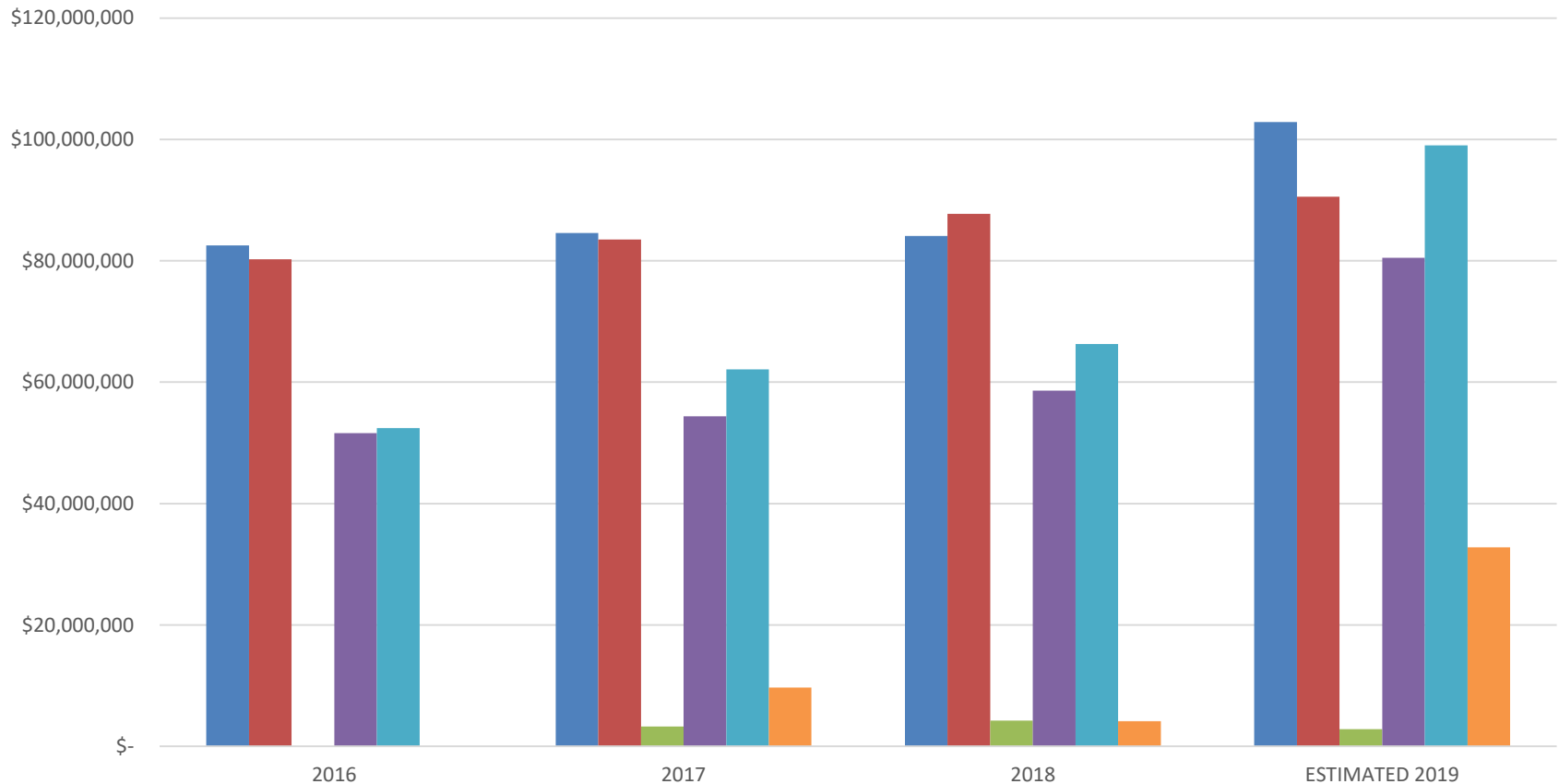
Factors Contributing to Child Welfare Budget Increases and Expenditures

- Fringe Contributions
- High Caseloads
- Out of Home Care Population Growth
- Foster Care Maintenance Payments under *D.O. v. Glisson*
- Foster Children Decertified in Psychiatric Settings



Protection and Permanency Personnel Costs

P&P Personnel Costs:

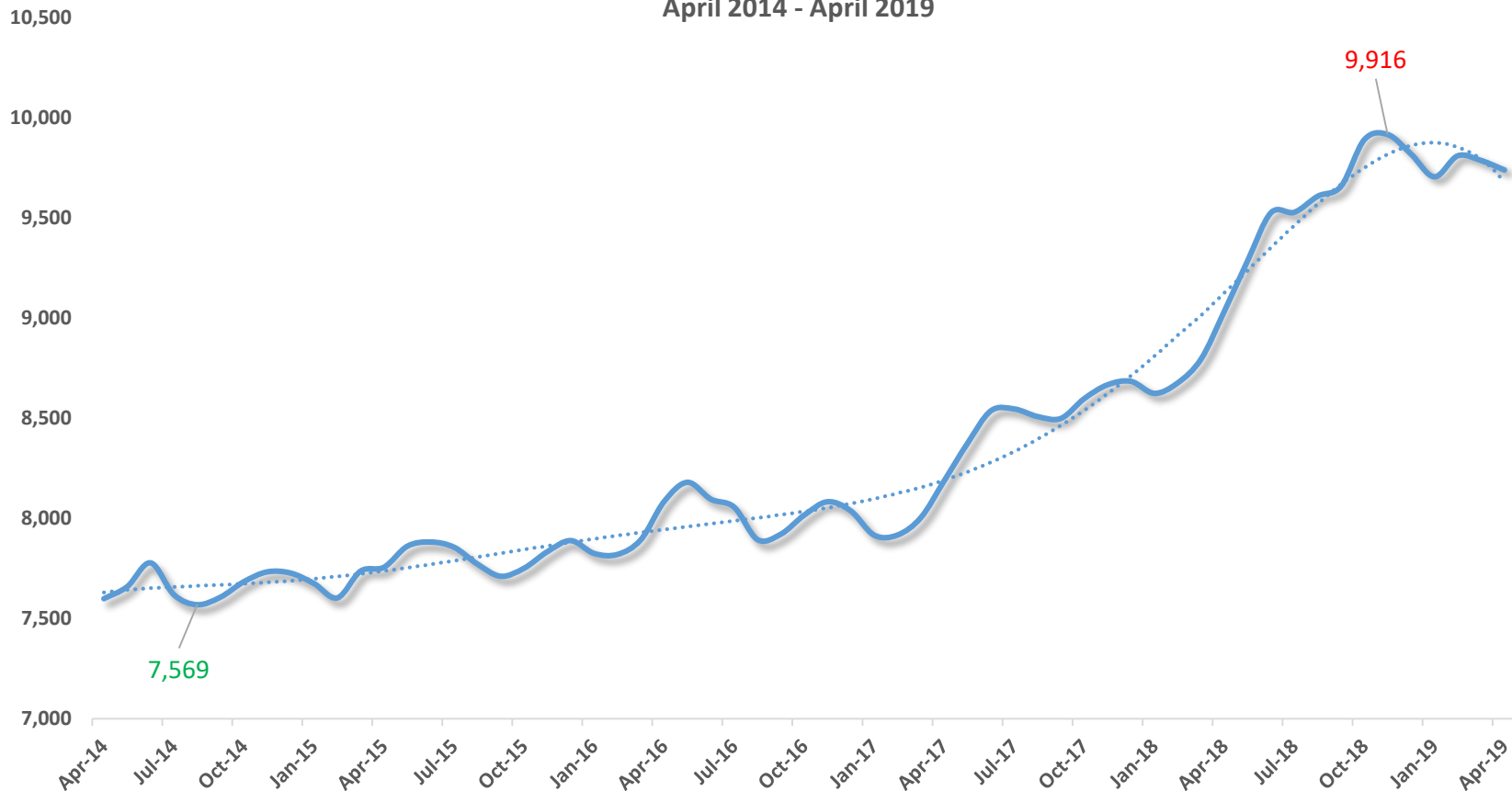


DCBS Child Protection Caseloads: Averages March 2019

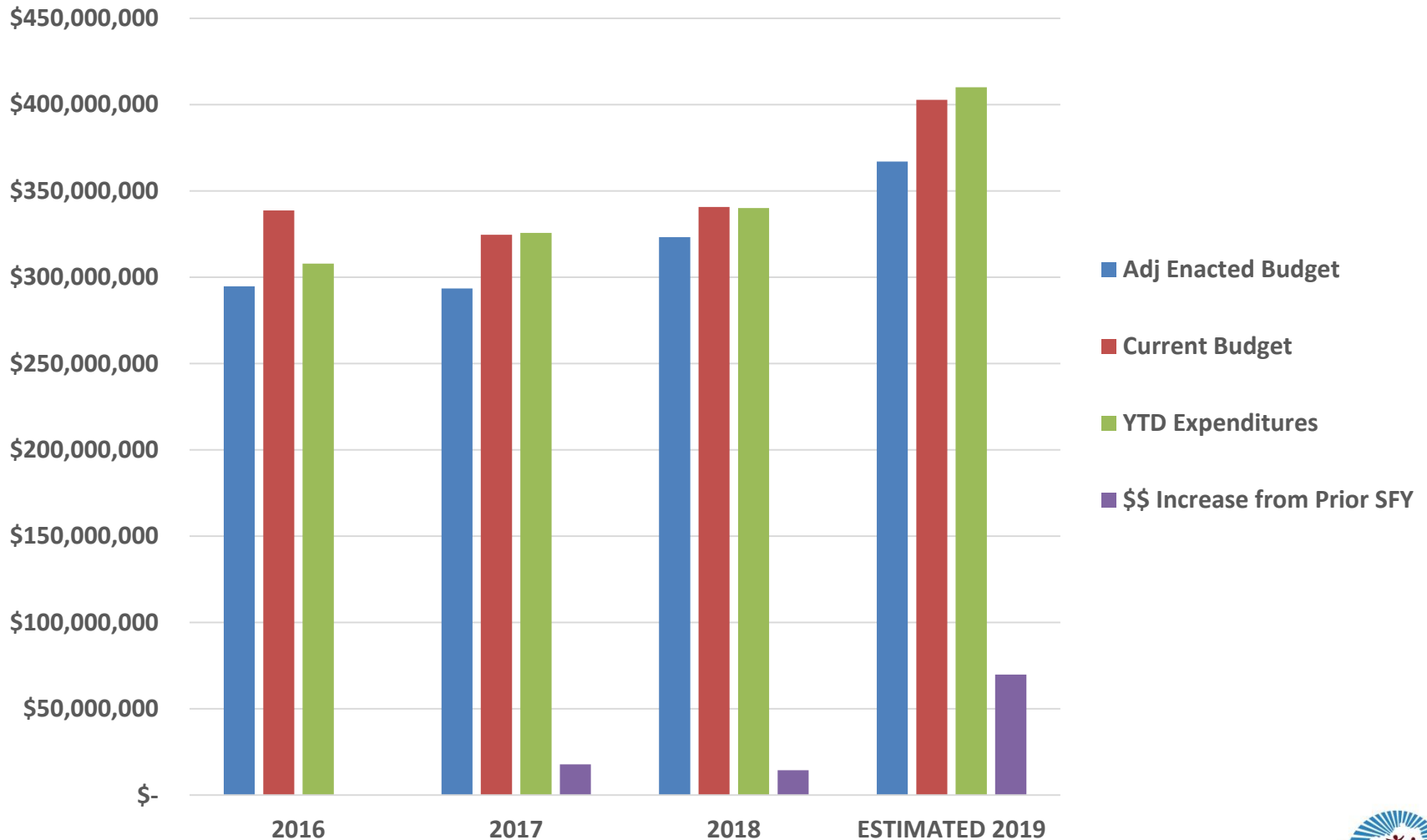
- Average Total CPS Current- 20
- Average Total CPS with Past Dues- 27
- Average Total CPS Not at Full Capacity- 22
- Average Total CPS Not at Full Capacity with Past Dues- 30

Children in the Custody of or Committed to the Cabinet

April 2014 - April 2019



SFY2016 to SFY2019 Out of Home Care Cost Increases



D.O. v. Glisson, 847 F.3d 374 (6th Cir. 2017), cert. denied, 17-17, 2017 WL 2869916 (U.S. Oct. 10, 2017)

- The U.S. Court of Appeals entered the ruling on January 27, 2017. The state's appeal to U.S. Supreme Court was denied on October 10, 2017.
- The ruling treated the relative caregiver like a foster parent, because CHFS placed the child with the relative (i.e., conducted a home study and background checks), **and** the child's custody was transferred from CHFS' to the temporary custody of the relative.
- Under the ruling, the relative caregiver was deemed qualified for a foster care per diem for the care of the child.
- In the D.O. case, the qualification for the foster care per diem ceased upon permanent custody established using a DNA-9 form.
- *DCBS has extended the application of the ruling to other like cases, including fictive kin.*

Foster Care Maintenance under *D.O. v. Glisson*

- Between February 2018 through May 20, 2019, DCBS has made 20,925 payments totaling \$17,674,591.46 in foster care maintenance under the ruling.
- Over 3,200 children and their caregivers have been qualified under the ruling.
- On average, foster care maintenance payments under the ruling have been averaging \$1,576,155.00 per month for approximately 2,100 child recipients.
- At this time, all payments are reflected in DCBS' budget for out-of-home care and are 100% State Funds.
- The Kinship Support Hotline continues to receive 50-70 calls per day, excluding emails, with related inquiries and new application requests.

Decertified Children

STATE FISCAL YEAR	Total or Current YTD Expenditures	Dollar Increase from Prior SFY	Percentage Increase from Prior SFY
2019	\$18,047,833.14	\$3,503,533.14	24%
2018	\$14,544,300.00	\$3,269,130.00	29%
2017	\$11,275,170.00	\$4,396,279.00	64%

Child Welfare Transformation

A Call To Action.....

There is a child on the other side of every decision made, every policy implemented, and every law passed who will either feel the benefit or the consequence.



Child Welfare Transformation

Uniting Kentucky

Steering Committee

CWT Workgroups

Stakeholder Advisory Group

Workforce
Supports

Foster Care and
Adoption

Transition Aged
Youth

Prevention
Supports

Relative
Placement
Supports

Fiscal
Modernization

Permanency

Service Region
Implementation

IT

House Bill 1

FFPSA

PIP/CFSP

Decoupling

CORE STRATEGIES

- Culture of Safety
- Aligned Service Array
- Shared Focus on Outcomes
- Collaborative practice Model

PRIORITY OUTCOMES

- Safely Reduce Children in Out of Home Care
- Improve Timeliness to Appropriate Permanency
- Reduce Caseloads

CQI/Quality Assurance

Opportunities from 2018 & 2019 Regular Sessions

Additional Budget Requests (House Bill 200, 2018):

- Adoption and foster care (SFY 2018);
- More staff and workforce supports across DCBS program areas;
- Salary increases for frontline social services workers and their supervisors;
- Kinship care and relative placement supports;
- Adoption savings (to meet federal mandate);
- Private child care rate increases; and
- The Fostering Success Program

House Bill 1, 2018:

- Focus on children's timely permanency;
- Flexibility to innovate; and
- Modernize reimbursements and contractual arrangements with private providers

House Bill 2, 2019:

- Codify a relative/kin service array

House Bill 158, 2019:

- Preparation for early implementation of the Family First Prevention Services Act of 2018
- Foster child bill of rights

House Bill 200 Progress

- Salary increases were put into effect July 1, 2018.
- A reorganization to support enhanced service provision, new staff recruitment, and career ladder for staff went into effect on October 16, 2018.
- Mobile technology and related solutions were deployed to the field in early 2019. Exploration of data management systems and predictive analytics is underway.
- Foster/adoptive parent portal was deployed August 25, 2018, with a Kinship Navigator portal added recently.
- Private child care provider rate increases were implemented August 1, 2018.
- Year four of Fostering Success is underway with expansion into other state agencies, private sector, and onsite coaches to support youth and their employer. Seventy-nine private employers have stepped up this year.

House Bill 1 Implementation

- No less than 13 administrative regulations have been filed updating various aspects of our child welfare system as result of HB1.
- DCBS has more flexibility in how it designs its prevention service array as support to implementing Family First Prevention Services Act of 2018 (Pub. L. 115-123).
- A Putative Father Registry has been established.
- The study group on Performance Based Contracting (PBC) and Privatization were established in August 2018. Meetings have been facilitated by Casey Family Programs and Chapin Hall.
 - The PBC study group submitted its 20 recommendations in report on November 30, 2018 .
 - The Privatization study group is required to submit a report with recommendations by July 1, 2019.

New Practice Model: Culture of Safety

*Moving from a reactive culture of fear, blame and intimidation to a responsive culture that evaluates systems and operations through a **Trauma Informed lens***

- Acknowledges that:
 - Child welfare is a high-stress and volatile climate;
 - The current culture exposes high profile cases with individuals being publically blamed and shamed; and
 - No one wakes up with the intent to make decisions that could lead to a negative outcome.
- Has proven results in other states that have implemented this practice model: reduced number of children in foster care, improved workforce morale, and improved outcomes for families and children.
- Includes accountability.
- Pulls from Safety Science used in the airline, health care, and other high risk industries that considers system failures and seeks to understand the circumstances through a critical incident review process.

House Bill 2 (Regular Session 2019)

- As a result of an Annie E. Casey-Child Welfare Strategy Group assessment released in summer 2018 and advocacy supporting House Bill 2, DCBS filed a new administrative regulation, 922 KAR 1:565, outlining a service array available to relative and fictive kin caregivers.
- The new service array:
 - Includes and coordinates new and existing services within DCBS and CHFS;
 - Provides for full disclosure of custodial, services, and permanency options; and
 - Supports the caregiver in making an informed decision based upon the caregiver's preferences and the child's known or anticipated needs.
- On April 1, 2019, DCBS implemented a new child specific foster home type with less stringent training requirements and means to waive non-safety standards.
- Through June, DCBS is providing training to all protection and permanency staff.

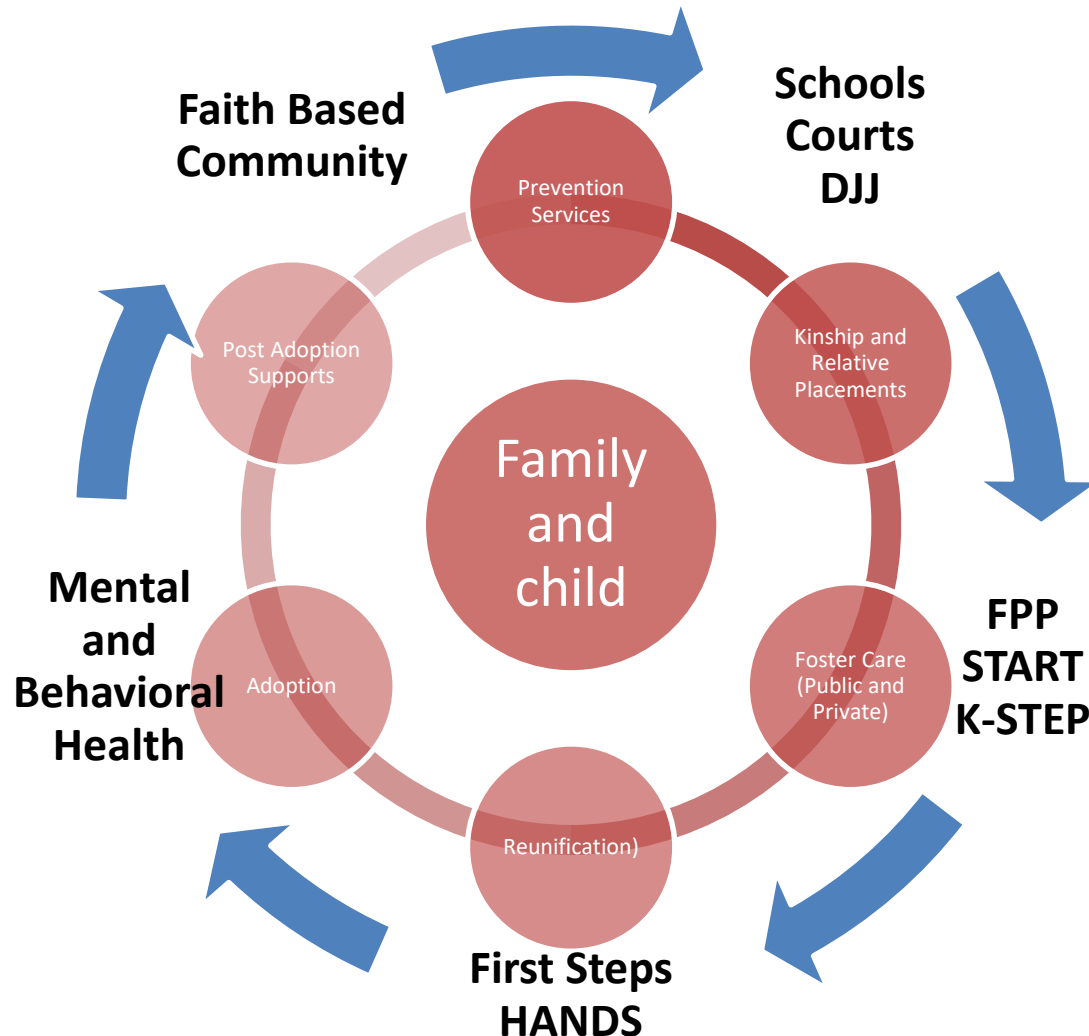
Family First Prevention Services Act

- Landmark federal child welfare legislation passed into law on February 9, 2018, as part of the Bipartisan Budget Act of 2018;
- Provides federal funds for kinship navigator programming and prevention/in-home services, above and beyond traditional foster care, guardianship, and adoption assistance; and
- Supports shift in programming so that:
 - Children stay with family if at all possible;
 - Foster care is an intervention of last resort; and
 - Congregate care is time-limited and clinically necessary.

All states must comply by October 1, 2021, but have the option of implementing by October 1, 2019. Kentucky is going to be an early implementer!

Not treating the symptoms, implementing a cure!

Child Welfare Belongs To All Of Us.....



Summary

- The Child Welfare Transformation Structure encompasses implementation of legislation from the 2018 and 2019 Regular Sessions, the state's Program Improvement Plan resulting from the federal Child and Family Services Review, Family First Prevention Services Act, and the Governor's overall charge.
- Consultative resources have been secured through the federal Children's Bureau, Annie E. Casey Foundation, Casey Family Programs, Chapin Hall, Public Consulting Group, Mary Willoughby, university partners, and stakeholders.
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Questions