Report to the Legislature

Legislative Resolution 37 (2011): Review, Investigation and Assessment of Child Welfare Reform

Health and Human Services Committee
December 15, 2011

Abbreviations used in this report or in the child welfare system:

ACF:	Administration for Children and Families
AFCARS:	Adoption and Foster Care Analysis and Reporting System
APA:	Auditor of Public Accounts
CAC:	Child Advocacy Center
CAFCON:	Children and Family Coalition of Nebraska
CASA:	Court-Appointed Special Advocate
CFOM:	Children and Family Outcomes Monitor
CFS:	Division of Children and Family Services (a part of DHHS)
CFSP:	Child and Family Services Plan
CFSR:	Child and Family Services Review
CJA:	Children's Justic Act
CMS:	federal Centers for Medicaid and Medicare Services
CPS:	Child Protective Services
CSE:	Child Support Enforcement
CWLA:	Child Welfare League of America
DAS:	Department of Administrative Services
DHHS:	Department of Health and Human Services
FCRB:	Foster Care Review Board
HHSS:	Health and Human Services System
KVC:	KVC Behavioral Healthcare Nebraska
LPA:	Legislative Performance Audit Division of the Legislature
LPA Committee:	Legislative Performance Audit Committee
MHCP:	Medically Handicapped Children's Program
NCSL:	National Conference of State Legislators
NeAHSC:	Nebraska Association of Homes and Services for Children
N-FOCUS:	Nebraska Family Online Client User System
NGA:	National Governors' Association
NFC:	Nebraska Families Collaborative
NIGP:	National Institute of Government Purchasing
NSAA:	National State Auditor Association
NSIS:	Nebraska Safety Intervention System
OJS:	Office of Juvenile Services (a part of DHHS)
PIP:	Program Improvement Plan
RFB:	Request for Bid
RFQ:	Request for Qualifications

Service Areas:

- CSA – Central Service Area
- ESA – Eastern Service Area
- SESA – Southeast Service Area
- NSA – Northern Service Area
- WSA – Western Service Area

SNAP:	Supplemental Nutrition Assistance Program (formerly known as food stamps)
TANF:	Temporary Assistance for Needy Families
1184 Teams:	Child abuse and neglect investigation teams (created pursuant to LB 1184 in 1992)

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INTRODUCTION

Fifteen state senators, including all seven members of the Health and Human Services Committee, introduced Legislative Resolution 37 on January 14, 2011. The resolution directed the committee to review, investigate and assess the effects of child welfare reform which the Nebraska Department of Health and Human Services began implementing in July of 2009. The committee held a public hearing on LR 37 on January 28, 2011, and reported the resolution to the Legislature for further action on January 31, 2011. LR 37 was adopted by the Legislature on February 7, 2011, and Speaker of the Legislature Mike Flood signed it on February 10, 2011.

MEMBERS OF THE HEALTH AND HUMAN SERVICES COMMITTEE:

Senator Kathy Campbell, District 25, Chairman
Senator Dave Bloomfield, District 17
Senator Tanya Cook, District 13
Senator Mike Gloor, District 35, Vice-Chairman
Senator Gwen Howard, District 9
Senator Bob Krist, District 10
Senator Paul Lambert, District 2 (joined the committee in November 2011 after Senator Norm Wallman, District 30, changed committee membership)

COMMITTEE STAFF: Clerk, Diane Johnson; Legal Counsel, Michelle Chaffee

PROCESS

Between February and November 2011, Health and Human Services Committee members and staff undertook a wide array of research, interviews, correspondence, consultations, briefings, surveys and public hearings. Other individuals, legislative divisions, and groups undertook specific tasks at the committee's request. These tasks are briefly summarized below. Along with the committee's work, these resources form the basis for the committee's findings, and recommendations presented in this report.

ACKNOWLEDGEMENTS

The committee expresses appreciation to the following:

The Legislative Fiscal Office, the Legislative Research Division, the Legislative Performance Audit Committee and Performance Audit Office, the Office of the Public Counsel (Ombudsman's Office), the Nebraska Supreme Court, the Court Improvement Project (including the Through the Eyes of the Child Initiative), the Nebraska Department of Health and Human Services, the Nebraska Auditor of Public Accounts, the Nebraska Foster Care Review Board, KVC Behavioral Health Care Nebraska, the Nebraska Families Collaborative, the Nebraska Appleseed Center for Law in the Public Interest, Voices for Children in Nebraska, the National Council of State Legislatures. We also thank the countless

individuals with professional and personal interests in the well-being of children who took the time to share their experiences, concerns, and vision with members of the Health and Human Services Committee.

OVERVIEW

Throughout the work on LR 37, three tenets emerged to form a context for the findings and the recommendation of the Health and Human Services Committee:

Child welfare reform is not synonymous with privatization; neither is privatization synonymous with child welfare reform.

Privatization is a tool, not an end in itself, to child welfare reform.

The success of states and communities in addressing child welfare is primarily predicated on ensuring that all three branches of government are involved in the development of a strategic plan and an implementation plan prior to initiating contracting with statewide lead agency.

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Child welfare reform is not synonymous with privatization; neither is privatization synonymous with child welfare reform.

Private entities have had a long history in child welfare. Since the 1800s non-profits have contracted with government entities to provide services to children. The private sector, in fact, was engaged in serving families long before public child welfare agencies.[1] This public-private partnership expanded between 1962 and 1974 as a result of amendments to the Social Security Act. The 1980 passage of the Adoption Assistance and Child Welfare Act provided an influx of federal funds available to contract with private entities to provide child welfare services.

There are a variety of definitions and varying degree of activities identified as privatization. Generally the term has come to refer to the range of strategies that involve "the provisions of publicly-funded services and activities by non-governmental entities."[2] Despite the different forms, generally the public sector retains ownership, financial responsibility, accountability and therefore some form of administrative responsibilities.[3]

Proponents of privatization of government services, in general, tout the flexibility of the private sector's capacity to develop and eliminate services, its heightened responsiveness to client needs, quality, its potential for increased accountability, and the efficiencies inherent in private marketplace competition.

Opponents of privatization of government services argue that the very nature of

1 Mary Myslewicz,"*Privatization of Child Welfare Services: An Analysis of the Kansas and Florida Privatization Initiatives,*" University of Washington, School of Public Affairs, June 2007.

2 Nightingale, D.S.,& Pindus, N. (1997). *Privatization of public social services: A background paper.*

3 Beecher, J.S. (1998). *Twenty myths about privatization.* Washington .DC: National Academy of Public Administration, Alliance for Redesigning Government.

public service make them inappropriate for privatization.[4] Some contend that competition, a lynch pin of privatization, does not meaningfully exist, especially in the arena of social services. This process results in the government creating one authorized buyer (a monopsony). Because of the once-removed principal-agent relationship between the government and the agencies actually providing the services, prices are unlikely to drop unless the government diligently monitors and evaluates the cost of the services provided.

Additionally, opponents maintain cost savings are difficult to determine and are skewed by the limited information for meaningful cost/benefit analysis, the increased costs in monitoring highly complex systems, the historical under funding of social services, the duplication in administrative costs, and the possibility that private entities will bid low to secure initial contracts and raise prices later.[5]

Currently, although widely used, the term "privatization" has no single definition in child welfare or in other human services. In child welfare, some use the term broadly to refer to all contracted service arrangements while others use it more narrowly. Contracting and public-private partnerships represent the concepts of the wide use of private entities providing direct services for child welfare. Recent use of the term privatization in child welfare is most often defined as the contracting out of the case-management function, with the result that contractors make the day-to-day decisions regarding the child and family's case.[6]

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Privatization is a tool, not an end in itself, for child welfare reform.

Privatization is a tool that can be usefully employed in certain environments to enhance service provision. As William Gormley, University Professor and Co-Director of the Center for Research on Children in the U.S. at Georgetown University pointed out; governments should take care not "to select a hammer when they really need a wrench."[7]

H. Brinton Milward, the Providence Service Corporation Chair in Public Management and the Director of the School of Government and Public Policy at the University of Arizona, has conducted studies of what happens when governments privatize public services--which in the literature is known as "governing the hollow state." It is promoted as the solution to government

4 Starr, P. (1988)the meaning of privatization. *Yale Law and Policy Review,* 6, 6-41.

5 Freundlich, M. & Gerstenzang, S. (2003). *An Assessment of the Privatization of Child Welfare Services: Challenges and Successes.* Washington, DC: CWLA Press, 5.

6 U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, *Child Welfare Privatization Initiatives Assessing Their Implications for the Child Welfare Field and for Federal Child Welfare Programs* December 2007 retrieved September 12, 2011 at http://aspe.hhs.gov/hsp/07/CWPI/models/

7 Gormley, W.T. (1994-1995) Privatization revisited. *Policy Studies Reviews,* 215-231.

inefficiency and mismanagement, but can only work well if government manages the process well. This point is illustrated in the child welfare realm by a study published by the Child Welfare League of America (CWLA) that focused on six privatization initiatives, stating, "*To the extent that privatization worked, it generally was only where the public agency developed strong management, monitoring and quality assurance capabilities and appropriately structured the initiative.*[8]

Research shows that a contractor's ability to perform will be limited by many of the same barriers faced by the previous public system: Privatization does not remedy all systemic barriers – including but not limited to inadequate funding, staffing shortages, inadequate service capacity, and lack of coordination across systems.[9] Private agency workers experience the same frustrations that public agency workers experience such as high stress, lack of career advancement opportunities, and lack of educational preparation for child welfare work.[10] Early results indicate that simply transferring case management and decision making to the private sector may not improve case outcomes without adequate social, physical, and mental health resources; and foster and adoptive homes in communities; and qualified agency staff that are offered ample supports.[11]

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The success of states and communities in addressing child welfare is primarily predicated on ensuring that all three branches of government are involved in the development of a strategic plan and an implementation plan prior to initiating contracting with statewide lead agency.

In the course of work on LR 37 it became apparent that DHHS did not fully use well-documented research or the analysis of national consultants before going forward with the initiative. Numerous guidelines, checklists and studies outline key components when utilizing privatization models. A number of studies provide insightful perspectives in the development of privatization initiatives. Their cautions certainly would underscore what Nebraska should have heeded before embarking on privatization in 2009.

Children's Rights, a non-profit advocacy organization, released one of the first national studies on the effects of privatization on child welfare services in 2002.

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8 Freundlich & Gerstenzang, above n 5, 14.

9 *Child Welfare Privatization Initiatives,* above n 6, http://aspe.hhs.gov/hsp/07/CWPI/models/

10 Gleeson, J. P., Smith, J. H., & Dubois, A. C. (1993). Developing child welfare practitioners:Avoiding the single-solution seduction, *Administration in Social Work, 17*(3), 21-37.

11 U. S. Department of Health and Humans Services, Office of the Assistant Secretary for Planning and Evaluation, *Child Welfare Privatization Initiatives Assessing Their Implications for the Child Welfare Field and for Federal Child Welfare Programs Topical Paper #1 Assessing Site Readiness: Considerations about Transitioning to a Privatized Child Welfare System* September 2007 retrieved August 28, 2011 at http://aspe.hhs.gov/hsp/07/cwpi/site/report.pdf

[12] The report identified a number of "lessons learned" regardung efforts in other jurisdictions that proved to be effective and those that were not effective or, in some cases, were disastrous. Based on these "lessons learned," the report provides 17 recommendations to assist communities that may be considering privatization. Recommendations included:

- Know the vision and goals of privatization; implement in phases.
- Know that privatization is not likely to save money.
- Privatization must have the sustained commitment of high-level leadership or it is unlikely to succeed.
- Service capacity – including linkages to other service systems such as mental health and substance abuse – should be the central focus.
- Develop and use rigorous monitoring systems.

In 2006 the U.S. Department of Health and Human Services' Office of the Assistant Secretary for Planning and Evaluation funded the ***Child Welfare Privatization Initiatives Project*** to provide information to state and local child welfare administrators who are considering or are in the process of implementing privatization reforms. The project produced technical assistance papers on a range of topics providing insights about factors that should be considered when approaching, or improving upon, privatization.

Readiness This technical assistance paper was organized around 12 overarching questions that administrators should ask themselves when assessing their "readiness." These questions were designed to encourage agency administrators and legislators to ask critical questions and make important choices *prior* to the decision to transition services to the private sector.[13]

Implementation This technical assistance paper asserted that implementation requires certain decisions: whether to expand the use of contracted case management services (or even to restructure existing contracts); what programs, payment systems and administrative models to use; the roles and authority of public and private agency workers; and how to configure contract monitoring systems.

Peer Advice Research describes the experience of private agency administrators from Massachusetts, Missouri, Florida, Kansas, and Ohio in performance contracting. These leaders offered advice on considering risk- or results-based contracts.[14] Among their suggestions were:

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12 Freundlich & Gerstenzang, above n 2 .

13 *Child Welfare Privatization Initiatives,* above n 11, http://aspe.hhs.gov/hsp/07/cwpi/site/report.pdf

14 McCullough & Associates, Inc. (2005). *Child Welfare Privatization Summary of National Trends: A Synthesis of Research and Framework for Decision* retrieved at http://www.achsa.net/upload/File/Newsletters/2008/08_August/Links/8-01_Update/CW/Child%20Welfare%20Privatization%20-%20Summary%20of%20National%20Trends%20-%20A%20Research%20Synthesis,%20McCullough%20&%20Associates,%2011-2005.pdf

- To make sure the financing option gives flexibility in funding and specifies the outcomes desired – but make sure you have information technology and quality-assurance capacity to monitor both costs and outcomes.
- Require accreditation as an added protection for quality.
- Understand the importance of data accuracy, accessibility and integrity.

Data Additional research demonstrates the importance for planners to use accurate data to weigh various target population and service options, including data that capture demographics, service utilization patterns, expenditures, and outcomes for the proposed population. This information is essential in defining the scope of services and establishing the funding needed to develop contracts and to assess the merits and risks of different fiscal models (for example, case rates or performance-based payments).[15]

Contracts Another component of successful implementation is that contracts are designed to address system needs. Administrators who have gone through the contract process advise building in mechanisms for broad-based stakeholder involvement in the initial design phase, in the ongoing evaluation of performance, and in the revision of approaches as needs change.[16] The public agency is relying heavily on a single, or a small number, of contractors. This can create serious problems if the contractor fails to perform.[17]

Outcome Measurements Technical assistance also illustrated the importance of making decisions about which outcome measures and performance indicators should be monitored.[18]

In addition to the key components of privatization outlined above, research proposed that when planning to initiate privatization, a broad group of stakeholders should reach a consensus on a shared vision and should use an inclusive planning process.[19] Suggested participants include service providers, representatives of all levels of the public agency (including caseworkers), juvenile and family court judges, parents, state legislatures, auditors, and the service community (such as mental health and substance abuse providers).[20]

In Kansas and in Florida state legislatures initiated privatization. Two studies on privatization in Kansas found that because key stakeholders were not fully involved in the planning and design efforts, there was confusion during implementation regarding the roles and responsibilities of the public and private

15 *Child Welfare Privatization*, above n 11, http://aspe.hhs.gov/hsp/07/CWPI/models/

16 Ibid.

17 Ibid.

18 Ibid.

19 *Literature Review on the Privatization of Child Welfare Services,* Planning and Learning Technologies, Inc., The University of Kentucky, August 2006.

20 Ibid., 18.

agencies.[21] Additionally, without the support and inclusion of the courts, schools, and other local agencies there was not trust that private providers would deliver adequate services.[22]

Lisa Snell, in *Child-Welfare Reform and the Role of Privatization,* stresses the important role of the courts when changing service delivery models. "While the courts serve as a needed check and balance for the child welfare system most of the time, the issue is making sure the courts have confidence in the efforts being made to release the child to the parents or to terminate parental rights. Better coordination and communication is needed between the courts and the child welfare system to ensure that the courts have enough information to make timely, yet safe and accurate decisions about children in the foster care system." [23] The courts must be brought into the planning and ongoing oversight of privatization efforts to ensure that judges feel confident in recommendations made about entering and exiting care. Inversely, prior to implementing privatization reforms, private agencies must be trained on the information judges need to help them make timely, safe and appropriate decisions about the children and families that come before them.[24]

The LR 37 process has made it clear that there was a plethora of research on "lessons learned" prior to the department's initiating privatization. Unfortunately, a review of other states' mistakes reads like a checklist of the problems that Nebraska could have avoided.

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21 Ibid.; James Bell Associates, Inc. (2001). *External Evaluation of the Kansas child Welfare System: July 2000-June 2001.*(FY2001 Final Report). Unpublished; Figgs, J. & Ashlock,S. (2001) Family Preservation/Foster Care/Adoption:Kansas Public/Private Partnership Initiative. *2001 Better Government Competition.*

22 *Literature Review on the Privatization of Child Welfare Services,* above n 19.

23 Snell, Lisa, *Child-Welfare Reform and the Role of Privatization,"* Policy Study No. 271, 7, retrieved at http://reason.org/files/60dbb93a64832e8624f4e2116383a0b0.pdf

24 *Literature Review on the Privatization of Child Welfare Services,* above n 19, 19.

CHAPTER SUMMARIES and COMMITTEE FINDINGS

"I would like to offer that child welfare reform doesn't have to be a cookie-cutter process across the entire state. Each service area can operate from a single statewide vision, common goals, common outcomes, but they can implement strategies that considers their strengths, their needs, the gaps in service and care, and their resources...And finally, to implement proven system of care principles that effectively address the needs of children with multiple and complex needs in their families. There's extensive literature and research about systems of care principles that have proven to be effective. We've experienced them here in central Nebraska as well as countless communities and states across the nation. It's more than paying lip service to reform. It's a commitment to implementing principles, to learn about those principles, to act upon them, and to provide resources that fully support principles and implementation."

~ Regional behavioral health services administrator

SUMMARY OF CHAPTER 1 – Child Welfare Evolution: Nationally and in Nebraska

Chapter 1 presents a broad overview of child welfare's evolution nationally and in Nebraska. Compiled by Kathy Bigsby Moore, former Executive Director of Voices for Children in Nebraska, this chapter documents the increasing impact federal legislation has had on child welfare policies at the state and local level. For example, the Child and Family Services Review ("CFSR"), created by the federal government, evaluates how well (or poorly) states provide safety, permanency, and well-being for children. The CFSR emphasizes comprehensive, outcomes-based processes to improve accountability, and evidence-based interventions within child welfare systems.

HEALTH AND HUMAN SERVICES COMMITTEE FINDINGS:

- *Chapter 1 demonstrates that there have been many initiatives and programs over the years to address child abuse and neglect in Nebraska,*

- *However, for the most part, they have been neither long-term nor comprehensive. Many have involved one branch of government or focused on specific issues in response to crises.*

- *As a result, there have been child welfare initiatives; but the structure has not been in place to provide constant and consistent child welfare reform.*

- *Chapter 1 illustrates the need for a comprehensive, inclusive approach to child welfare reform.*

- *Accordingly, the committee believes it is time to initiate a long term, broad-based child welfare reform vision with strategic planning that involves all branches of government, stakeholders and communities of interest.*

SUMMARY OF CHAPTER 2 – Detailed Time Lines

Chapter 2 presents two time lines:

- DHHS' activities leading to privatization and the events that unfolded as privatization occurred; and
- Health and Human Services Committee's LR 37 activities

HEALTH AND HUMAN SERVICES COMMITTEE FINDINGS:

- *The time line highlights the disastrous effects of the lack of a strategic plan for lead agency service coordination and privatization by DHHS. For example, the lack of appropriate cost analysis resulted in fiscal*

unsustainability within the first few months and has continued despite additional infusions of monies.

- *The time line demonstrates the drive to continue privatization in the face of crisis and challenges, despite warnings from stakeholders to slow down and requests to evaluate privatization's impact on the system.*

- *For example, in April 2010, CEDARS announced that it would end its contract because of inadequate financial reimbursement; and Visinet imploded financially, leaving DHHS caseworkers with the challenge of finding services for 2,000 children in the Southeast and Eastern Service Areas. Nevertheless, Kerry Winterer, Chief Executive Officer of DHHS, told the HHS Committee that the privatization plan for the child welfare system would proceed, stating, "That ship has sailed."*

- *Furthermore, in response to the 2010 Foster Care Review Board report highlighting purported deficiencies (including inadequate documentation; high staff turnover; payment delays to foster families and subcontractors; and transportation, placement and visitation concerns), Todd Reckling, Director of the Division of Children and Family Services, said the state was "making progress."*

- *Citing improvement metrics showing "no repeat maltreatment in foster care" as proof the state was making progress, Mr. Reckling said, "We are moving in the right direction."*

- *Inexplicably, in the face of a third lead agency's failure and millions of dollars owed to subcontractors in the Western, Central, and Northern Service Areas for unreimbursed services, DHHS still did not have a strategic plan in place and it still did not stop to evaluate the impact of lead agency failures on direct-service providers, foster parents, and most importantly, children.*

- *Rather, with no long term plan, no evaluation of the lead agency failures, and despite assurances in December 2009 from Mr. Reckling that "We're not relinquishing our critical decision-making responsibilities for children and families," DHHS reversed its direction and went further into full privatization, turning over case management in the Southeast and Eastern Service Areas to the two remaining lead agencies.*

- *The decision to give lead agencies the additional responsibilities inherent in case management seemed to be based solely on the lead agencies' need to control costs.*

- *At a November 2010 LR 568 briefing by DHHS officials, legislators expressed skepticism about the planned transfer of case management responsibilities to the lead agencies. Senator Tim Gay, then Chairman of*

the HHS Committee, called the plan "pretty vague," but Mr. Reckling stated, "We do believe we're on the right path."

- *Ignoring calls to slow down the reform, DHHS representatives said that the department was headed in the right direction, but successful reform would take time. Subsequently, LR 37 was introduced and the Legislature adopted the resolution on a 43-0 vote. The issues that began within months of privatization continued through the summer of 2011, during which time the department gave lead agencies additional funds; but still there was no comprehensive, collaborative strategic plan for child welfare reform.*

SUMMARY OF CHAPTER 3 – Legislative Performance Audit Report

Chapter 3 presents two key elements of this report: the results of the performance audit and the Legislative Performance Audit Committee's LR 37 recommendations.

The Legislative Performance Audit Committee authorized the performance audit, which was to address four specific questions:

1. What was the chronology of events in child welfare reform?
2. How do policy makers and stakeholders know if privatization is working?
3. Did the Executive Branch exceed its authority?
4. Is contract oversight sufficient?

The performance audit found that the Division of Children and Family Services failed to:

1. Conduct a cost-benefit analysis or similar assessment prior to entering into the lead-agency contracts in 2009, which was contrary to best practice and was a critical error in the contracting process;

2. Identify key performance goals for improvements the division expected to see following privatization, or benchmarks, or time frames for meeting such goals; and

3. Make significant progress in reducing the number of children placed out of their homes.

Recommendations adopted by the Legislative Performance Audit Committee include:

- Under the issue of management and agency structure:

1. Determine whether changes are needed to facilitate appropriate oversight and accountability of programs DHHS administers, including privatization;

- Under the issue of contracts:

    1. Require DHHS to work with the Department of Administrative Services in letting private services contracts;

    2. Require a cost-benefit, or similar analysis, for proposed personal services contracts valued at $25 million or more; and

    3. Implement a moratorium on adding any additional DHHS service areas to any new or existing lead agency contract.

- Under the issue of budget recommendations:

    1. Performance-based budgeting for two budget cycles in child welfare service programs; and

    2. Establish the child welfare system as a separate program for budget purposes. The performance audit report also called on the Division of Children and Family Services to work with the HHS Committee to ensure collaboration in the development of goals for child welfare.

HEALTH AND HUMAN SERVICES COMMITTEE FINDINGS:

- *The committee concurs with the findings and recommendations of the Legislative Performance Audit Committee and incorporates into our recommendations the Performance Audit Committee's recommendations on contract oversight, moratorium, leadership, organizational structure, fiscal responsibility, collaboration, data improvement, and the establishment of goals, benchmarks, and time frames.*

- *The committee agrees with the Legislative Performance Audit Committee's analysis of the challenges discussed in the scope of questions outlined by its report and, in response, believes a broad child welfare reform initiative is necessary.*

- *The committee outlines a plan for child welfare reform in its LR 37 recommendations. These recommendations include the performance audit recommendations that Nebraska's child welfare service system be restructured and its leadership be strengthened.*

- *The committee believes that in order to meet each child's needs, it is imperative that restructuring occur in order to break down organizational silos and bring all resources to the table.*

SUMMARY OF CHAPTER 4 – Hearing Testimony

Chapter 4 summarizes the testimony provided at public hearings and private briefings before the committee. The committee was especially concerned that opportunities be provided for people from across the state to be heard. One of the biggest challenges prior to the passage of LR 37 was the limited dialogue that occurred between DHHS and stakeholders, policy makers, legislators and the judiciary regarding privatization.

Accordingly, the committee invited representatives of a broad array of stakeholder groups to testify at each hearing, and also took testimony from the public at large. Stakeholders included foster children, direct service providers, foster parents, biological parents, prosecutors, guardians ad litem, court-appointed special advocates, lead agency representatives, psychologists, judges, child advocates, and DHHS administrators.

Hearings were held in Scottsbluff, Grand Island, Lincoln, Norfolk, and Omaha and generated approximately 30 hours of testimony from some 70 individuals. Testimony revealed how privatization has affected children, biological and foster families, the courts, service providers, and other stakeholders. In addition, the committee heard from more than 25 individuals during 20 hours of closed hearings and briefings.

Three main themes emerged from the hearings:

1. concerns regarding loss of services and how services are paid for;

2. issues with the child welfare workforce, including high case loads, worker turnover, lack of appropriate training leading to questionable decision-making, lack of oversight, and insufficient services for children; and

3. problems with provider compensation and sustainability that resulted from lead agency failures.

Underlying all the testimony were examples of DHHS' lack of communication and collaboration throughout the entire process.

HEALTH AND HUMAN SERVICES COMMITTEE FINDINGS:

- *In the Northern, Central, and Western Service Areas, individuals highlighted the difficulties encountered when Boys and Girls Homes served as the lead agency, including devastation to service providers from lost revenue when Boys and Girls Homes left.*

- *Boys and Girls Homes' business plan was to limit the use of outside providers and to perform as many direct services as possible itself.*

- *As a result, many long-serving contracting agencies closed when Boys and Girls Homes refused to contract with them.*

- *Of those with whom Boys and Girls Homes did contract, many were owed money when Boys and Girls Homes left.*

- *Lost revenue led to loss of services and foster homes. The damage caused by Boys and Girls Homes is still being felt more than a year later.*

- *In the Southeast and Eastern Service Areas, testimony highlighted one of the committee's major concerns:* ***Who knows the child?*** *By statute, the state is responsible for the care of children in its custody. However, today the Children and Family Outcomes Monitor (CFOM - the department's worker in court) does not have any first-hand knowledge of the child.*

- *The Children and Family Outcomes Monitor's job has become oversight of the paperwork rather than oversight of the child.*

- *In addition, testimony by prosecutors, subcontractors, and biological and foster parents revealed many serious issues with lead agency case management, including high case loads, high worker turnover, lack of knowledge of the case history, and lack of appropriate documentation for decision-making -- all of which ultimately hinder permanency for the child.*

SUMMARY OF CHAPTER 5 – Report of the Auditor of Public Accounts

Chapter 5 is the Executive Summary of the Auditor of Public Accounts' *Attestation Report of the Nebraska Department of Health and Human Services Child Welfare Reform Contract Expenditures July 1, 2009 through March 31, 2011.*

HEALTH AND HUMAN SERVICES COMMITTEE FINDINGS:

- *The financial oversight of the lead agencies was woefully inadequate from the beginning. The committee is disturbed by the very rudimentary oversight of the lead agency contracts.*

    - *The lack of basic financial planning and accountability led to millions of dollars spent on lead agencies: one that later did not participate in a contract, two that ended the contracts owing millions of dollars to subcontractors, and two that needed massive*

infusions of funds to continue the contracts. As a result, contrary to DHHS' stated goal to operate within existing resources, the financial audit revealed a 27% increase in child welfare costs between 2009-2011.

- *There was insufficient vetting and inconsistent assessment of the lead agencies.*
- *The financial audit raised concerns regarding the lack of performance bonds for lead agencies.*
- *The normal state process for bidding contracts, overseen by the Department of Administrative Services (DAS), was not used.*
    - *DHHS maintains the contracts were exempted from the DAS process under Neb. Rev. Stat 73-507(2)(e), which provides that exceptions to the competitive bidding provisions may be granted for "contracts with direct providers of medical, behavioral, or developmental health services, child care, or child welfare services to an individual."*
- *Additionally, lead agency contracts have been amended as many as eight times without rebidding.*
- *The contracts have morphed from service coordination contracts to full privatization contracts for case management of state wards.*
    - *One lead agency contract was expanded to include two prior lead agency contracts, resulting in full privatization in a large urban geographic setting with child welfare responsibility from beginning to end. Those responsibilities included voluntary interaction with the family; influence in the investigation through Initial Response Unit teams; and making all service and case recommendations for the child and family including placement, therapy, visitation, reunification, termination of parental rights, guardianships, adoption and after care.*
- *The financial audit shows that the state spent proportionally more in privatized service areas than in service areas still under state management.*
    - *Funding in the areas served by DHHS stands in stark contrast to the funds made available to two lead agencies and the privatization effort in the Southeast Service Area and the Eastern Service Area.*
        - *The DHHS portion of the Eastern Service Area as well as*

the Western, Central and Northern Service Areas have not had proportionally additional funds provided, despite having the same challenges faced by children and families in the areas supervised by lead agencies.

- *For example, as the financial audit report notes, "NFC required as much as $6 million, or 39% more than did DHHS to provide essentially the same type and number of client services."*
- *In fact, because Boys and Girls Homes failed, the Western, Central and Northern Service Areas had great challenges as subcontractors were left with debts resulting in a reduction of resources, loss of providers, and shrinkage of services for children and families.*

- *The committee agrees with the financial audit report's findings that DHHS did not monitor contracts, which meant DHHS:*
  - *could not ensure that contract requirements were met,*
  - *did not provide financial oversight of subcontractors, and*
  - *did not discover or prevent inaccurate billing by lead agencies.*
- *Of special concern to the committee is the financial audit's determination that no documentation existed for the additional expenditures. The financial audit report states ". . . along with the initial $7 million for the implementation contracts there* ***appears to be no documentation*** *supporting the various contract amendments that have given rise to ballooning service costs -- such as the total $6 million contractual increase for NFC and KVC per Amendment 5, and a further $19 million in overall service contract increases for those same two providers per Amendment 7."*
- *Finally, the committee shares the financial audit report's concern that there is no tracking of financial data in N-Focus, which undermines lead agency accountability and DHHS' oversight function.*

SUMMARY OF CHAPTER 6 – Legislative Fiscal Office

Chapter 6 includes the Legislative Fiscal Office's briefing, "Fiscal Overview of Child Welfare Privatization in Nebraska," presented October 18, 2011, at the request of the committee. The purpose of the briefing was "to assist state senators in their examination of child welfare reform and the privatization of service coordination and case management, asking the public policy questions that are needed for making decisions in the future."

- **Why were increased costs incurred?**
  - The lead agency contracts were global transfer contracts which are the most at-risk contracts. Contractors receive a set amount regardless of the number of children served or the level of cost of the services.
  - A case-rate contract that sets a certain amount per child per month regardless of the level of care or cost of service was another option considered. Initially, there was not adequate information to establish a case rate; although movement to a case rate continued to be discussed.
  - Contractors who ended lead agency contracts, and those remaining, stated that the costs were substantially higher than anticipated based on information provided prior to signing the contracts, including the number of youth in foster care, the non-court involved cases, and court-ordered treatment costs not covered by Medicaid.
  - In January 2011 after the three other lead agencies' contracts ended, the department gave case management to the two remaining lead agencies to provide them with some control over services. However, the state is still ultimately responsible for children who are state wards; and courts are responsible for providing services as determined to be in the best interest of children. Contractors cite judges' ability to order specific placement as one of the cost drivers that leads contractors to request additional funds.
  - The transfer of case management was not planned at the start of privatization. Transferring case management did help tie funding closer to decision-making. However, it disabled the state's infrastructure because it eliminated the "back stop" for case management and service coordination in the event contractors terminate the contracts.
- **How much did child welfare spending increase?**
  - Statewide expenditures for child welfare grew from $105.2 million in FY 2008-09 to $127.4 million in FY 2009-10 to $139.2 million in FY 2010-11.
  - Total expenditures, compared to the budget, increased by $20.5 million in FY 2009-10 and by $29.1 million in FY 2010-11.
- **How was the increase paid for?**
  - Additional amounts in child welfare were financed by 1) using carryover funding, 2) savings from staff reductions, and 3) federal funding offsets to the General Fund in subprograms within Program 347 (Child Welfare is one of 27 programs in Program 347).
  - Additional funds were paid to contractors that either would have been lapsed to the General Fund or used to lower General Fund expenditures.

- Amendment Five (October 2010): $6 million of $9 million in Emergency Temporary Assistance to Needy Families Funds ("TANF") were utilized that had not been factored in when appropriations were set because it was unclear whether Nebraska would qualify.
- Amendment Seven (January 2011): $19 million from remaining Emergency TANF staff reductions, carryover, Aid to Dependent Children ("ADC") fund mix changes, and new TANF funding for family preservation services.
- Amendment Eight (June 2011): $5.5 million increase in KVC contract was from under-spending in other subprograms located in Program 347.

- **Will additional funds be needed in FY11-12 and FY12-13?**
  - Based on the contracts with KVC and NFC and estimates, the current appropriations amount appears more than adequate. <u>However, there are many assumptions attached to the contracted amounts and staying at those levels will require significant changes</u>.
  - The repeated need of "one time" funding causes skepticism, especially considering contracts in FY11-12 in actual dollars are less than FY10-11 for KVC and, when adjusted for additional caseload, less for NFC.
  - In order to meet contracted amounts, fewer children must enter care and permanency must accelerate. **The lowering of the overall costs is the result of the assumption that there will be a reduction in the number of children served by approximately 15%.**
  - Contractors and DHHS indicate this will be done by establishing a new assessment process, accelerating permanency, implementing structured decision-making, improving performance, and depending on DHHS to reduce the number of referrals.
  - KVC stated to the Legislative Fiscal Office staff that KVC had contributed $14 million in private funds to the reform effort in Nebraska and no further private funding is available. NFC stated it had provided $7.5 million and would contribute $2 million more.
  - If the overall number of children being served is not reduced, further amendments to the contract will be necessary as any shortfalls beyond the above commitments will require further negotiations.

- **Are additional funds available?**
  - Federal stimulus (ARRA) funds are no longer available and unexpended balances are not authorized to be reappropriated. DHHS does have $7.1 million in FY 2011-12 and $9.4 million FY 2012-13 that could be used for additional child welfare costs.

- DHHS requested $5 million in "detention services." In reality the need was $200,000 in FY 2011-12 and $400,000 in FY 2012-13. The balance of the $4.8 and $4.6 million was an indirect way to increase funding for services to state wards.

- **What is the state getting through privatization?**
  - Privatization has resulted in higher costs to date. The structure alone lends itself to higher costs. Initially two systems were being supported under the privatization model. Even after case management moved to the contractors and 77 FTE DHHS positions were no longer required, additional DHHS staff is necesaary for monitoring contracts.
  - Contractors are required to meet certain standards, assuming those standards are enforced by the state through oversight.
  - One reason for privatization according to a NCSL consultant is to change a culture. When compared to national averages, Nebraska exceeds other states in the removal of children from their homes. Contractors indicate they are committed to right-sizing child welfare because removing children when not needed causes harm to children.

- **Conclusion**
  - Child welfare contracts were increased substantially with little or no involvement from the Legislature, even though the Legislature controls the appropriation process. DHHS increased the contracts without legislative involvement by: 1) moving money between subprograms; 2) carrying over unused balances for the prior three years; 2) using federal stimulus (ARRA) funds; and 4) transferring case management, which allowed the department to reduce personnel and operation costs.
  - Huge system changes will need to occur to keep costs within contracts.
  - If additional funding is required, DHHS has some flexibility, but far less than it has had in the last two years.

HEALTH AND HUMAN SERVICES COMMITTEE FINDINGS:

- *The Legislative Fiscal Office reports from late 2009 to June 30, 2011 that state expenditures for privatization are over $250 million. In addition, beginning in 2009, many lead agencies participating in privatization, by their own estimates, contributed at least $30 million in private funds. Moreover, subcontractors either through contributions in services, or by lost revenue, have provided millions of dollars in private funding to the child welfare system. Despite the total funds allocated and spent on child welfare, the state still does not have a fiscally sustainable system.*

- *The lead agencies asserted that transferring case management to them would save money. Apparently this has not occurred as a new*

benchmark of a 15% reduction of children and youth in the child welfare system is required to finance the current contracts.

- *The committee finds that the Legislature should require better accountability and monitoring systems to ensure funding reflects realistic assessment of system needs and funding is used as the Legislature intended.*
- *DHHS should add a financial expert to formulate and monitor the child welfare system as well as provide data analysis and needs forecasting.*
- *The committee finds that there was no analysis of the cost of the child welfare system prior to privatization. In addition, apparently no detailed baseline of the state's system was established prior to structuring the requests for proposals from potential contractors. As a result, DHHS made the faulty assumption that the contracts could be performed though "existing resources," even with additional uncompensated requirements, such as after-care services.*
- *As the Legislative Fiscal Office noted, the real costs exceed projections due to the lack of a thorough fiscal evaluation and a cost-benefit analysis prior to implementing privatization. Additionally, in spite of numerous assertions from DHHS that a case rate would be developed, to date one has not been negotiated. Neither have other risk mitigation components been developed that other states have used, for example, stop loss provisions or the establishment of special funds for high needs cases.*
- *A case rate pays an amount for each child referred to a lead agency. The risk to the lead agency is reduced because it is paid for each child in its system. The lead agency is required to provide all services to the child at a per person rate.*
    - *Accordingly, as lead agencies point out, the lead agency can achieve financial security by effectively managing the cost and level of services. The opportunity to make money is proportional to the degree to which the cost per case can be reduced relative to the rate being paid.*
        - *Thus, gains are achieved by reducing or changing the intensity and mix of services. The fewer services provided to children and families, over the longest period of time, the more funds from the case rate are added to lead agencies' revenue.*
- *The challenge for DHHS is to accurately determine a case rate. The actuarial approach for determining a case rate uses* ***historical child welfare data*** *to predict the child welfare cost in the future.* ***Using historical child welfare data is highly problematic for a number of reasons:***

- *First, the **quality** of historical cost data is questionable.*
  - *As discussed in both the Legislative Fiscal Office report and the Auditor of Public Accounts financial audit report, Nebraska child welfare costs have been impossible to accurately ascertain.*

- *Second, the target child population served has been **unclear**. (See Chapter 8, Foster Care Review Board Report; and Chapter 9, Data, for further discussion).*
  - *Much pre-privatization data identify children who are "wards of the state," while current data identified by DHHS and lead agencies are for "children served." "Children served" includes children who are wards of the state, siblings of wards of the state, non-court involved children, and voluntary cases. Some data is supplied by lead agencies and not independently verified by the state.*

- *Third, levels of services **change over time**. Services provided in the past may not be an accurate reflection of the cost of the service mix provided to children and families in the future.*

- *Finally, **whose financial data should be used** to set the rate?*
  - *For example, lead agencies have provided DHHS their financial data and examples of potential case-rate-setting methods to review and consider.*
  - *However, the committee maintains it would be very important for DHHS to provide similar specific financial data from the service areas managed by the state.*

➢ *It is essential to have accurate financial, population, and service data to be able to compare the case rate for the public sector to the lead agency proposed rate. This would assist policy makers in determining if privatization is cost-effective.*

➢ *Additionally, if the lead agency's proposed case rate is found to be an appropriate cost-benefit solution, then a national expert should be retained by DHHS to develop a prospective statistical model which includes a case rate for all child welfare service areas in the state.*
  - *It is not appropriate to continue to fund two service areas managed by private agencies at a higher rate than the areas managed by DHHS. Equity in funding must be ascertained and attained.*

SUMMARY OF CHAPTER 7 – Surveys

Chapter 7 provides information from several surveys of key groups with intimate experience with the child welfare service system: judges, team members of the Supreme Court's Through the Eyes of the Child initiative, foster and biological parents, and attorneys.

Survey of Judges and Survey of Team Members, Through the Eyes of the Child Initiative

Staff for the Supreme Court's Court Improvement Project surveyed judges and team members separately using questions developed at the request of Senator Campbell and with her collaboration.

The judges survey went only to the 44 judges then active with juvenile jurisdiction. Thirty-eight completed the survey for a response rate of 85%.

The team members' survey went to county attorneys, parents' attorneys, guardians ad litem, DHHS employees, private agency employees, Foster Care Review Board staff, court-appointed special advocates, foster parents, service providers, and court personnel. Through the Nebraska Supreme Court's initiative known as Through the Eyes of the Child, people in these capacities participate on "teams" for individual children's cases within the court system. One-hundred forty-four people responded to the survey. A response rate cannot be calculated because team membership is fluid and the entire number of team members is unknown.

Respondents were divided into two groups: those whose jurisdictions were in the Eastern and Southeast service areas that had fully privatized case management (except for a third of the Douglas County cases); and those in the Central, Northern, and Western service areas that had gone back to DHHS case management and service coordination following the failure of the single contractor in that part of the state.

The surveys asked for comparisons of key factors at three points in time: prior to the first major privatization effort involving lead agencies, during the first effort of partial privatization, and during the current full privatization if services in the Eastern and Southeast areas and no privatization in the rest of the state.

A chart summarizing the two surveys' results follows. Responses are detailed in Chapter 7 of this report.

Survey Results Summary
Judges and Team Members, Through the Eyes of the Child
late July and early August, 2011

	Judges		Team Members	
Item	Privatized Areas	Non-Privatized Areas, post-privatization*	Privatized Areas	Non-Privatized Areas, post-privatization*
Services				
Availability	worse	worse	worse	worse
Access	about the same	worse	worse	worse
Access in OJS Cases	worse	worse	worse	worse
Foster Home Availability	[not asked]	[not asked]	worse	worse
Quality	slightly worse	slightly worse	worse	worse
Caseworker				
Knowledge	worse	slightly worse	worse	worse
Judgment	slightly worse	worse	worse	worse
Preparation	worse	worse	worse	worse
Contact with children	slightly worse	worse	worse	worse
Responsiveness to children's needs	slightly worse	slightly worse	worse	worse
Responsiveness to Parents' Needs	[not asked]	[not asked]	worse	worse
Contact with other parties	slightly worse	worse	worse	worse
Stability (low turnover)	[not asked]	[not asked]	worse	worse
Capacity, OJS cases	worse	worse	worse	worse
Placement				
Access in OJS Cases	worse	worse	worse	worse
Stability	worse	worse	worse	worse
Case Plan Court Reports				
Timeliness	better	worse	worse	worse
Quality	about the same	about the same	worse	slightly worse

Judges' Responses to Guardian ad Litem Statements

Statement	Judges in privatized areas	Judges in non-privatized areas
I am satisfied with the participation of GALs in my court	Agree. Agreement is somewhat weaker than that of judges in non-privatized areas	Agree. Agreement is somewhat stronger than that of judges in privatized areas
GALS in my court provide useful information on children's needs	Agree. Agreement is somewhat weaker than that of judges in non-privatized areas	Agree. Agreement is somewhat stronger than that of judges in privatized areas
GAL input has been more important since privatization	Agree. Agreement is somewhat weaker than that of judges in non-privatized areas	Agree. Agreement is somewhat stronger than that of judges in privatized areas

** In almost every category, the post-privatized areas are improving as compared to these areas when they were privatized.*

Survey of Foster and Biological Parents

At Senator Campbell's request, the Office of the Public Counsel (Ombudsman's Office) surveyed foster and biological parents. From the last week of July to mid-September, current and former foster parents across Nebraska answered the 21-question survey; ultimately, the Ombudsman's Office received 269 completed surveys from this group. Results are based on fewer than 269, however, because the office used responses only from foster parents who had experience with all three organizational components of the system: DHHS, lead agencies, and foster care agencies. This means, for example, only 154 provided answers relating to all three components of the system on the question dealing with communication, and only 137 offered answers relating to all three components of the system on the question dealing with providing information relating to the foster child to the foster family prior to placement.

The office also interviewed or received completed surveys from 132 biological parents.

The surveys asked for foster parents' level of satisfaction with communication, responses to their requests and problems, transportation, medical, and psychological services for the child, visitation schedules, payments, and support services made available to the foster parents, such as respite care. In addition, we asked the foster parents whether they had received adequate information about their foster child before accepting him or her into their home. Biological parents were asked to indicate their level of satisfication with DHHS and the lead agencies.

- Of 130 biological parents, when asked how many caseworkers had managed their case in the past 12 months, 130 responded as follows:
  1. One Caseworker - 30 %
  2. Two Caseworkers - 25.4 %
  3. Three Caseworkers - 23.1 %
  4. Four Caseworkers - 12.3 %
  5. 5 to 7 Caseworkers - 6.2 %
  6. 8 to 10 Caseworkers - 3 %

- This means that 21% had four or more case managers in 12 months.

When he presented the report to the HHS Committee on October 18, 2011, Marshall Lux, Public Counsel, observed that one problem we often see in bureaucracies is

> . . . a certain level of arrogance. They are the experts. They know. They don't need you to tell them what's right. . . . My point is that you can privatize the system or not . . . that's up to you; but don't think you're getting away from bureaucracy by moving the management of the system from DHHS to the lead agencies because they are bureaucracies too.

The complete results of the Ombudsman's Office survey of foster and biological parents is found in Chapter 7 of this report and online at http://goo.gl/nAIzW. The Center for Public Policy at the University of Nebraska-Lincoln produced its own analysis of the survey results and those are also found in Chapter 7 and at the website address above.

Survey of Attorneys

At Senator Campbell's request, the Nebraska Appleseed Center for Law in the Public Interest surveyed members of its listserv of about 275 child welfare attorneys in Nebraska in the Fall of 2011. Ninety attorneys completed the survey. Respondents included a county attorney, public defenders, guardians ad litem, attorneys for juveniles, attorneys for birth/biological parents, attorneys for foster parents, and attorneys for grandparents and other relatives.

The majority of the respondents (29%) have practiced juvenile law for ten to twenty years. For most respondents (33%), juvenile court work makes up 25% to 30% of their practice.

The Public Policy Center at UN-L compiled survey results, analyzed the data, and reported results to Appleseed. Those results are detailed in Chapter 7 of this report. Appleseed's website also presents information on the attorney survey survey at http://neappleseed.org/blog/5058.

One section of the survey asked respondents to rate 14 elements of the child welfare system:

- Availability, timeliness, quality, and stability of services
- Caseworker knowledge and judgment of case
- Caseworker contact with children and families; responsiveness to children and families' needs
- Caseworker contact with attorney; contact with other parties
- Caseworker turnover
- Timeliness and quality of case plan court report
- Placement stability

With one exception, attorneys in privatized areas and non-privatized areas rated each of the elements significantly lower under full privatization than before. (Attorneys in non-privatized areas did not rank "stability of placement" significantly lower under privatization than before privatization.)

Attorneys in both privatized and non-privatized disagreed or strongly disagreed with the statement, "Privatization, as it is currently structured, will eventually be successful."

HEALTH AND HUMAN SERVICES COMMITTEE FINDINGS:

- *The purpose of the surveys was to gain insights regarding privatization and child welfare from individuals who have direct interaction with the child welfare system on a day-to-day basis: judges, Eyes of the Child*

teams, foster care providers, biological parents, attorneys, and guardians ad litem. The primary effort was to reach out to the judicial branch because all the research on child welfare reform and privatization make very clear that collaboration and involvement of the judicial branch is paramount.

- *Biological parents are the key factor for resolving family issues within the child welfare system. Foster parents are the primary source of care and support for children outside the home. As the principal constituents – second only to the children – of the child welfare system, their voices were an important component of LR 37.*
- *The committee was struck again and again by the dedication and commitment of foster parents to do the very best for the children in their care. This was demonstrated even in the surveys, as the data showed that foster parents were more concerned about the lack of communication and professional support from case managers and agencies than they were about payment issues, despite abysmal compensation provided to foster parents. For the most part, the providers who are recruiting, training, and supporting foster parents were given higher marks for their consistent contact and general helpfulness. A number of long-time foster parents have noted they may not continue due to the confusion, turnover, and sense of disrespect for their role in the child welfare system.*
- *Of special note is the consistency of the findings across all the surveys. This is especially highlighted in the results regarding timely permanency for children in the currently privatized areas. The surveys illustrate privatized case workers' lack of knowledge of the child, lack of understanding of the judicial system, and lack of documentation in the files. All of these shortcomings reduce the odds that children will find permanency.*
- *The biological parent survey reveals a disturbing trend in case management that is reiterated in the Foster Care Review Board Report (Chapter 8 of this report) – the high number of case manager turnovers. Of the 130 biological parents asked in the survey how many caseworkers had managed their case in the past 12 months, 21% had four or more case managers in 12 months.*
- *Additionally the surveys demonstrate that attorneys and judges strongly disagree with the statement "Privatization as structured will eventually be successful." After reviewing the survey results, the committee must concur with that lack of optimism.*

SUMMARY OF CHAPTER 8 – Foster Care Review Board

The Foster Care Review Board (FCRB), under the Foster Care Review Act (Neb. Rev. Stat. §43-1301-4318), independently tracks children in out-of-home care;

reviews children's cases; collects and analyzes data related to the children; and makes recommendations on conditions and outcomes for Nebraska's children in out-of-home care, including any needed corrective actions. In response to a request from the Health and Human Services Committee, the Foster Care Review Board, in conjunction with its annual report, provided an analysis of the data from January to June of 2011 regarding privatization and its effects on children and youth.

The FCRB analyzed data on 8,258 children who were in out-of-home care in calendar year 2010 and children who were in out of home care through June 2011. The FCRB conducted reviews on 4,730 cases in 2010 and 2,383 cases through June 2011. Based on these reviews, the FCRB reports:

- There were caseworker and placement changes that were not reported as mandated by state law.
- A comparison of children reviewed in 2008 to children reviewed during the change in case management in June 2011 shows that the top three concerns are:
    1. "No documentation" of safety and appropriateness of placement increased from 19% to 37%;
    2. Lack of complete case plan climbed from 26% to 43%; and
    3. Children in out-of-home care with four or more DHHS case managers went from 35% to 51%; and 21% of children under lead agencies had four or more case managers *in the first six months* of 2011 (Southeast Service Area - 29.7%; Eastern Service Area, Agency 1- 18.8%, Agency 2 - 6.6%).
- Documentation is vital because it provides evidence on which judges and others may base prudent decisions on placement, services, health, and education. The following shows the percentage of documentation missing in several areas for which documentation is required:
    1. Lead Agency 1: 22% visitation, 38% home study, 35% therapy, 41% educational, and 32% immunization.
    2. Lead Agency 2: 20% visitation, 51% home study, 40% therapy, 51% educational, and 53% immunization.
    3. DHHS: 21% visitation, 28% home study, 33% therapy, 37% educational, and 24% immunization.
        - From November 2009 to January 2011 there was a 6% reduction in the number of children placed out of home, but there was a loss of 17% of licensed foster homes and a 15% reduction in child care facilities.
        - From January to June 2011 regarding sibling visitation:

        - 1,162 children had no sibling, were placed with their siblings, or the court found sibling visitation was not appropriate.
        - Of the remaining 1,222 children, sibling visitation occurred 65% of the time; but 34% of the children either had no documentation regarding visits or were not having visits with their siblings.
    - Almost 20% of children reviewed by FCRB in 2010 had a psychiatric diagnosis.

- Magellan Behavioral Health is the administrative services company managing Nebraska's Medicaid mental health treatment. A child's diagnosis must meet the "medical necessity" definition in order for Medicaid to pay for services. At times, despite the child's treating therapist's evaluation and assessment, Magellan determines the level of treatment requested does not qualify as medically necessary under Nebraska regulations and therefore is not covered by Medicaid. Accordingly, Medicaid payment is often the determining factor regarding children's placement, service, and treatment despite the opinion of the child's therapist.

- FCRB reports special populations of children also have difficulty obtaining appropriate treatment. These include children with special physical conditions, those with behavioral issues, those involved with the juvenile justice system, and those with developmental delays and substance abuse.

- Nebraska's child welfare system needs the development and strengthening of oversight of DHHS, lead agencies, subcontractors and contracts.

- Children and Family Outcome Monitors ("CFOMs") are DHHS workers responsible for monitoring children in the child welfare system and are to provide state oversight of cases. However, CFOMs have no personal knowledge of the cases they oversee; they monitor only through information from lead agencies rather than from their own independent case knowledge; and they do not know the children for whom they are responsible.

- Appendix D of the FCRB report compares Nebraska federal CFSR results with those in Kansas, Tennessee and Florida (states that initiated privatization efforts prior to Nebraska).

- Based on the analysis of data from 2010 and the first half of 2011, the FCRB makes the following recommendations to rebuild the child welfare infrastructure:

    - Stabilize the system by reducing workloads for front-line workers, and increase retention, training and supports. Examples include

    - Weigh cases according to demands and complexity (number of siblings; level of need) and consider other duties assigned (transportation, visitation monitoring) when developing reasonable caseload size.

- Training, supervision, and caseload size should reflect the need for timely and accurate record keeping, both for comprehensive clarity in children's files and for entry into the SACWIS system for reporting to the FCRB as required by statute.
  - Increase the number of placements available and increase the appropriateness of those placements. Examples include:
    - Increase the resources provided to foster parents.
    - Ensure that relative placements receive adequate support and oversight.
    - Ensure that reimbursement rates for relative and non-relative foster parents are adequate to provide room and board.

- Increase the number of foster homes available, especially those willing to take older children, sibling groups, or children with difficult behaviors; and increase the capacity of group homes and shelters to meet current needs.

- Develop a process that will allow someone placing a child in a home to have sufficient information about other children in the home so that a safety assessment can be made.

- Collaboratively develop a comprehensive, clearly defined, and communicated plan on how the child welfare system will be structured. Plans must include:

  - achievable goals, with time lines for goal achievement;

  - standards for service delivery, documentation, and court participation;

  - a way to respond to safety issues;

  - clarity as to how children are counted in the system so that comparisons with other states can be more accurately made;

  - adequate and clear evaluation and oversight processes;

  - a moratorium on additional structural changes until a plan is developed;

- improved access for mental health and substance abuse services for children and parents, including services to address children's behavioral issues;
- an examination what managed mental health care will and will not fund; and
- an examination of the appeals process to ensure it is realistic.

HEALTH AND HUMAN SERVICES COMMITTEE FINDINGS:

- *The FCRB's review of cases indicates a variety of concerns regarding the safety, permanency and well-being of children in out-of-home placement under lead agencies. Research* shows that permanency substantially drops with each case manager. Children with one case manager achieved permanency in 74.5% cases. However, for children with two or more case managers, it drops to 17.5%, down to .1% for those who had six or more. Accordingly, the committee is deeply concerned that an average of 21% of children in the first six months of 2011 had four or more case managers.* (*Diane Riggs, *"Workforce Issues Continue to Plague Child Welfare,"* Summer 2007 *Adoptalk*, North American Council on Adoptable Children, retrieved at http://www.nacad.org/adoptalk/WorkforceIssues.html.)
- *In addition, the lack of appropriate documentation on at least a fourth, and up to half, of the children means potential safety, permanency and wellness issues for children.*
  - *"No documentation" cannot be assumed to mean the activity occurred appropriately but was not documented.*
  - *Rather, it must be assumed the action was not taken and therefore documentation does not exist. Accordingly, "no documentation" is of deep concern.*
  - *For example, when home studies and visitation documents do not exist in cases of supervised visitation, a child may be at risk.*
  - *No documentation also slows permanency for children because it means courts delay hearings while awaiting evidence on which to base decisions or support reasonable efforts.*
  - *The lack of documentation of children's health , education, evaluation, and therapy means that we do not know if children receive appropriate care and services.*
  - *At a minimum, lack of documentation shows lead agencies are not complying with contract requirements.*
  - *It also illustrates DHHS' ineffective monitoring of lead agency contracts in regards to visitation in over 20% of children's cases.*

- *The committee is concerned with the declining number of foster care homes and child care facilities. This array of services has to be rebuilt.*
- *Case management should be returned to DHHS to stabilize the system, fulfill the state's responsibilities to children, and improve outcomes for children and families. The state's commitment to permanency, safety, and well-being of children will be strengthened through direct responsibility for case management. When case managementis returned to DHHS, the department must commit to improving case management. Those improvements should include enhanced training, independent informed decision-making, accountability, and appropriate case load sizes. A stable work force will help expedite permanency and provide consistent adult mentors who personally know and support the children in the foster care system.*
- *True child welfare reform will only be achieved through stronger case management, strategic planning, broad collaboration, integration of services for children, and the combination of available funding streams.*

SUMMARY OF CHAPTER 9 – Foster Care Compensation

Chapter 9 presents information on foster care compensation. Included is a letter from DHHS to Senator Campbell answering questions regarding compensation guidelines for foster parents; supervision of children in foster care; foster parent input; and number of foster parents.

Also included is the department's response to inquiries from Senator Campbell and Senator Annette Dubas. As part of her LR 286 interim study, Senator Dubas asked the following questions, which are based on federal requirements:

- How does the department, each lead agency, and each subcontractor determine the rate of payment for these costs for foster children?
  - food
  - daily supervision
  - school supplies
  - reasonable travel expenses for home visits
  - reasonable travel expenses for the child to remain in the school in which the child is enrolled at the time of placement
  - personal incidentals
  - liability insurance
- What process, if any, do the department, lead agencies and subcontrators use to take into account children's individual needs in determining payments to foster parents?
- What rates do the department, the lead agencies, and subcontractors currently pay to foster parents?

The department's method appears to be set at a fixed amount, which is to cover the cost of certain services (food, supervision, school supplies, transportation,

school enrollment, and personal incidentals). The state provides liability insurance as per Neb. Rev. Stat. §43-1320, and Medicaid covers children's health care costs.

The department pays higher rates for higher needs, as determined by a point system. Case workers go through a foster care payment (FCPay) checklist for each child, giving points for extra needs, behavioral problems, disabilities, etc. The point brackets are divided by age (0-5 years, 6-11 years and 12 years and older), with older children receiving more money than younger children as shown in Attachment F of DHHS' response to Senator Dubas. An additional category is used for respite care pay. Rates also differ from foster home to foster home based on their licensure status.

Additionally, DHHS may pay foster parents directly under the traditional foster parent arrangement or to an agency-supported foster care under a "tiered rate" system. According to the FCPay rate (Attachment F of DHHS' response to Senator Dubas):

- A traditional foster parent of a healthy child aged 0-5 with no behavioral or mental health issues will receive $246 per month, or $8.20 per day.
- Under the tiered rate, the agency providing foster care services receives $973.44 per month, or $32.00/day.

According to DHHS' response to Senator Dubas, the lead agencies, KVC and Nebraska Families Collaborative ("NFC"), use United States Department of Agriculture ("USDA") estimated costs of raising a child excluding health care and child care costs. KVC uses the median age of foster children in the Midwest and the USDA estimate of what it costs to raise a child of that age as the median for determining base rates.

DHHS' response states that subcontractors do not use an independent method for making payments to foster parents.

- They use the charts developed by DHHS, KVC, and NFC and then adjust for their administrative fees.
- As a result, the rates vary from agency to agency.
- However, four subcontractors have agreed to reimburse at the same rate to avoid competition.
- Several subcontractors indicated they reimburse families between 45-55% of the contracted rate received from DHHS or lead agencies.

Also in Chapter 9 is documentation in response to Senator Campbell's requests to KVC and NFC for compensation guidelines for foster parents; supervision of children in foster care; foster parent input; and number of foster parents.

The above summary of DHHS's responses was compiled by Joselyn Luedtke, JD, legislative aide to Senator Annette Dubas.

HEALTH AND HUMAN SERVICES COMMITTEE FINDINGS:

- *Foster care parents are the front-line, direct-service providers for the care, safety, and well-being of Nebraska children who are placed out of their homes. Foster parents are a critical component for a positive transition of children back into their homes in a timely manner. Additionally, foster parents are critical for providing high-quality, skilled services to children with special needs who, without that care, will potentially require higher levels of service.*
- *Foster parent surveys (see Chapter 7) demonstrate that the safety net provided by foster care families is fragile and damaged. Additionally, the Foster Care Review Board Report (see Chapter 8) indicates a decrease in foster care homes in the state. Increased focus on recruiting and retaining high-quality, experienced, trained foster parents is paramount if Nebraska's child welfare reform is to succeed.*
- *Foster care parent compensation in Nebraska is inconsistent. There is no statewide standard required of DHHS, lead agencies and subcontractors. In order to ensure highly-trained, skilled foster parents, a basic statewide rate for compensation should be established. Foster Care "Minimum Adequate Rates for Children" (the "Foster Care MARC") is a study completed in 2007 by Children's Rights, the National Foster Parent Association and the University of Maryland School of Social Work. The Foster Care MARC's analysis is based on expenditures allowable under the Title IV-E Foster Care Maintenance Program of the Social Security Act. The Foster Care MARC sets a basic foster care rate that can be a resource for determining Nebraska's basic foster parent compensation rate.*
- *In addition, foster children have unique needs that may require increased travel. Such needs can include therapy and education requirements that are above the normal expectation of foster care. Also, infant care, teenager, and kinship care are areas of compensation that should be explored. Foster care compensation should be adjusted as necessary to reflect these costs.*
- *Foster children should not be subject to additional isolation, embarrassment or insecurity from lack of appropriate, well-fitting, new clothing. Accordingly, foster parents should be provided appropriate biannual clothing allowances for children in their care.*

SUMMARY OF CHAPTER 10 – Contracts

Chapter 10 contains information the committee received on contracts:

- Legislative Performance Audit Report (excerpts of recommendations regarding contract process and oversight)

- Nebraska Auditor of Public Accounts Audit (summary of excerpts re: contracts)
  - Boys and Girls Home contract settlement issues
  - Competitive bidding requirements
  - Determination of initial Service Contract amounts
  - Contract transition percentages

- Background information on service contracts prepared by legal counsel to the Government, Military and Veterans Affairs Committee.
  - LB 626, 2003 and Executive Order No. 02-03
  - Documenting service contracts
  - State agency directors' duties
  - Requirements for state agency contracts for service
  - History of child welfare exception from DAS bidding requirements
  - Additional statutes on service contracts: Neb. Rev. Stat. 73-301 to 306

- DHHS Memo: Overview of Issues Related to DHHS Service Delivery and Coordination Contract with Boys and Girls Home, Inc.
  - Prepared for Health and Human Services Committee, September 7, 2011
  - Purpose of the overview is to provide the committee with information regarding unresolved issues surrounding the three contracts between DHHS and Boys and Girls Homes for chid welfare and juvenile services entered into in November 2009 and terminated in February 2011.
  - Timeline of events
  - Legal issues regarding payment to subcontractors
    - DHHS authority
    - Subcontractors as third party beneficiary
  - Assignment of subcontractor claims
  - Settlement negotiations

- DHHS Memo: Contracting for Certain DHHS Duties under Juvenile Code and the Office of Juvenile Services Act, June 23, 2011
  - Whether DHHS has authority to contract with private entities for child welfare juvenile service case management.
  - General authority to contracted
  - OJS powers and duties
  - Case management under the Juvenile Code
  - Conclusion by DHHS:
    - Nebraska case law permits state agencies to contract out or delegate their governmental duties to private entities.
    - The Legislature has expressly granted DHHS the power to delegate under the OJS Act as in social services statutes
    - DHHS should retain a supervisory or final decision-making role in order to carry out these contracts.

HEALTH AND HUMAN SERVICES COMMITTEE FINDINGS:

- *DHHS did not take a number of crucial steps before embarking on privatization: there was limited data analysis, no cost-benefit analysis, no strategic plan, no formal implementation plan, no readiness assessment, only minimal planning to conduct formal contract oversight, no method for monitoring financial viability, scant documentation, and no evaluation process. The department's failure to do these things before entering into contracts (and multiple contract amendments) worth hundreds of millions of dollars has:*
  - *Exposed the state to financial liability.*
  - *Contributed to the lead agencies' financial instability.*
  - *Forced subcontractors (who were required to contract with lead agencies to continue to provide services in Nebraska) to engage in a system of untenable financial risk with no established process to respond to grievances or hold the lead agencies accountable.*
- *Front-loading of Boys and Girls Homes' contracts resulted in the loss of millions of dollars without services provided and, apparently, no appropriate contractual remedy for the state. Not only is this a breach of the state's fiduciary duty to taxpayers, it has destroyed resources that once provided essential services to families and children and left other resources in a state of financial instability.*
  - *Subcontractors are owed millions of dollars as a result of lead agencies' abandoning their contractual obligations.*
  - *Despite financial risk to themselves, subcontractors continue to provide the essential services for the protection and care of children for whom DHHS is legally responsible.*
  - *The committee encourages those subcontractors to avail themselves of legal means to remedy their losses.*
  - *Also, the committee finds that it is paramount to the reestablishment of trust in the child welfare system that the state find an equitable, appropriate, responsible solution to these issues.*
- *State government should institute protections to keep state agencies from entering into substantial personal services contracts without:*
  - *Conducting or obtaining a detailed analysis of the potential financial implications;*
  - *Maintaining appropriate documentation to support decisions;*
  - *Following the Department of Administrative Services bidding process; and*

- *Limiting the number, and breadth, of amendments to those agency contracts.*

➢ *By turning over case management to lead agencies, the state has failed to adequately supervise state wards in its care.*

- *Children and Family Outcome Monitors ("CFOMs") are required by law to review case plans at a level that maintains the state's supervisory and decision-making role for children.*
- *This is not possible under the current system. At the time of this report, each monitor has more than 80 cases – and the goal is for each one to have 120 cases.*
- *CFOMs do not have the time to conduct adequate reviews of recommendations' appropriateness for children. In reality, the "outcome monitor" is merely monitoring paperwork instead of gauging whether services are effective and suggesting changes if they are not.*

➢ *Numerous child welfare stakeholders have told the committee that when they tell DHHS their concerns about lack of services for children, the department responds "that is not the responsibility of the department – that is a lead agency function."*

- *There is a lack of response to concerns, and a limited capacity for evaluation or monitoring.*
- *The committee finds disruptions to the system have reached the level that DHHS is not fulfilling its statutory responsibilities to children as a result of privatization and the subsequent abdication of case management responsibility.*

➢ *Additionally, as the Auditor of Public Accounts report states, "Allowing the providers themselves to oversee the management of the cases that they handle gives rise to a potential conflict of interest – offering the opportunity, if not an actual incentive, for them to base decisions regarding the provision of services more upon cost criteria than upon the best interests of the recipients. Such a situation threatens not only to undermine the effectiveness of performance under the service contracts but also to prove harmful to the welfare of those receiving the services. To avoid these potential consequences, DHHS should discontinue the practice of allowing service providers to also assume case management functions."*

- *DHHS, in the Auditor of Public Accounts' report, responded " . . . because all case plans require court approval prior to implementation, they receive thorough scrutiny from county attorneys, guardians ad litem, parents' and juveniles' attorneys,*

court-appointed special advocates, the Foster Care Review Board, and the Juvenile and Appellate Courts . . ."

- *The committee finds that if the scrutiny from the entities listed above is the oversight mechanism for individual child welfare cases, then one could surmise their scrutiny is also important in oversight of privatization.*
- *The committee has reviewed, investigated and assessed through public hearings, reports, surveys, audits, documents, data and briefings the opinions of those listed above whom DHHS deems the appropriate entities to scrutinize both lead agency and DHHS action.*
- *The committee finds, and this report reflects, that the overwhelming, consistent, across-the-board determination expressed by representatives of all of these entities is that the lead agency contracts were ill-advised from the beginning; the movement of case management to lead agencies has produced neither the outcomes nor the cost savings for which the state contracted; continued amendments to the contracts that renegotiate compensation, services and outcomes is inappropriate; and, to date, DHHS has not produced an effective monitoring structure to perform oversight responsibilities.*

CHAPTER 11 – Data

The committee received and reviewed extensive data submitted in hearing exhibits and available on websites. In addition, the committee requested information from DHHS, KVC, and NFC. Chapter 11 contains a summary of these data and copies of relevant information. The data in Chapter 11 has helped frame many of the committee's findings and recommendations.

The committee is concerned about several issues connected with data:

- Uncoordinated reporting, analysis, and "silos" of databases – whereby agencies and the state cannot access data – are chronic, pervasive, systemic, serious problems.
- The department and the Legislature should address data issues immediately.
- However, a good data system will not in itself alone further child welfare reform. Data analysis and synthesis are crucial.
- Additionally, child welfare reform requires systems thinking.
- All three branches of state government and child welfare stakeholders should collaborate in systems thinking and integration to ensure services for children's safety, permanency, and well-being.

Data Provided by DHHS

- Absence of repeat maltreatment, reunification within 12 months of first entry, re-entries after reunification, permanency for youth in care two years or longer, by service area
- Percentage of children served and allocation of budget by service area
- Explanation of data descriptions
- CFS court involved and non-court involved children, June 13, 2011
- Subset of number of wards, June 13, 2011
- Children placed with siblings, statewide, June 27, 2011
- Derived placement

KVC Youth Served Placement

- KVC Point in Time Report Comparison

NFC Youth Served Placements

- NFC Point in Time Report Comparison

Data Provided by DHHS and the Division of Behavioral Health

- Mental health and substance abuse ("MH /SA")by person served, 2010
- Hastings Regional Center number of children served, 2010
- State wards in care, September 3, 2011
- Funding sources for children's behavioral health services, 2010
- Behavioral health expenditures FY2010, children services by category
- Division of Behavioral Health children expenditures by region/Helpline
- FY2010 Nebraska Medicaid/CHIP expenditures for MH/SA services
- FY 2010 Nebraska Medicaid/CHIP expenditures for MH/SA services by state ward
- FY2007-10 Nebraska Medicaid/CHIP Expenditures for MH/SA services
- FY2010 Nebraska child welfare expenditure for MH/SA services
- Nebraska Medicaid behavioral health expenditures by service date, out-of-state psychiatric residential treatment facilities
- Regional Center and Youth Rehabilitation Treatment Center FY 2009-10

Data Provided by KVC

- Case worker education
- Caseload information and turnover
- Previous employers KVC
- Face-to-face caseworker-child contacts, Eastern and Southeast Service Areas, June-September 2011
- Face-to-face caseworker-parent contacts, Eastern and Southeast Service Areas, June-September 2011
- Case documentation of monthly consecutive team meetings, June-September 2011
- Case documentation of monthly consecutive parent contacts, June-September 2011

- Case documentation of monthly consecutive youth contacts, June-September 2011
- Case documentation of monthly consecutive provider contacts, June-September 2011
- Court report timeliness, August 2011 Eastern Service Area; September 2011 Southeast Service Area

Data Provided by NFC

- Caseworker training, education, experience
- Caseworker turnover
- Caseloads
- Face-to-face contacts, caseworker-children (wards) caseworker-children (non-wards)
- Face-to-face contacts, caseworker-parents (wards); caseworker-parents (non-wards)
- Current case plans
- Timeliness of case plans

Casey Family Program Selected State and National Child Welfare Statistics

- Rate of children in care in population 2009
- Rate of entry into out-of-home care, FY2009
- Rate of exits to permanency by state, 2009
- Nationally, entries are declining

LR 37 RECOMMENDATIONS: Health and Human Services Committee

1. RETURN CASE MANAGEMENT TO THE STATE BY JULY 1, 2012.

- ***Policy Issue:*** A core function of government is to provide for children's safety, well-being, and permanency. The state is legally responsible for children in its custody. Accordingly, it should fully maintain the decision-making authority inherent in case management.
- ***Stability of System:*** Contracting out case management results in the state being dependent on a private entity for the provision of an essential specialized service that is extremely difficult to replace. As a result, the risk of a private entity either voluntarily, or involuntarily, abandoning the contract creates a high risk to the entire child welfare system.
- ***Conflict of Interest and Loss of Service Array:*** If a lead agency is providing services and service coordination, giving it case management has the potential to create a conflict of interest for the lead agency. That is because financial incentives may influence decisions for services that would be in the best interests of children. Additionally, privatization often reduces the spectrum of child welfare resources because lead agencies are a monopoly that reduces market competition and drives many providers out of the market.
- ***Lack of Expected Outcomes***: After two years of lead agency management and one year of case management, more than thirty million dollars of new monies have been spent on the child welfare system, but the outcomes for children and families have not appreciably improved. Additionally, issues involving caseloads, placement, case manager turnover, communication, and stability have had a negative outcome for children.
- ***Need for Case Management Stability:*** Training and longevity directly affect children's safety, well-being, and permanency. Meaningful child welfare reform can occur when competent, skilled case managers, educated in evidence-based and promising child welfare best practices, are providing direction to services for children and families, and giving the court high-quality, thoughtful evidence regarding the best interests of children.
- ***Case Management Improvements:*** The following improvements to case management are essential:
    - ***Decrease the average caseload*** for the number of children served by case managers by 10 % each year until the state reaches the CWLA standards.
    - ***Review the compensation of caseworkers and, if merited, adjust compensation*** until a fair, comparable standard for base compensation, including appropriate compensation for education, experience and performance outcomes, is reached.
    - ***Ensure appropriate state oversight of non-court and voluntary cases when any services are provided as a***

result of a child safety assessment by DHHS, by developing a case plan that specifies the services to be provided and the actions agreed upon by the state and the family.

2. CREATE THE NEBRASKA DEPARTMENT OF CHILDREN'S SERVICES.

- ***Policy Issue:*** It is widely acknowledged that the needs of these children and families are currently being served through a fragmented service delivery model that is not well-coordinated, with a potential for duplication of effort, service gaps, cost-shifting and disagreement about payment responsibilities. Many times this results in a dysfunctional system that does not meet children's and families' needs and is often difficult to navigate. Further, state agencies are not currently pooling resources and leveraging the "smartest" financing to provide a coordinated system of behavioral health services. This, too, often results in Nebraska's children with the highest level of need being placed in secure or residential settings, which are proven to be the highest cost services with the poorest outcomes. The Department of Children's Services would be child-focused, providing integrated, seamless, solutions-based interventions considering the needs of the "whole child," using innovative, evidence-based programs and practices.
- ***Organization***: The Department of Children's Services would oversee all state child welfare programs. This would include child welfare, the Office of Juvenile Services, children's behavioral health, children's developmental disabilities, children's public health and children's Medicaid. The Division of Medicaid and Long-Term care would continue to be the "single state agency" as defined by in federal regulations, but an Assistant Director of Medicaid would co-serve in the Department of Children's Services and the Division of Medicaid and Long-Term Care. This Assistant Director would oversee Medicaid programs relating to children.
- ***Leadership:*** The Chief Executive Officer of the Nebraska Children's Service would be appointed by the Governor for approval by the Legislature and would report to the Governor. The CEO should have broad experience with child welfare reform in complex systems. Additionally, DHHS should use the exemptions provided under LB 218 (2011) to hire a Chief Financial Officer and a Chief Information Officer who would transition to the Department of Children's Services with specialized skills in financial oversight and information management.
- ***System of Care Model:*** The Department of Children's Services would use an approach to child welfare known as "system of care." This approach is based on the principles of inter-agency collaboration; individualized, strength-based care practice; cultural competence; community-based services, and accountability:

From a System Characterized by:	To a System Characterized by:
Fragmented service delivery	Coordinated service delivery
Categorical programs and funding	Blended programs and funding
Limited array of services	Comprehensive array of services
Action that is reactive and crisis-oriented	Action to intervene early and prevent crises
Focus on "deep end," restrictive settings	Focus on least restrictive settings
Children and youth out of home	Children and youth within families
Centralized authority	Community-based ownership
Fostering "dependency"	Building on strengths and resiliency

Pires, S. (1996). *Characteristics of systems of care as systems reform initiatives.* Washington, DC: Human Service Collaborative.

- ***Survey, Evaluation, Report*:** A third party that specializes in Medicaid (such as Mercer) should conduct a cross-system analysis of current services and funding sources to identify state General Funds currently in use that Nebraska can better leverage to generate federal funding. The analysis would identify current resources that could potentially be better allocated to more effective services when at-risk children and youth currently served in out-of-home placements begin the transition to home- and community interventions. This would enable the state to determine the resources available to support implementation of the Department of Children's Services. It would also identify what changes would be needed to obtain federal dollars as a match to state General Funds.
- ***Fiscal:*** A primary goal would be to replace state General Funds for at-risk children with federal funds, so the state can expand the funding base for children's programs while reducing overall state General Fund expenditures. As financing options are reviewed there would be a better understanding of the array of services that could be implemented.
- ***Process and Timeline:*** DHHS, in collaboration with and direction from the Nebraska Children's Commission, should complete a plan for the integration of agencies into the Department of Children's Services by January 1, 2013 and report to the HHS Committee and the Legislature, with implementation by July 1, 2013.

3. CREATE THE CHILDREN'S COMMISSION TO OVERSEE CHILD WELFARE IN NEBRASKA.

- ***Wide Membership, Strategic Plan:*** The Nebraska Children's Commission would function as an advisory body to all three branches of government. It would recommend how to develop and implement the Department of Children's Services and a statewide strategic plan for child welfare system reform. The Nebraska Children's Commission would

provide a permanent forum for collaboration among state, local, community, public, and private child welfare stakeholders.

- ***Commission Membership: Three Branches of Government and a Broad Coalition of Stakeholders:*** There would be twenty-five members of the Nebraska Children's Commission representing all three branches of government and a wide array of public and private stakeholders. Membership would include:
    - The CEO of the Children's Bureau (CFS Director), who would serve as commission chair and also be a member of the Executive Committee of the Commission;
    - The Governor, or his or her designee, who will also be a member of the Executive Committee of the Commission;
    - The Chief Justice of Nebraska Supreme Court, who will also be a member of the Executive Committee of the Commission;
    - The Chairman of the Judiciary Committee of the Legislature, who will also be a member of the Executive Committee of the Commission;
    - The Chairman of the Health and Human Services Committee of the Legislature, who will also be a member of the Executive Committee of the Commission;
    - A member of the Judiciary Committee of the Legislature;
    - A member of the Appropriations Committee of the Legislature;
    - A member of the Health and Human Service Committee of the Legislature;
    - Three members appointed by the Governor;
    - Three members appointed by the Chief Justice;
    - Twelve members representing stakeholders appointed by the Executive Committee of the Nebraska Children's Commission through an application and selection process as determined by the Executive Committee;
        - Representative groups of stakeholders may include prosecuting attorneys, preferably who practice in Juvenile Court; guardians ad litem; biological parents currently or previously involved in the child welfare system; foster parents; CASA volunteers; Foster Care Review Board members or volunteers; children's service providers; foster youth; and advocacy organizations.
- ***Executive Committee of the Nebraska Children's Commission:*** This committee would advise the commission with respect to the interaction among the three branches of government regarding child welfare programs and services. Each member of the Executive Committee would represent his or her own branch of government. No member of the Executive Committee would participate in actions (a) that could be deemed to be the exercise of the duties and prerogatives of another branch of government or (b) that improperly delegate the powers and duties of any branch of government to another branch of government.

- ***Funding:*** Initial funding of the Nebraska Children's Commission would be through the annual appropriation from the Health Care Cash Fund to the HHS Committee.

  The Health and Human Service Committee envisions that the Children's Commission would consider the following issues in developing the strategic plan.
- ***Lead Agencies:*** A review of the current lead agency model in an urban/geographic area as well as other models. Examples include lead agencies that focus on evidence-based programs for target populations within communities and/or function as brokers for coordination of services.
- ***Prevention and Early Intervention:*** Emphasis and leadership to construct intentional strategies to support high-quality, evidence-based prevention efforts that both reduce risks and enhances protective factors for children.
- ***Realignment of DHHS Service Area:*** In collaboration with the Supreme Court the DHHS service areas would be realigned to coincide with judicial districts and the Eyes of the Child teams.
- ***Evaluation***: Inclusion of a system-wide evaluation by a third party national entity with expertise in welfare systems, as a part of the strategic plan
- ***Community Network:*** Encourage each service area to foster a sense of community by creating a network of stakeholders. Each service area's network would identify its unique needs and resources, as well as strategies for addressing those needs and using those resources. This would help meet two vitally important objectives: strengthening the continuum of services, and strenthening community-based services.

4. CONTINUE TO REVIEW CHILD WELFARE REFORM.

The Health and Human Services Committee should monitor progress made toward its recommendations, those of the Auditor of Public Accounts, and those made by the Legislative Performance Audit Committee through LR 37. A report from the committee should be sent annually by December 15th from 2012-2014 to the Legislature, the Governor and the Chief Justice. DHHS should continue to provide information requested by the Health and Human Services Committee in a timely fashion. Additionally, reports required by DHHS to the Health and Human Services Committee should be completed and forwarded to the committee by September 15th each year. Additionally, DHHS should provide a copy of the annual statement required in Neb. Rev. Stat. §43-534 regarding Children and Family Policy to the Health and Human Services Committee by September 15th of every year. DHHS should present the child welfare budget to the HHS Committee in a budget request review hearing in accordance with Rule 8(4)(a) of the Rules of the Nebraska Unicameral Legislature as adopted January 12, 2011.

5. INCREASE FINANCIAL MONITORING.

The Appropriations Committee and the Legislative Fiscal Office should move child welfare appropriations from a subprogram to a "program" designation. DHHS should report quarterly on expenditures to the Appropriations and Health and Human Services Committees, specifically communicating any changes or movement of funds between sub accounts within the child welfare program. Performance-based budgeting would be required in the Division of Child and Family Services for the 2013-2014 and 2015-2016 budget cycles. This would require the agency to articulate verifiable and auditable goals and benchmarks and demonstrate progress in those areas. Additionally, DHHS should provide a copy of the annual statement required in Neb. Rev. Stat. 43-534 regarding Children and Family Policy to the Health and Human Services Committee by September 15. DHHS should present the child welfare budget to the HHS Committee in a budget request review hearing in accordance with Rule8(4)(a) of the Nebraska Unicameral Legislature as adopted January 12, 2011.

6. ESTABLISH CONTRACT REQUIREMENTS.

The exception from requiring the Department of Administrative Services' process for direct service contracts for child welfare should be limited to $25 million. Cost-benefit and financial implications of personal services contracts should be required for contracts valued at $25 million or more.

7. CREATE THE POSITION OF INSPECTOR GENERAL OF NEBRASKA CHILD WELFARE.

The Inspector General would be given jurisdiction to investigate state and private agencies that serve children. This position would enhance accountability and facilitate reform of the child welfare system.

8. REQUIRE DATA STANDARDS.

DHHS should identify the type of data and analysis for child welfare and make available a clear and thorough analysis of progress on chosen indicators. DHHS should explore and implement a process to obtain and use data analytics, business intelligence or similar information technology resources for accessing real time data to foster better decision-making.

9. DO NOT REINSTATE THE LEAD AGENCY MODEL IN CENTRAL, WESTERN, OR NORTHERN SERVICE AREAS.

There should be no extension of privatization of child welfare case management or reinstatement of a lead agency in the Central, Western or Northern Service Areas. This recommendation would also include no extension of privatization of case management in these service areas.

10. DO NOT EXTEND CURRENT CONTRACTS. There should be no extensions of the current contracts with lead agencies in the Eastern and Southeast Service Areas past the termination date of the contract. Amendments to the current contracts would be allowed in order to comply with any legislation that may be enacted.

11. DIRECT DHHS TO APPLY FOR A IV-E WAIVER DEMONSTRATION PROJECT.

Obtaining such a waiver would allow Nebraska to use funds for more than out-of-home care. In September 2011, Congress passed HR 2883, the Child and Family Services Improvement and Innovation Act, partly a routine reauthorization of funding for core Child Welfare programs, and partly a further step towards institutionalizing Title IV-E Waivers.

12. USE THE STATE MISCELLANEOUS CLAIMS ACT

The committee recommends that the state's Miscellaneous Claims Act be used to resolve claims from subcontractors who may have been owed money when Boys and Girls Homes ceased to be the lead agency in the Central, Western, and Eastern Service Areas.

13. CONTINUE TO BUILD ON WORK DONE BY THE LB 603 COMMITTEE.

The HHS Committee and the LB 603 Committee should continue to monitor the relationship between child welfare and behavioral health. The goal should be to establish an integrated system with a braided funding process. Specific attention should be given to the cost-shifting from Medicaid to the child welfare system. A continuum of appropriate residential and community-based services is essential.

14. REQUIRE A STANDARD MINIMUM BASE RATE FOR FOSTER CARE PAYMENTS AND DEVELOP ADDITIONAL TIERED COMPENSATION TO PROVIDE FOR CHILDREN WITH SPECIAL CIRCUMSTANCES.

Foster parent surveys represent that the safety net provided by foster care families is fragile and damaged. Increased focus on recruiting and retaining high quality, experienced, trained foster parents should be a priority under child welfare reform. Foster Care "Minimum Adequate Rates for Children" (the "Foster Care MARC") is a study completed in 2007 by Children's Rights, the National Foster Parent Association and the University of Maryland School of Social Work. The Foster Care MARC's analysis is based on expenditures allowable under the Title IV-E Foster Care Maintenance Program of the Social Security Act, which defines foster care maintenance payments as covering the cost of providing food, clothing, shelter, daily supervision, school supplies, personal incidentals, insurance and travel for visitation with a child's biological family. The Foster Care MARC sets a basic foster care rate. In addition to foster care compensation, additional funds will be provided for travel unique to foster care children –

appointments, visitation, etc. – and bi-annual age-appropriate clothing allowance will be provided.

15. Commend the Judicial Branch.

The Judicial Branch has collaborated with the University of Nebraska and the Legislature in developing several child welfare projects, including the Court Improvement Project, Through the Eyes of the Child teams, the Children's Summits, and the Supreme Court Commission on Children.

The HHS Committee encourages the Judicial Branch to extend its collaboration through full partnership in the Nebraska Children's Commission; to undertake activities to strengthen guardian ad litem effectiveness; and to continue to explore and implement innovative programs for children and juveniles.

16. Continue discussions among the HHS Committee, the Judiciary Committee, the Chief Justice, DHHS, and the judiciary to ascertain the best alignment of cross-over children and Office of Juvenile Services.

Cross-over children – those who are involved in both the child welfare system and the juvenile justice system – present unique needs. The committee believes that inter-branch discussions will lead to improved services for these children. Inter-branch discussion would include continuing and evaluating the Douglas County Juvenile Probation Pilot. If appropriate, a similar pilot program may be initiated in a rural judicial district.

17. Encourage collaboration with higher education.

DHHS should explore potential collaborative partnerships with higher education institutions, such as programs and systems for data, implementation science, social work, business organization, and child welfare research. For example, social work programs could be used for child protection staff training across the state.

18. The Health and Human Services Committee agrees with the recommendations of the Nebraska Auditor of Public Accounts and the Legislative Performance Audit Committee.

LR 37 RECOMMENDATIONS: Nebraska Auditor of Public Accounts

The Auditor of Public Accounts' Report recommends the following:

- DHHS implement procedures to control service contract costs, monitor lead contractors' financial records, and inform the Legislature of any significant changes to child welfare service delivery and funding.

- DHHS' procedures for evaluating prospective lead contractors be strengthened. If, despite any concerns noted during such evaluations, negotiations for entering into service contracts continue, DHHS should take measures to address those concerns specifically, such as requiring performance bonds and perform intensive monitoring.

- DHHS implement policies and procedures to ensure all financial and service delivery records, including details pertaining to both accounts payable and receivable, banking information, invoices, and all other relevant documentation, is obtained from a lead contractor immediately following termination of a service contract with that provider. DHHS should also implement policies and procedures for ensuring that service contract provisions requiring compliance with applicable HIPAA procedures are followed.

- DHHS implement policies and procedures to review and maintain supporting documentation for amounts owed and payments made pursuant to a settlement agreement.

- DHHS complete the settlement of Boys and Girls Homes' contracts as soon as practicable. The Auditor of Public Accounts also recommends that DHHS implement procedures to ensure any future terminated contracts with lead contractors are settled in a timely manner.

- DHHS develop procedures to ensure all such information regarding the provision of child welfare services is accurately maintained in NFOCUS.

- DHHS implement internal control procedures to ensure that duplicate provider payments are not made. Additionally, the Auditor of Public Accounts recommends DHHS implement internal control procedures to ensure that payments for client services are made only to the lead contractors responsible, pursuant to the contract, for coordinating and providing specific client services.

- DHHS implement procedures to ensure all information regarding services for children is entered and accurately tracked on NFOCUS in a timely manner. We also recommend DHHS ensure compliance with contracts. Furthermore, APA recommend DHHS ensure all subcontractors and foster

families are paid correctly and timely.

- DHHS implement procedures to ensure all rates billed by the contractors are appropriate and reasonable in order to determine the total costs for a child and to ensure compliance with Federal requirements. The Auditor of Public Accounts also recommends DHHS obtain the rates the contractors are paying their subcontractors and foster families.
- DHHS develop procedures to ensure lead contractors are paid in compliance with the terms of the service contracts.
- DHHS implement procedures to ensure all information requested by the Auditor of Public Accounts is provided in a timely manner. Further, the Auditor of Public Accounts recommends DHHS inform the Auditor of Public Accounts of all significant information regarding the examination.
- DHHS implement oversight procedures to ensure the lead contractors comply with contractual provisions requiring the timely payment of their subcontractors. The Auditor of Public Accounts also recommends DHHS adopt procedures to ensure all lead contractors oblige subcontractors to obtain the insurance coverage required under the Master Operations Manual.
- DHHS competitively bid service contracts worth millions of dollars, as a matter of course, to ensure the fair and reasonable expenditure of public funds, as well as to make certain that the state receives the best services for the lowest possible price.
- DHHS discontinue the practice of allowing service providers to assume case management functions. Instead, DHHS should segregate these responsibilities by either resuming them itself or bidding out the case management functions to neutral oversight providers capable of making objective determinations when assessing the quality and cost effectiveness of the services offered.
- DHHS implement procedures to ensure contracted amounts are reasonable and adequately supported.
- DHHS implement procedures to ensure contract provisions are met. The Auditor of Public Accounts recommends further that DHHS include provisions in future contracts for penalties if contract provisions are not met. Finally, the Auditor of Public Accounts recommends DHHS implement procedures to ensure the accuracy of assignment dates entered into NFOCUS by lead contractors.
- DHHS implement procedures, including regular reviews of external system users, to ensure the NFOCUS access of former employees of lead contractors is revoked timely. The Auditor of Public Accounts recommends also that greater emphasis be placed upon the contractual duty of lead contractors to notify DHHS immediately when employees with NFOCUS access terminate employment.

- DHHS implement procedures for ensuring the following: 1) prospective subcontractors are properly researched before being allowed to enter into service contracts; 2) all payments to those subcontractors are made in compliance with the terms of the service contracts; 3) there is ongoing monitoring of compliance with the terms of the service contracts, including a periodic review of the qualifications of all service provider staff; 4) the rate schedule used by DHHS to compensate service providers is reasonable; and 5) amounts paid to subcontractors of Boys and Girls Homes under a settlement agreement are accurate and verified to supporting documentation. In particular,the Auditor of Public Accounts recommends that DHHS examine thoroughly the activity of the McConaughy Discovery Center, trade name for BSM, Inc., to ensure all payments for services are made in compliance with the terms of the service contracts, and strong controls are in place to allow for the adequate monitoring and performance oversight of both providers.

LR 37 RECOMMENDATIONS: Legislative Performance Audit Committee

DHHS Management/Agency Structure

The LPA Committee recommends that the Legislature's Health and Human Services Committee, or a working group of that LPA Committee, evaluate the 2007 restructuring of DHHS to determine whether changes are needed in order to facilitate sufficient oversight and accountability of the programs the agency administers. The LPA Committee suggests that the HHS Committee consider contracting for the opinion of a management expert as part of the study, in order to get an objective assessment about what changes would be the most effective.

The LPA Committee recommends that the DHHS CEO conduct a comprehensive evaluation of CFS staff to determine whether the division has made good matches between individuals and the positions they hold and report the results back to the LPA Committee and the Health and Human Services Committee.

Contracting Process

The LPA Committee will work with the Health and Human Services and the Government, Military and Veterans Affairs committees to propose and/or support legislation requiring agencies to work with the Department of Administrative Services in the letting of personal services contracts to ensure adequate accountability and sound contracting practices.

The LPA Committee will work with the Health and Human Services Committee to propose legislation establishing a moratorium on adding any additional DHHS service area to any new or existing lead agency contract to provide services in the child welfare system and juvenile justice system and for wards of the state pursuant to the child welfare reform initiative known as Families Matter.

Budgeting Changes

The LPA Committee will explore legislation to require: (1) performance-based budgeting for the CFS Division for the 2013-2014 and 2015-2016 budget cycles—and then sunset—which would require the agency to articulate verifiable and auditable goals and benchmarks and demonstrate progress in those areas; (2) creating Child Welfare Services as a separate budget program and possibly changing other subprograms from program 347 to separate programs; and (3) funds within program 347 be earmarked by the Legislature for specific purposes. The LPA Committee will work with the Appropriations Committee and will request the participation of the DHHS CEO as well. The LPA Committee acknowledges that budget process changes, as well as contract-process changes discussed later in this section, may have fiscal impacts and will further identify those along with other consideration related to these recommendations.

Privatization Outcomes

The Health and Human Services Committee may wish to consider whether it is satisfied with the current level of improvement in outcomes for children and families.

Privatization Goals

In establishing goals, timeframes and benchmarks for system improvement, CFS administrators must work with the Health and Human Services Committee to ensure that division goals reflect areas of interest to the HHS Committee and that the division has the HHS Committee's assistance in working towards goals that CFS cannot accomplish on its own. In addition, CFS staff need to develop ways of discussing system improvement that go beyond statistical changes—like those used for the CFSR data indicators—to emphasize meaningful levels of change at a big-picture level and that are more comprehensible. The LPA Committee strongly encourages division representatives to report quarterly (or at a frequency determined by the HHS Committee) to the HHS Committee on progress towards the identified goals.

The Legislature's Health and Human Services Committee may wish to introduce legislation to establish goals for reform of the child welfare and juvenile services system. If it does this, the HHS Committee should consider having a candid discussion with key stakeholders—especially the judiciary.

Data

CFS administrators should work with the HHS Committee to identify the type of information and analysis of most value to policymakers and other stakeholders.

DHHS Contract Oversight

The Legislative Performance Audit Committee will work with the HHS Services and Government committees to propose or support legislation to require a written cost-benefit or similar analysis, or an opinion by a financial expert, of the potential financial implications of personal services contracts valued at $25 million or more.

Chapter 1

Child Welfare Evolution: Nationally and in Nebraska

"Injustice and cruelty to children are as old as the world. We have made some progress. We see things more clearly now than in the past; and with clearer vision we can do more, go farther. . . There will, I warn you, be discouragements and disappointments. But the cause of children must triumph ultimately. The important thing is that we should be on our way. Perhaps you may ask, 'Does the road lead uphill all the way?' and I must answer, 'Yes, to the very end.' But if I offer you a long, hard struggle, I can also promise you great rewards. Justice for all children is the high ideal in a democracy."

~ Grace Abbott
National Child Advocate,
Chief of the U.S. Children's Bureau,
Social Work Pioneer,
Grand Island, Nebraska native

voices for children IN NEBRASKA

Child Welfare's Evolution: Nationally and in Nebraska

Formal, governmental structures for protecting and providing for vulnerable children are relatively new in the history of the United States. For years, private agencies provided these services and there was no precedent for providing resources to families, removing children from dangerous situations, or prosecuting adults for child abuse or neglect.

It was not until the Great Depression of the 1930s, when many nonprofits went out of business, that the government began to address child safety in a systematic way. In 1935 Douglas Falconer, a social worker, wrote:

> "For many years responsibility for child protection was left almost entirely to private agencies. [...]Great sections of child population were untouched by them and in many other places the service rendered was perfunctory and of poor standard. [...] The belief has become increasingly accepted that if children are to be protected from neglect the service must be performed by public agencies."

With no other entity to step in, the federal government passed the Social Security Act of 1935 and began to provide resources to states to provide for child welfare.

As knowledge of the impact of child abuse and neglect has grown and safety interventions have on children, child welfare policy has been continually evolving to better provide for children's safety, permanency, and well-being. Often federal policy has direct impacts on service provision and state policy although each state has built a unique system of child welfare. The timelines in this document aim to capture the evolution of practice and policy in child welfare both nationally and in Nebraska.

Child Welfare Practice and Policy in the United States

Early 1700s – Orphans and children whose parents could not care for them were often indentured to work for other families.

Early 1800s – Orphanages were established by private religious and charitable organizations.

1850 – 1920 – Private agencies began placing children with foster families. The orphan train movement often took children thousands of miles across the country to find a family. Little, if any, screening and monitoring of families occurred.

1899 – The first juvenile court is established in Chicago, IL. A social services approach for dealing with juvenile crime and delinquency is adopted, and spreads slowly across the United States.

Early 1900s – The first federal children's bureau is established. Some states established laws to prevent child abuse.

1935 – The **Social Security Act of 1935** authorized the first federal grants for child welfare services (now known as Title IV-B, subpart 1) and incentivized state establishment of child welfare agencies and services. It also created Aid to Dependent Children (ADC) to help states provide financial assistance to needy dependent children.

1962 –

- **Aid to Dependent Children – Foster Care** established a mechanism where the federal government provided matching funds to children eligible for ADC removed from "unsuitable" homes. States now had to continue payments to children, but could provide the funds for out-of-home care as well. This was the beginning of the IV-E funding stream and created the link found today between eligibility for federal foster care reimbursement and eligibility for AFDC. **The number of children being placed in out-of-home care began to increase as a result.** States were also required to report children who were candidates for removal from their home to the courts.

- **Dr. C. Henry Kempe, a pediatrician published *The Battered-Child Syndrome*** with the American Medical Association in the 1962. The article clearly demonstrated the devastating effects of child abuse. Much of the child welfare policy that followed has been built upon the foundational knowledge of Dr. Kempe, recognizing the importance of keeping children safe from physical, sexual and emotional harm.

1974 **-** The **Child Abuse Prevention and Treatment Act** (CAPTA, Public Law 93-247) provided the first requirement for states to establish child abuse reporting procedures and investigation systems. **All states established mandatory reporting legislation around this time.** CAPTA created a significant pendulum swing toward removal of children from their families and created a significant increase in the number of children being placed in foster care.

1978 – The **Indian Child Welfare Act** (ICWA, Public Law 95-608) was enacted in response to the high percentage of the Native American population that was being removed from their families and placed in foster care. ICWA required that all child welfare proceedings involving a Native American child must be heard in tribal courts if possible and that tribes have a right to intervene in state court proceedings. It established a clear priority for placement of Native American children with Native American relatives and families. A relatively small grant program was established for tribes to use for a broad array of services.

1980 – The **Adoption Assistance and Child Welfare Act** (Public Law 96-272) responded to concern about the increasing number of children in foster care, the length of time they were spending in out-of-home, and the lack of oversight of the foster care system.

Foster care was meant to be a temporary placement, but it was not always functioning this way. **This Act created Title IV-E of the Social Security Act** and transferred AFDC-Foster Care to the new title. Additionally, the Act:

- Required states to develop a state plan for delivering child welfare services;
- Required the court to review all child welfare cases to ensure **reasonable efforts were made to prevent removal from their homes and reunify families**;
- Stressed the importance of permanence by requiring prevention as well as family reunification services in addition to adoption assistance (subsidy) when families couldn't be reunited;
- Required each state to develop and submit a IV-E child welfare plan;
- Required uniform data collection by all states.

1986 – The **Independent Living Program** was authorized under the Consolidated Omnibus Budget Reconciliation Act (Public Law 99-272) to provide funding for states to assist older foster youth make the transition from foster care to independence.

1993 – The **Family Preservation and Support Program** was established as part of Public Law 103-66 to provide a response to the almost doubling of the foster care population since 1980 and concerns states were not making reasonable efforts to keep children with their families. This legislation:

- Provided flexible funding for community-based services to prevent child abuse and neglect and help families whose children were at risk of removal; and
- Established the Court Improvement Program (CIP) giving grants to the highest court in each state. This was the first child welfare-related funding for courts and allowed them to identify ways to measure and improve their handling of child welfare cases.

1994 –

- The Social Security Amendments within Public Law 103-432 gave the Department of Health & Human Services authority **to grant child welfare financing waivers** to up to 10 states to test innovative approaches for a period of up to five years.

- The **Multi-Ethnic Placement Act** (MEPA, Public Law 103-382) prohibited states from delaying adoption and foster care placements on the basis of race in 1994. It did allow them to *consider* race and ethnicity when making placement decisions. This was an effort to counterbalance delays that were being created by the emphasis in the 1980s on placing children with same race families.

1996 – The **Inter-Ethnic Placement Provisions Act** (IEPPA, Public Law 104-188) repealed the provisions of the MEPA allowing *routine consideration* of race and ethnicity due to continued languishing of children of color in the system.

1997 - The Adoption & Safe Families Act (ASFA, Public Law 105-89) was passed providing the most significant change since the 1980 passage of PL 96-272. While ASFA did not eliminate the need for reasonable efforts and family preservation, it prioritized three major areas of concern:

- Children continued to remain too long in foster care;
- The child welfare system was biased toward family preservation at the expense of the child's safety and well-being; and
- Inadequate attention and resources were devoted to adoption as a permanent placement option for abuse and neglected children.

Key provisions of ASFA were designed to:

- Ensure that child safety, permanency and well-being are of paramount concern in any child welfare decision;
- Increase attention to sibling placements and family relationships;
- Set clearer timelines for the court to consider permanency decisions for children in foster care;
- Provide authorization and funding for a new adoption incentive payment program to promote and increase the number of adoptions;
- Establish performance standards and a state audit process (Children and Family Service Reviews or CFSR), whereby states face financial penalties for failure to demonstrate improvements; and
- Expand data collection requirements for states.

AFSA also reauthorized **child welfare waivers** and reauthorized dollars for family preservation, reunification, and adoption support with the **Promoting Safe and Stable Families Act**.

1999 – The Foster Care Independence Act of 1999 (Public Law 106-169) replaced the previous Independent Living Program with the **John H. Chafee Foster Care Independence Program** (CFCIP). This increased funding and expanded services for former foster youth up to age 21.

2008 - **The Fostering Connections to Success and Increasing Adoptions Act** aimed to improve out-of-home care, and expedite permanency through reforms in six key areas:

- support for kinship care and family connections;
- support for older youth;
- coordinated health services;
- improved educational stability and opportunities;
- incentives and assistance for adoption; and
- direct access to federal resources for Indian Tribes.

States are still implementing aspects of fostering connections and have the flexibility to choose whether or not to adopt some of these federal provisions.

2010 **-** The reauthorization of the **Child Abuse Prevention and Treatment Act** promoted family involvement, collaboration, and the use of differential response when responding to allegations of child maltreatment.

2011 **-** The **Child and Family Services Improvement and Innovation Act** reauthorized the use of Title IV-E waivers, funding for family preservation, and clarified the educational stability aspect of Fostering Connections.

The Evolution of Child Welfare and Juvenile Justice in Nebraska

Similar to the rest of the United States, the first efforts to provide for vulnerable children and youth in Nebraska were lead by private charitable entities. Child Saving Institute (1892), Nebraska Children's Home Society (1893), and Boys Town (1917) were some of the first. It was not until Nebraska opted into the federal Aid to Dependent Children (ADC) program in 1935 that the state government itself began to provide support to children, but there was still no coordinated and comprehensive effort to address child safety.

During the 1970s awareness of the effects of child abuse and neglect grew nationally and in Nebraska. State statute began to address specific concerns about the safety, well-being, and permanency of abused and neglected children. Concern about delinquent youth also grew from this period onward. The following time line contains both statutory and prominent regulatory developments, as well as information on research and task forces that have attempted to address the needs of Nebraska's vulnerable children and youth.

1977- **LB 38** mandates every citizen report suspected child abuse and neglect.

1982- Responsibility for administering child welfare services transfers from individual counties to the state Department of Social Services (DSS) in **LB 522.**

1982 – 1984 **- LB 714 created the State Foster Care Review Board** to track and maintain information about all children in out-of-home care. For the first time the Courts and any child placing agency was required to report information about any child in their care 3 days or longer. The bill also created a mechanism for volunteers to review cases every six months to determine if there was a permanency plan and that services were in place to implement that plan.

1985 **-** LB 255 enacted **Nebraska's Indian Child Welfare Act**. This act put the federal ICWA into state statute for greater clarity.

1986- LB 333 created the Child Abuse Prevention Fund with revenues from the filing fees for birth certificates.

Late 1980s – The Legislature created a **Children's Select Committee** through a number of resolutions introduced by Senator Scofield. This committee led the effort to accomplish child welfare and juvenile justice changes.

1987 - **LB 637, the Family Policy Act (§43-532), stressed the importance of family for children** and required reports to the Legislature by agencies serving children including budget needs, children served and outcomes from services provided.

1988 - LB 90 allowed the use of video-taped testimony of child-victims of sexual abuse in court proceedings.

1989 -

- **LB 330 adjusted the Family Policy Act by stating that child safety was of paramount concern in child welfare cases**: "objectives prescribed in 43.532 – 534 shall not be construed to mean that a child shall be left in the home when it is shown that continued residence in the home places the child in danger."

- **LB 211** extended the statute of limitations for sexual abuse cases in 1989.

1989 – 1992 - Attempts to pass several bills appropriating prevention funds for Family Services Incentive Act fail.

1990 –

- **LB 1070 created Nebraska's Adoption Subsidy Program**, providing funds for families who adopt state wards to help provide for their child's ongoing needs.

- **LB 720 added child welfare caseworkers** over a 4 year period and required DHHS to establish caseload limits in 1990. Child outcomes have been linked to caseloads in national studies.

1992 -

- **LB 1184 required the Department of Social Services to work with law enforcement officials to investigate reports of child abuse** and to develop treatment plans in child abuse cases. The bill also authorized county attorneys to establish child abuse and neglect investigation and treatment teams in each county or group of counties. The bill also dealt with termination of parental rights and added juvenile detention facilities to the list of correctional facilities subject to jail standards.

- **LB 16** required a pre-placement home study completed by a licensed child placing agency prior to any adoptive placement.

1993 –

- Nebraska received a second Child and Adolescent Services System Program (CASSP) Grant to promote **interagency collaboration at the state and local levels for children with mental health challenges.**

- **LB431 created a Child Death Review Process** under the Department of Social Services in 1993.

1994 –

- Governor Nelson convened the Child and Family Mental Health Search Conference, involving 70 stakeholders. The conference identified needs such as Professional Partners (early intervention specialists housed within behavioral health Regions), local interagency collaboration, coordination of funding streams, single points of entry, and comprehensive array of services.

- **LB 988 created the Office of Juvenile Services (OJS),** as a separate office within the Department of Corrections. It had a direct gubernatorial appointee as director and had independent budgeting authority. OJS managed both children made wards of the state for law violations and Nebraska's two youth prisons – the Youth Residential Treatment Centers at Kearney and Geneva.

1995 - The Nebraska State Court Improvement Project begins and is charged with assessing the functioning of Nebraska courts regarding abused and neglected children.

1996 –

- **LB 1044 merged four agencies into one new Department of Health and Human Services.** The Departments of Public Institutions, Health, Social Services, and Aging along with the **Office of Juvenile Services** from the Department of Corrections became were combined into three divisions with no one defined agency head: Finance and Support; Services; and Regulations and Licensure.

- The **Foster Care Review Board was given authority** to conduct federally required reviews of children in foster care under the provisions of LB 642.

1997 –

- **LB 882** transferred control of the Secure Youth Facility then being built in Omaha from the Office of Juvenile Services to the Department of Correctional Services.

- Region 3 received a Substance Abuse and Mental Health Services Administration (SAMHSA) System of Care grant to develop local systems of care focusing on family-centered care, evidence-based practices, interagency collaboration, family involvement, and data-based decision making.

1998 -

- The Nebraska Legislature enacts provisions of the **federal Adoption and Safe Families Act of 1997 (LB 1041),** placing the health and safety of foster children above the goal of keeping families intact.

- **The Nebraska Juvenile Justice Task Force was created in 1998 with passage of LB 1073.** The purpose of the Task Force was to determine the "future legislative and executive actions necessary to address gaps in the organization and delivery of juvenile services." The Task Force presented numerous recommendations in the "Nebraska Juvenile Justice Task Force Report" to the Legislature and the Governor in December, 1998.

- **LB 1063 enacted Kids Connection**, providing comprehensive health insurance coverage to an additional 24,000 low-income Nebraska children (up to 185% of poverty) through an expansion of the state's Medicaid program. Kids Connection provides insurance to state wards and former state wards who have been adopted or placed in permanent guardianship.

- Lancaster County in Region 5 received the second of Nebraska's System of Care grants from SAMSHA focusing on addressing the mental health needs of youth in the juvenile justice system.

1999 –

- **LB 594 allowed child abuse investigation teams to develop protocols for working with delinquent youth** who have multiple problems and also responded to issues within the juvenile justice system, including recognizing the importance of meeting the educational needs of juvenile offenders. It also changed intent language in §43-402 **to require the juvenile justice system promote prevention efforts** that are community-based, stress offender responsibility to victims and the community and recognized the importance of meeting the educational needs of juvenile offenders.

- The introduction of **LB 878** ultimately led to the development of the **"Nebraska Juvenile Services Master Plan"**, prepared by Chinn Planning. This report released in December, 1999 made 23 recommendations calling for mental health and substance abuse screening, evaluation, and services for juvenile offenders. **LB 878 had also allocated $2.5 million** for fiscal year 1999-2000 and **$2.2 million** for fiscal year 2000-2001 to address building concerns at the YRTCs and develop a facility master plan. **A veto by Governor Johanns vetoes more than half of the money for the first year** but left in place funding to complete the Master Plan.

- The Justice Behavioral Health Committee (formerly, Justice Substance Abuse Team) of the Community Corrections Council was formed and helped develop a standardized model for substance abuse screening and assessment.

2000 –

- **LB 1167 created the Juvenile Diversion, Detention, and Probation Services Implementation Team** to study juvenile detention practices and plan for the development of regional, secure juvenile detention facilities. The **Coalition for**

Juvenile Justice was created, merging two existing grant committees of the Nebraska Commission on Law Enforcement and Criminal Justice. The bill also adopted the **Court Appointed Special Advocate Act** and **the County Juvenile Services Plan Act.**

- **The Nebraska Family Portrait devised a strategic action plan** for Protection and Safety to improve the safety, permanence, and well-being of children in Nebraska. It included a focus on addressing the behavioral health needs of children who are state wards.

2001 –

- **LB 640 enacted the County Juvenile Services Aid Program within the Office of Juvenile Services** to help counties pay for implementing and operating community-based programs or services.

- **LB 451 enacted provisions pertaining to juvenile probation intake officers** that were recommendations of the Juvenile Diversion, Detention and Probation Services Implementation Team.

- **LB 598** was introduced on behalf of the Governor and passed in order to **clarify the role of the Court and the Office of Juvenile Services when determining treatment for juveniles committed to the state.** After substantial debate, the final bill requires the court to commit the juvenile to the state and determine the initial level of treatment. The state will then make a placement for the juvenile based on the recommendation but could change it in the future, giving notification of said change to the court

- The Governor's Early Childhood Mental Health Symposium discussed design of a **comprehensive, integrated and coordinated system of care to meet the mental health needs of young children.** It promoted interagency collaboration, coordination of funding, and let to a pilot project for early childhood mental health system of care.

- The Governor's Juvenile Justice Reform Plan supported the **"expansion and development of substance abuse and mental health programming"** for juvenile offenders.

2002 –

- The work of the Juvenile Diversion, Detention, and Probation Services Implementation Team culminated with the Nebraska Association of County Officials release of the "**Juvenile Detention and Probation Services Implementation Team Final Report.**" This report was also prepared by Chinn Planning.

- **LB 642** established guidelines for child autopsies.

- The first federal Child and Family Services Review (CFSR) reported that Nebraska met only two of the six CFSR data measures.

- Herz & Poland study of **Mental Health Needs of Juvenile Offenders identified need for a coordinated response for juvenile offenders**, continuum of services, standard process for assessing needs, funding that follows the child, system evaluation, training, and the development of effective services such as Multisystemic Therapy.

- Nebraska receives NEBHANDS grant to help build the capacity of small faith- and community-based organizations to participate in systems of care for mental health and substance abuse.

- The budget bill passed including an amendment from **LB 272 which created the Juvenile Justice Institute within the Department of Criminal Justice at the University of Nebraska at Omaha.** This institute is charged with communication and coordination between state and local juvenile justice agencies, as well as addressing and monitoring overrepresentation of minorities, making recommendations based on applied research and training professionals.

2003- **LB 43** authorized the creation of **pretrial diversion programs for juveniles and to clarify custody issues of juveniles during intake decision making.**

2004 –

- **Nebraska Behavioral Health Services Act (LB 1083) passed.** The bill called for the closing of Nebraska's outdated Regional Centers and the development of a full array of community-based behavioral health services. While the bill encompassed both children's and adults' services, the Behavioral Health Oversight Committee created to monitor implementation prioritized adult service.

- **LB 943** eliminated the statute of limitations for child sexual abuse.

- **LB 1089 provided staff for Child Advocacy Centers** who would serve as coordinators for LB 1184 teams.

2005 –

- **LB 264** addressed caseloads, requiring that the DHHS director annually report the status of the state's child protective service workers. It also authorized **Home Visiting Programs**, as a means to prevent child abuse and neglect. The Legislature appropriated **$600,000 for Early Home Visiting Pilot Programs.**

- **LB259** required the Nebraska Coalition for Juvenile Justice to create a work group to develop recommendations for the **training of youth services workers** employed by entities licensed by the DHHS for the care or treatment of youth in out-of-home placements.

- **LB 193 moved the County Juvenile Services Aid Program** (created in LB 640 in 2001) under the control of the Nebraska Commission on Law Enforcement and Criminal Justice.

- The Drug Endangered Children's Committee (comprised of HHS, Attorney General, State Patrol, Crime Commission) is formed to address meth labs and other substance abuse to which children could be exposed.

- **An Ad Hoc Committee on the Education of Children and Youth in Out-of-Home Placements** is formed to develop and implement educational opportunities for children in out-of-home placements.

2006 –

- The Nebraska Supreme Court establishes the Commission on Children in the Courts and Through the Eyes of the Child Initiative to improve the court process in child protection cases.

- Changes were made to decrease unnecessary detention times for juveniles with passage of **LB1113** (including amendments from LB1181).

- The budget bill **included funding for updating the 1999 "Nebraska Juvenile Services Master Plan".**

2007 –

- DHHS' Division of Children and Family Services (CFS) selects the Nebraska Safety Intervention System (NSIS) model to assess child safety.

- A preliminary draft of the updated "Nebraska Juvenile Services Master Plan" was circulated and LR 196 called for a review of the findings. A final report was written but never publicized or utilized.

- DHHS announces Governor's priorities to accelerate reform of Nebraska's child welfare system and improve Nebraska's performance in the federal government's Child and Family Services Review in 2008.

- **LB 542 created the Children's Behavioral Health Task Force** and charged it with developing plans for a statewide integrated system of care for children's mental health and develop a process to assure juvenile facility compliance with Title IX and Title IV-E.

2008 –

- **LB 296 reorganized the HHS System created in 1996 into six service divisions**, still with no defined agency head. The divisions are: Behavioral Health; Children & Family Services; Medicaid & Long Term Care; Public Health; Veterans Homes; and Developmental Disabilities.

- **Nebraska's Safe Haven bill (LB 157) passed allowing parents to drop a child off at any age** at a hospital without penalty. More than 30 children were abandoned by parents over a couple of months, and most had mental health problems.

- A Children's Behavioral Health Plan was issued by HHS divisions of Children and Family Services and Behavioral Health.

- The federal CFSR reported Nebraska met only one of the six data measures. (Based on slightly different data measures than were used in 2002, Nebraska was not alone in having a poorer performance.)

- HHS issued a RFB for **enhanced safety and in-home services** and, in July, implemented new safety and in-home services contracts.

- **HHS released the out-of-home reform framework, including intentions to expand lead contractors**, to take a performance-based approach to contracting for services, and to require lead contractors to also provide limited coordination of services CFS clients receive.

- **LB 782** allowed HHS to correct damaging and incorrect information in the media regarding high-profile cases of child abuse and neglect involving state wards, if officials determine the release of additional information is in the best interest of the child.

- **LB 1**, passed during a special session, reduced the permissible age for abandonment to no older than 30 days.

2009 –

- HHS signed out-of-home service contracts in November with five organizations.

- **LB 603 adopted the Children and Family Behavioral Health Support Act** to address gaps revealed in the state's behavioral health system for children and youth after the Legislature passed a safe haven law in 2008 with no age restrictions. This bill increased eligibility for Kids Connection to 200% of poverty, funded additional behavioral health services, created a Hotline and family navigators and created the Children's Behavioral Health Oversight Committee of the Legislature.

- **LB 288** further revised the DHHS System by giving full leadership responsibility to a CEO

2009 **- LB 122** changed the Child Abuse Hotline category from "unfounded" to "agency substantiated."

2010 –

- HHS fully implemented child welfare/juvenile services reform changes on April 1. By October, three of the five contractors had pulled out and service coordination in the Western, Central, and Northern Service Areas returned to HHS.

- **LB 800 made significant changes to the state's juvenile justice system**, including addressing the impact of truancy on juvenile delinquency.

2011 –

- DHHS turns over full case management responsibility in the Southeastern and Eastern Service Area to lead agencies (except for the 1/3 of cases still managed by DHHS in the ESA.

- **LR 37** designated the Legislature's Health and Services Committee to review the effect of the privatization of the state's child welfare system.

- **LB 177 brings Nebraska law into compliance with the federal Fostering Connections to Success and Increasing Adoptions Act of 2008.**

- **LB 463 further addresses juvenile truancy** and delinquency prevention begun with legislation in 2010.

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Chapter 2

Detailed Time Line of Events

"But I also know that the time we're taking to figure all of this out maybe would have been time better spent on the front end, when we were trying all of these incremental changes, to take a step back and say, 'That didn't work. Why didn't it work? What could we have done better?' before leaping to the next big change."

~ CASA Staff

Detailed Timeline of Events

September 2002	The U.S. Department of Health and Human Services releases the 2002 Nebraska Child and Family Services Review (CFSR) final report. Nebraska met national standards in the incidence of maltreatment of children in foster care and foster care re-entries, among other standards. However, the report found that the state failed to achieve substantial conformity with any of the seven safety, permanency and well-being measures. (Few states achieved substantial conformity with any of the seven measures.[19]) The CFSR is a periodic evaluation of states' safety, permanency and well-being outcomes for children. Nebraska completed its plan to address the CFSR findings, known as a Program Improvement Plan (PIP), in 2005.[20]
December 23, 2003	The Governor's Children's Task Force releases its report, *A Roadmap To Safety For Nebraska's Children.* Governor Mike Johanns created the task force in the wake of a number of recent, violent child deaths in Nebraska. Among the issues addressed in the report were caseworker workload and retention issues.[21]
April 13, 2004	Gov. Johanns signs child welfare legislation that includes allocation of $5.5 million to help pay for 120 additional social services workers. The legislation was prompted by the 2003 Children's Task Force Report.[22]
January 6, 2005	Nebraska Supreme Court Chief Justice John Hendry announces establishment of the Supreme Court Commission on Children in the Courts. A goal of the commission is to ensure state courts are as responsive as possible to children in the court system.[23]
June 21, 2006	Gov. Dave Heineman announces a series of Health and Human Services System (HHSS) directives targeting the state's management of foster children and other state ward cases. Among the governor's concerns, he said, is that the state continues to have one of the highest rates of children in out-of-home care in the nation, according to data from a national child advocacy organization. Shortly after the announcement, an attorney for a national child advocacy organization suing the state in federal court said that the governor's recommendations lacked both specifics and a commitment to secure money needed to fix the system. The advocacy organization, along with the Appleseed Center for Law in the Public Interest and several law firms, alleged in the 2005 lawsuit that the state foster care system is failing to protect thousands of abused and neglected children. (A federal judge in 2007 accepted the recommendation of a magistrate to dismiss the lawsuit based on a 1971 U.S. Supreme Court ruling that federal courts should abstain from hearing certain issues brought by plaintiffs who have related issues pending in state courts. The magistrate also denied the petitioners' request for class certification, but he concluded that most of the seven named plaintiffs—all of them current or former foster children in DHHS custody—had "demonstrated a risk of fu-

ture harm" that was "sufficiently real" to give them legal standing to sue the state.)[24]

August 21, 2006	Gov. Heineman announces "dramatic progress" since the June directives. He referred to the reduction of state wards from a record 7,803 in April to 7,603 in July. The governor said the data were too preliminary to be described as a trend, but that he was encouraged. "I do not expect this to be an overnight success, and there may well be bumps along the way," he said. "I am, however, pleased to see progress beginning to take shape."[25]
September 27, 2006	The "Through the Eyes of the Child Initiative" is inaugurated at the end of a three-day summit at Lied Lodge in Nebraska City. Attendees included Gov. Heineman, Chief Justice Hendry and his successor, Michael Heavican, Attorney General Jon Bruning, and more than 200 other stakeholders in the juvenile services system.[26]
December 20, 2006	Despite the addition of 120 social services workers in 2004, caseloads remain too high among Nebraska child welfare and protection services workers, according to the 2005 annual report of the HHSS Office of Protection and Safety. The report indicated that average caseloads fell from about 129 percent above state standards in 2004 to about 114 percent in 2005.[27]
January 24, 2007	The Foster Care Review Board (FCRB) says Nebraska has made "huge progress" toward reducing the number of children in foster care, but that even more gains are needed. Executive Director Carol Stitt, speaking shortly after the FCRB issued their annual report, said the state cannot achieve true reform of the foster care system without spending more money.[28]
March 15, 2007	Gov. Heineman signs legislation restructuring HHSS. The bill, LB 296, merged the three HHSS agencies into a single entity, the Department of Health and Human Services (DHHS or department). The bill also created the Division of Children and Family Services (CFS or division) within the department. Under the former system, children and family programs were managed by the same director responsible for the state's veterans' homes and for behavioral health and developmental disabilities services.[29]
April 2007	CFS begins implementation of the new social services safety model, the Nebraska Safety Intervention System (NSIS). Among other goals, the NSIS was designed to improve safety decisions, provide clarity of purpose for initial and continual assessments, and improve the ability to professionally support decisions.[30]
June 26, 2007	Gov. Heineman appoints Todd Landry, CEO of the Child Saving Institute in Omaha, to head the newly created division. Mr. Landry said he has a mandate to "reform the system, to get different outcomes." He said too many children are in foster care and are moving too often. "We are going to have to make some significant changes," he said.[31]

July 10, 2007	Gov. Heineman announces his priorities for the restructured DHHS; among them, the acceleration of child welfare reform and improvement in the state's performance on the upcoming CFSR.[32]
September 14, 2007	Mr. Landry announces "a new day" in child welfare and juvenile services in Nebraska. Earlier in the week, CFS administrators released a new mission statement and announced an administrative restructuring.[33]
November 15, 2007	At a conference commencing the state's self-evaluation for the upcoming CFSR, Mr. Landry tells more than 140 child welfare and juvenile services stakeholders that Nebraska might fail the second round of the CFSR, despite any improvement since the 2002 review, because the federal government has raised the CFSR standards. The self-evaluation is a preliminary step to the CFSR process and includes reviewing data on foster children and interviewing stakeholders in the child welfare and juvenile services. Conference attendees created a Program Improvement Plan development team to monitor the state's progress and to identify strategies, goals, action plans and benchmarks.[34]
November 29, 2007	The Partners Council holds its first meeting. The council, comprised of stakeholders in the state child welfare and juvenile services systems, was established by Mr. Landry to monitor outcomes and improvements and to provide him input on improving federal outcomes.[35]
December 2007	The Children's Behavioral Health Task Force, created by LB 542 and comprised of legislators, DHHS officials and child advocates, releases its report. One of the DHHS responses to the report was to develop a "true continuum of services" that reflected the department's goal of serving children with the appropriate services "at the right level of care, in the right setting (and) for the right amount of time."[36]
February 13, 2008	Gov. Heineman signs LB 157, the Nebraska "safe haven" bill.[37]
March 17, 2008	Mr. Landry publicly announces a Request for Bid (RFB) from private agencies to provide "a continuum of Safety and In-Home services" for at-risk children. The RFB, part of a larger strategy to better coordinate the delivery of services through increased centralization, developed from one of many PIP action steps.[38]
June 11, 2008	The state signs contracts with five lead agencies to provide comprehensive safety and in-home services to CFS clients.[39]
July 1, 2008	CFS begins implementation of the safety and in-home services contracts. The implementation reduced from about 115 to five the number of service contracts the department had to monitor. The division said the contracts—totaling $32.7 million—will provide incentives for agencies to meet performance results related to safety, permanency and well-being. However, some child advocates said the division timeline—from the RFB announcement in

March to the July 1 starting date—was "aggressive." In addition, some winning bidders had concluded they would not make money and declined to sign contracts.[40]

July 11, 2008	Mr. Landry says he wants to accelerate a two-year trend in the net decline of children entering the state welfare system. More children were released from the system than entered it during the period, and Mr. Landry said the state's new goal is to reduce the current number of state wards by about 800 by the end of the year. CFS and the FCRB will spearhead the new effort. "While we celebrate the progress that's been made, there's still more work to do," Gov. Heineman said.[41]
July 14, 2008	The second CFSR begins with on-site reviews of 65 cases in Dawson, Hall and Douglas counties.[42]
August 8, 2008	Mr. Landry briefs the Partners Council on the CFSR, out-of-home reform and other child services issues. He said that none of the 26 or more states that have completed the current CFSR round have passed the review.[43]
September 5, 2008	CFS releases a framework of recommendations for the reform of out-of-home care. The framework built on ideas underlying the Safety and In-Home Services program that began two months earlier. Under the proposed framework, contracting agencies would provide services and services coordination. The proposed framework gives CFS case management oversight responsibilities; critical case decisions—child and community safety assessments, whether to recommend removal of children from homes, etc.—would continue to be made by division staff. The document indicates the contracts would take effect July 1, 2009.[44]
September 12, 2008	Jerry Davis, vice president and director of National Advocacy and Public Policy for Boys Town, issues a memorandum, "Privatization: Lessons Learned." Mr. Davis wrote that privatization outcomes nationwide "have been mixed" and improvements in costs or effectiveness typically take two or more years.[45]
September 18, 2008	CFS holds the first of five public forums in the Eastern Service Area on the department's plan to reform out-of-home care. In total, the division organized 14 forums statewide. Among the comments from participants in the Eastern Service Area forums was an admonition to the department to provide bidders accurate information on the number of children projected to be served. "Numbers need to be much more accurate than In-Home," according to department notes on one of the forums. "The provider will meet with failure if [*sic*] bid one thing and then experience another." According to notes on the September 18th and 29th forums, participants suggested the reform was moving too fast: "Why the rush to reform?" notes from one of the forums stated.[46]

September 22, 2008	In a letter to Mr. Landry, Children and Family Coalition of Nebraska (CAFCON) president Jim Blue advises the CFS director to take steps to reduce potential lead contractors' financial risk. Mr. Blue, after expressing support for the proposed reform, wrote that adequate funding was crucial. "While we understand that there will be 'no new money' for the out-of-home component, it is very important that financial resources are available to support the new care coordination responsibility," he wrote.[47]
September 24, 2008	The Nebraska Association of Homes and Services for Children (NeAHSC) president recommends in a letter to Mr. Landry that the department create a workgroup of potential bidders and DHHS staff to review child services data and develop utilization projections before commencement of the bidding process. Echoing statements by the CAFCON president two days earlier, Nick Juliano called the reform "a step in the right direction," but wrote that the In-Home services data had been inaccurate. "As a result, there is some concern with current contracted providers as to whether there is sufficient funding to meet the current demand for these services," he wrote."[48]
October 5, 2008	Kathy Bigsby-Moore, director of Voices for Children in Nebraska, says the success of privatization will depend on how well DHHS monitors the reform. Ms. Bigsby-Moore, referring to a recent legislative audit report about the department's inadequate oversight of transportation contracts, said, "That (monitoring) hasn't been their strong suit."[49]
November 6, 2008	DHHS releases a summary of the input CFS received in emails and at the 14 public forums it organized on its plan to expand reform of child welfare and juvenile services. As a result of respondents' concerns that the July 1, 2009 target date was too soon, the division announced it has extended the full implementation date to January 1, 2010.[50]
November 14, 2008	The Nebraska Legislature begins the special session on the safe haven legislation passed earlier this year. During the week-long session, lawmakers adopted LB 1, which limited the safe haven provisions to infants under 30 days old.[51]
November 26, 2008	CFS releases its plan to reform out-of-home care. Acknowledging the current "heavy focus" on high-end services and services provided to children who have been removed from their homes, the division said it is committed to child services system reforms that will include serving more children in their homes and providing them the right level of service. In response to the e-mail and public forums feedback, the division included in the release a revised framework of recommendations that described in greater detail the duties and case coordination roles between CFS case managers and services contractors.[52]
December 2, 2008	CFS releases the request for qualifications (RFQ) to provide services coordination and non-treatment continuum of care services. Some of the division goals articulated in the document were: to ensure the safety of children; re-

duce the time children are in state custody; reduce from 70 percent to 30 percent the number of children in out-of-home care. The division estimated that final contracts from the RFQ will total $119 million a year. The RFQ reflected the division administrators' intention to "create a continuum of services," including coordination of services, by combining all safety and in-home and out-of-home non-treatment services.[53]

March 13, 2009 — The state receives a courtesy copy of the CFSR final report. Nebraska received an overall rating of "strength" on indicators related to repeat maltreatment, foster care reentry and placing children in close proximity to their parents and with siblings. However, the report concluded Nebraska failed to achieve substantial conformity with any of the seven measures related to children's safety, well-being and permanency. Receipt of this report set the stage for development of a PIP.[54]

March 22, 2009 — Gov. Heineman signs LB 603 that, among other things, created the Children's Behavioral Health Oversight Committee within the Legislature. The bill was, in part, a response to concerns raised during the 2008 safe haven debate.[55]

March 27, 2009 — DHHS says most states did not do well in the 2008 CFSR and only three of 19 states that have so far undergone the current review performed better than Nebraska in system outcomes. The federal government toughened the CFSR standards since 2002; for example, raising the standard to obtain substantial conformity from 90 percent to 95 percent, DHHS said. In an interview, Mr. Landry, the CFS director, said the CFSR results were unsurprising. "This really was a validation of everything we had seen ourselves" in the statewide self-evaluation, he said.[56]

April 2, 2009 — Todd Reckling, formerly an administrator in the CFS policy section, becomes division director. Mr. Reckling replaced Mr. Landry, who accepted a job in Texas.[57]

May 1, 2009 — The FCRB votes to inform the Legislature's HHS Committee of the board's misgivings with the privatization plan. Board Chairwoman Georgie Scurfield said she questioned the department staff's ability to monitor the contracting agencies. "This will require a far greater level of oversight by DHHS than has been seen up until now," she said in a Journal Star article. The news article also reported contract negotiations with the six selected contractors were ongoing.[58]

June 11, 2009 — CFS officials submit a draft PIP to the U.S. Department of Health and Human Services. The PIP was prepared and submitted in response to the CFSR final report.[59]

June 29, 2009 — Gov. Heineman appoints Kerry Winterer chief executive officer of DHHS. Mr. Winterer replaced former CEO Chris Peterson, who retired Jan. 2.[60]

July 29, 2009	The last of the six agencies selected by the state to coordinate child welfare and juvenile services signs its "implementation" contract with CFS. The agencies agreed in the contracts—all signed in July—to develop infrastructure, staffing and programs necessary to provide the services coordination. Most of the contracts called for the agencies to begin providing the services October 1, 2009, with full implementation dates of January 1, 2010. The majority of contracts were later amended to a November 1, 2009 beginning date and to an April 1, 2010 full implementation date. The six agencies were: Alliance for Children and Family Services; Boys and Girls Home; Cedars Youth Services; Nebraska Families Collaborative; KVC Behavioral Healthcare Nebraska; and Visinet. A second set of contracts, the "services" contracts, expected to be signed in the fall, would require the agencies to actually provide the services.[61]
October 26, 2009	The Alliance for Children and Families announces its decision not to sign a services contract with the state. Gary Henrie, Alliance president, told the Journal Star the agency learned recently its contract would be about $1 million less for the year than expected. The Alliance would have coordinated services in the Central Service Area. Mr. Reckling, the CFS director, told the newspaper the state had to withhold some of the contracts money to pay for services provided since July 1.[62]
November 20, 2009	The last of the five remaining lead agencies signs its services contract with the division. The contracts generally obligated the agencies to provide an "individualized system of care" for state wards involved in the child welfare and juvenile services system. Some agency heads told the news media that the limited amount of money the state will spend in the first full year—now reported to be $106 million—will pose challenges to the reform effort. The agencies will have to be "very creative," said Judy Dierkhising of Nebraska Families Collaborative.[63]
December 15, 2009	KVC announces it will open an Omaha office that will eventually employ 180 people in Nebraska. The Omaha World Herald reported that, according to KVC officials, the company will be serving more than 1,500 children when the transition phase ends in January. Also on December 15, the FCRB releases its annual report on the state child services system. The report cited some progress, but also noted serious concerns, including an increase in the percentage of children who returned to the system after being reunited with their families, and privatization reform that was moving too quickly. Mr. Reckling, the CFS director, told the newspaper that Nebraska, unlike Kansas, is not privatizing the entire system. "We're not relinquishing our critical decision-making responsibilities for children and families," he said. Mr. Reckling said the transition, which he said began in September 2008, would be completed in April 2010.[64]
January 2010	A partnership of CFS quality assurance staff, child reform contractors and representatives of Nebraska's five service areas begin conducting quarterly reviews in the service areas. This periodic review process, referred to as the

Mini Child and Family Services Review, was part of the draft PIP the state developed to address the 2008 CFSR.[65]

April 1, 2010 — All of the lead agencies fully implemented their services by this date.[66]

April 2, 2010 — Cedars Youth Services announces it will withdraw as a lead agency. Mr. Blue, the Cedars president and CEO, told the World-Herald the agency was withdrawing because of inadequate reimbursement from the state. "It became apparent to us that the cost to provide the services was substantially higher than we anticipated and funded by HHS," he said. Mr. Blue anticipated losing more than $5.5 million during the 20-month contract, the newspaper reported. Meanwhile, Jim Hoffman, Visinet CEO, told the newspaper his agency was reviewing its finances and considering whether to withdraw from its contract.[67]

April 8, 2010 — Visinet files for bankruptcy and the state terminates the contract. The end of operations for Visinet, at midnight April 15, triggered an emergency mode among DHHS workers, who suddenly had to find foster care, therapy sessions and other services for an estimated 2,000 children in eastern and southeastern Nebraska.[68]

April 9, 2010 — Mr. Reckling tells the World-Herald the department remains optimistic about reform, despite the recent loss of two lead agencies. "We're in this for the long haul," he said. He told the newspaper later that month the reform could take as long as five years to implement. Sen. Tim Gay, chairman of the HHS Committee, told the World-Herald Mr. Reckling was "ultimately responsible" for proceeding with the privatization plan, even though some had counseled the division to first try a pilot project.[69]

April 13, 2010 — HHS Committee introduces LR 568, an interim study resolution on privatization.[70]

April 27, 2010 — Former Visinet employees and a few foster parents and children protest at the Capitol. The former employees claimed clients have "fallen through the cracks" because the state has not provided them with services after Visinet filed for bankruptcy.[71]

April 28, 2010 — Mr. Davis, the vice president for National Advocacy and Public Policy at Boys Town, in a letter to Mr. Winterer, DHHS CEO, estimates lead agency contracts will be underfunded by $23 million to $24 million over the course of the 20-month contracts signed last year. Mr. Davis wrote that even subtracting from the projected shortfall the dollars the agencies had budgeted to lose, "additional dollars must be found" to cover unanticipated costs borne by the lead agencies. The agencies were serving significantly more children then they had budgeted for because, during the budget planning phase, the state had supplied data to the agencies that "appears to have been off," Mr. Davis wrote.[72]

May 14, 2010	Eighteen former Visinet subcontractors, in a letter to the Visinet chief financial officer, demand payment for approximately $1.4 million in services they claim the company has defaulted on. A number of the claimants sent a similar letter to Mr. Reckling.[73]
May 19, 2010	Mr. Reckling tells the HHS Committee and the Children's Behavioral Health Oversight Committee that DHHS administrators are attempting to understand the funding issues that undermined Cedars and Visinet, and Mr. Winterer tells the legislative panel that the department will audit the two agencies. Mr. Winterer said the privatization plan for the child services system will proceed. "That ship has sailed," he said. The panel also heard testimony on a resolution introduced by Sen. Gay, the HHS committee chairman, to review the reform.[74]
May 21, 2010	The FCRB receives a report from its staff highlighting purported deficiencies in the child services reform effort. According to the report, the deficiencies included inadequate documentation, high staff turnover, payment delays to foster families and subcontractors, and transportation, placement and visitation concerns. Mr. Reckling, in an interview with the Journal Star, said the state was making progress. The state is tracking maltreatment of children in foster care, he said. The national standard is for 99.68 percent of such children to experience no maltreatment; as of March, Nebraska was at 99.62 percent. "We are moving in the right direction," Mr. Reckling said.[75]
May 24, 2010	DHHS representatives announce the department has reached an agreement with Visinet regarding the payment of Visinet employees, subcontractors and foster parents. Under the agreement, DHHS will reimburse subcontractors and foster parents, and Visinet will pay its former employees.[76]
June 16, 2010	The Children's Behavioral Health Oversight Committee holds a hearing on access to, and funding of behavioral health services for children in Nebraska.[77]
July 16, 2010	CFS officials receive formal notification from the U.S. Administration For Children, Youth and Families that the federal office has approved the PIP the state officials submitted in May.[78]
August 13, 2010	KVC-Nebraska invested $5.5 million of its own money during the first 8 months of its contract with the state, according to financial reports. Also, Ms. Dierkhising, executive director of Nebraska Families Collaborative, said her organization would lose an estimated $2.5 million in the first year of its contract. Mr. Winterer, the DHHS CEO, said the department and lead agencies continue to make changes as the reform proceeds. He said the agencies knew the process would involve risks.[79]
August 20, 2010	Pathfinder Support Services president Brian Essen, in a letter to Sen. Gay, informs the HHS Committee chairman of the demand for payment Pathfinder has made to Boys and Girls Home and Family Services, one of the

remaining lead agencies. Mr. Essen attached a copy of the letter Pathfinder's legal counsel addressed to Boys and Girls Home demanding payment of $364,749 within 14 days. Pathfinder is a Boys and Girls Home subcontractor.[80]

August 25, 2010 — A Boys and Girls Home representative tells the HHS Committee the agency has laid off 50 workers in the last month, including 28 two days ago. Chief Financial Officer Jeff Hackett told lawmakers the agency has solicited a consultant to improve cash flow and efficiency. Boys and Girls Home and the two other remaining lead agencies—Nebraska Families Collaborative and KVC Behavioral HealthCare—said they were spending millions of dollars to remain viable and cover losses.[81]

August 27, 2010 — A FCRB staff report raises concerns about missing information in state wards' case files. Ms. Stitt, the FCRB executive director, said the information includes case plans, placement details and documentation on court-ordered family visits and sibling contact. Mr. Reckling said the state has been working with lead agencies on the issue and believes progress has been made. He added that Nebraska is currently meeting three of six federal standards, compared with two of six last year.[82]

September 11, 2010 — Recent data from the U.S. Department of Health and Human Services indicates Nebraska is falling behind other states in the number of children in foster care. According to the federal department, in 2009 the number declined 6.5 percent, but *increased* nearly seven percent in Nebraska.[83]

September 22, 2010 — Legislators question top DHHS administrators about child services reform at an HHS Committee hearing on the department's budget.[84]

September 30, 2010 — DHHS and Boys and Girls Home announce they have mutually agreed to terminate the contract, effective Oct. 15. Boys and Girls Home held a contract for the Western, Central and Northern service areas. State officials said they will assume responsibility for payments Oct. 1 and will handle the agency's cases until a new lead agency is found.[85]

October 2010 — DHHS provides the remaining contractors with $6.3 million beyond the original contract amount.[86]

October 15, 2010 — Mr. Winterer announces the department is developing a plan with lead agencies to transfer certain case management decision responsibilities to the agencies. The target date for the transfer is Jan. 1. Mr. Winterer would not say whether the transfer would require the lay-off of state workers, or how many state positions might be eliminated.[87]

October 22, 2010 — Ms. Stitt, in a letter to Mr. Winterer, expresses the FCRB's concerns with the foster care system. One of the six recommendations Ms. Stitt offered in the letter was that the "current system be stabilized (and) that a thorough review" of the reform plan be conducted. "It is unfortunate that DHHS is ac-

celerating the Reform effort as stated in the October 15, 2010, announcement," she wrote.[88]

November 3, 2010 — Mr. Reckling says a pilot project to test various services provision models is not a "workable solution." In a letter to child advocates who proposed a pilot project in the Eastern Service Area, the division director wrote the proposal's "structure would potentially create even more confusion in the system for children and families."[89]

November 15, 2010 — Amid calls from child advocates to slow down the reform, Gov. Heineman says DHHS is headed in the right direction, but that completion of reform will take time. "I hope everybody realizes what we've been doing in the last 40 years hasn't worked," he said.[90]

November 16, 2010 — Mr. Winterer, in a letter to the FCRB Chairman Alfredo Ramirez and Ms. Stitt, the executive director, writes the reform plan has had some successes, including a decline in the number of state wards and evidence of a decline in the percentage of children receiving out-of-home care. "The state will continue to work hard and ensure fewer children in state custody and fewer children removed from their homes," Mr. Winterer wrote.[91]

November 17, 2010 — Ms. Bigsby-Moore of Voices for Children and Sarah Helvey of Nebraska Appleseed brief legislators and legislative staff on the child services reform. Ms. Bigsby-Moore listed some of the complaints of which her agency was aware: late or lower-than-expected payments; more children in the system than anticipated; staff qualifications and training concerns. Ms. Helvey said the state did not provide contractors with additional money to cover costs of services DHHS added to the contracts.[92]

November 30, 2010 — At a briefing by DHHS officials under LR 568, legislators express skepticism about the planned transfer of more case management responsibilities to the lead agencies. Sen. Gay, chairman of the HHS Committee, called the plan "pretty vague." Committee member Sen. Campbell suggested the department needed to slow down the reform effort. "I think we have a very fragile phase one that we have not worked out all the kinks to that system, and we're scrambling to go to phase two," she said. Mr. Winterer told the committee the department planned to press on with the reform. "We do believe we're on the right path," he said.

Mr. Reckling, the division director, presented to the Committee an action plan that included additional funding for the reform, now known as "Families Matter." He said the remaining lead agencies, KVC and Nebraska Families Collaborative, would receive additional one-time funding. (In a news release the following January, Mr. Reckling announced that KVC and NFC would receive $12 million and $7 million, respectively, within nine months.) Reckling also presented a handout with information that: the state has improved in CFSR data measures since 2008; the number of state wards is down; more children are being served in their homes and with relatives. The

officials disclosed the department was negotiating with the nationally known Casey Family Programs to assist in the reform effort.[93]

December 2, 2010	The FCRB releases its annual report and a separate report. According to the reports, child services reform so far has not significantly reduced the number of children in out-of-home care. Mr. Reckling countered that one of the lead agencies has had less than one percent of children in its aftercare program return to foster care. In addition, Mr. Reckling reiterated that the division is currently meeting three of six federal child services standards, an improvement since 2008. "We have shared this information with the (FCRB), but they seem to be looking backward while we are focused on improvements," he said.[94]
December 9, 2010	The Nebraska Department of Administrative Services (DAS) approves the DHHS plan to transfer more case management responsibilities from state workers to the private lead agencies. Nebraska law requires DAS approval of contracts between state government and private entities if the contracts involve the replacement of state workers with private ones. DHHS administrators have said the transfer will happen January 3.[95]
December 13, 2010	More than 40 stakeholders meet in Lincoln to begin planning an assessment of the reform effort. Casey Family Programs, which will provide consultation, technical assistance and funding to CFS, distributed to participants surveys designed to identify areas of concern.[96]
January 2011	DHHS provides the two lead agencies with $19 million beyond the original contract amount.[97]
January 3, 2011	KVC and Nebraska Families Collaborative assume case management responsibilities for children and families in two of the state's five Service areas.[98]
January 5, 2011	DHHS officials report the state has exceeded or been within a fraction of a percentage of the national standard for absence of abuse of children by foster parents. In addition, the number of children in state custody declined from a record high of 7,803 in April 2006 to 6,250 on December 31, 2010.[99]
January 14, 2011	LR 37 introduced. The resolution would authorize the HHS Committee to investigate and assess the child welfare and juvenile services reform initiative. The process would involve consultation with a "broad array" of stakeholders, public and private. On February 7, 2011, the Legislature adopted the resolution on a 43-0 vote.[100]

Methodology

The primary purpose of this timeline is to document the significant developments in child services reform that culminated in the passage of LR37 by the Nebraska Legislature in February 2011. A subsidiary purpose of the timeline is to provide some historical context to the "Families Matter" reform that hold some interest for policy-makers and stakeholders. This contextual information is meant to be representative, not comprehensive. The timeline does not note every significant development in the recent history of child services reform in Nebraska.

Post Timeline Update

During the course of this audit, DHHS announced some changes relating to privatization. First, in June 2011, DHHS CEO Kerry Winterer announced the appointment of Vicki Maca as Families Matter Administrator. According to Mr. Winterer, there was a need to have someone devoted full time to the Families Matter reform efforts. Ms. Maca is responsible for reform in the Eastern and Southeastern service areas. Todd Reckling, director of the DHHS division of Children and Family Services, retains responsibility for the Central, Northern and Western Service Areas.

Second, in August, CEO Winterer stated publicly that the agency might not use the lead-agency model of privatization beyond the two service areas in which it is now in place. Mr. Winterer said "the jury is still out" on whether to expand the model to the more rural portions of the state. In January, the Legislature considered a bill (LB 95) to prohibit the department from entering into lead-agency contracts for the central, northern and western service areas until at least June 2012. The bill was held by the Legislature after the Governor announced he had instructed department officials to voluntarily postpone any such contracts until the June 2012 date.

Lastly, in October 2011, Mr. Reckling resigned as CFS director. Mr. Winterer appointed Scot Adams, Director of the department's Division of Behavioral Health, as interim director while the department looks for a permanent director.

LR 37 Health and Human Services Committee
Time line

January 14, 2011	Introduction of LR 37
January 28, 2011	Health and Human Services LR 37 hearing
January 31, 2011	Briefing by DHHS on Families Matter
February 7, 2011	LR 37 adopted with 47 ayes, 0 nays
February 15, 2011	Legislative Performance Audit Committee directs Legislative Performance Audit be completed
March 7, 2011	Nebraska Auditor of Public Account agrees to public audit
March 29, 2011	Moratorium of privatization Amendment to LB 95 adopted LB 95 on Select File bracketed until January 4, 2011
June 2, 2011	HHS Committee orientation on FCRB case reviews and tracking
June 23, 2011	NCSL briefing re research on Child Welfare and Privatization
August 3, 2011	LR 37 hearing in Grand Island, NE
September 7, 2011	Nebraska Auditor of Public Accounts Report release and briefing LR 37 hearing in Lincoln, NE
September 13, 2011	LR 37 hearing in Scottsbluff, NE
September 15, 2011	LR 37 hearing in Norfolk, NE
September 21, 2011	CFS CFSR and Program Improvement Plan (PIP) Annual meeting Commission Children National Leadership Conference Salt Lake City, UT- attended by Senator Campbell
September 23, 2011	Through the Eyes of the Child Regional Conference, Ashland NE
October 18, 2011	LR 37 briefing by Legislative Fiscal Office- Mike Calvert,Liz Hruska, Tom Bergquist Foster Parent/Biological Parent Survey Ombudsman- Marshall Lux Attorney/GAL Survey -Appleseed- Sarah Helvey Judges/Through the Eyes of the Child Survey and Court Improvement briefing- Vicki Weisz Juvenile Probation Pilot Program briefing-Cory Steel
November 4, 2011	Release of the Legislative Performance Auditor Report and briefing
December 5, 2011	Release of FCRB Report with Privatization Update and briefing
December 15, 2011	LR 37 Report Released

Chapter 3

Legislative Performance Audit Report

". . . I believe – and the Performance Audit Committee believes – that the theme you come back to over and over again, when you read this report, is the need for transparency, accountability, and leadership."

~ Senator John Harms,
Chair, Legislative Performance Audit Committee

HHS Committee Briefing, November 4, 2011
Senator John Harms

Thank you Senator Campbell and members of the Committee, I am Senator John Harms, Chairman of the Legislative Performance Audit Committee, and I'm here today to tell you about the results of our performance audit on child welfare privatization, which we undertook at your request. Very broadly, the audit produced a comprehensive time-line of events surrounding the privatization efforts and looked at three questions: (1) how DHHS, policymakers, and stakeholders would know whether privatization of services is working effectively to assure children's safety; (2) whether the Executive Branch exceeded its authority in implementing reform without legislative involvement; and (3) whether contract oversight is sufficient.

Before getting into specific findings and recommendations, let me tell you that I believe—and the Performance Audit Committee believes—that the theme you come back to over and over again when you read this report is the need for transparency, accountability, and leadership. All of the specific concerns tie back to these issues.

There's a lot of detail in this report but let me just highlight some of the most concerning findings and give you an idea of what the Audit Committee is recommending. First, in terms of the contracting process, the auditors found that prior to entering into the lead-agency contracts, CFS (the Division of Children and Family Services) failed to conduct any kind of cost-benefit analysis or similar financial assessment that would have given them a more realistic sense of the likely costs of privatization. The Audit Committee found this to be a serious accountability problem, and believes we need to change our state contracting statutes to keep this from happening again. What we recommend is that we work with your Committee and the Government Committee to propose legislation requiring agencies to work with DAS on personal services contracts and to place in writing some type of cost-benefit analysis prior to contracting for any contract over $25 million. We are also recommending working with your committee to pass LB 95, or a similar bill to prohibit privatization in the service areas that currently do not have it.

Second, in the area of how we as policymakers and other stakeholders would know if privatization is working, the auditors found that CFS did not identify key goals, or benchmarks and time-frames for achieving them. Again, we believe this is a big problem in terms of accountability—we know it's a complex area and do not want the numbers to drive the system at the expense of children and families. However, without some key goals and benchmarks, it's impossible to know if the desired improvements are occurring and identify areas where adjustments may be needed. In the agency's response to the draft report, the DHSS CEO agreed with the need for these and indicated that they are working with Casey Family Programs to establish them. Our committee believes that this is a serious accountability problem and that the agency must do better and, importantly, must work with the HHS Committee on both establishing goals and reporting on progress.

We also found that in two areas that CFS has often cited as reasons for entering into privatization, they've made little progress since privatization was implemented in 2009. First, CFS often talked about reducing the number of children placed out of their homes from 70% to

30%, sometimes referred to as "flipping the pyramid." We found that the number dropped 4% since privatization was initiated in 2009, but that is still not a very significant change given the amount of resources that have been placed into the system. The second area that was often given as a reason that privatization was needed was the state's scores on the federal CFSR (Child and Family Services Review). The Performance Audit Committee looked at one part of that review—six "data indicators" that are goals in the lead-agency contracts and tracked on the CFS Web site—and found that there was actually more improvement in them before privatization began than has occurred since then.

Other concerns relating to goals include the lack of analysis by CFS of why Nebraska's rate of children placed out of their homes is higher than many other states. For example, the inclusion of the juvenile justice population is often cited as a factor in that difference, although we found that it doesn't seem to fully account for the difference. CFS has not analyzed the reasons that Nebraska's placement rate is higher than other states. If you do not know *why* the problem exists, how do you

know privatization is going to fix it? There needs to be more rigorous and transparent analysis in these areas.

Another concern about goals is that we found CFS is very focused on measuring improvement using the statistical goals set by the federal Children's Bureau for improvement in the CFSR data indicators. We understand that to an extent they have to do this—participation in the CFSR process is required by federal law and the state could be subject to financial sanctions if CFS doesn't work with the Children's Bureau. However, the CFSR goals are measured in tenths-of-a-percent increments, and it's difficult to understand what that level of change actually means without some additional interpretation. Again, we feel this is a transparency problem—CFS does make a great deal of raw data available but we believe transparency has to go beyond that and include rigorous data analysis that interprets the raw data and informs policymakers and other stakeholders about how the system is actually performing.

Just one more point about goals. We believe that some of the goals CFS is trying to accomplish—including safely reducing the number of

children placed out of their homes—cannot be accomplished by CFS alone and should be treated as the policy issues they are and be considered by the Legislature. While we found that the Executive Branch did not exceed its authority when it pursued privatization without involvement of the Legislature, we also found that goals such as safely reducing the number of children placed out of their homes are policy questions that should be considered by the Legislature. The legislative process can bring the stakeholders together—especially the Judiciary, which plays such a significant role in the child welfare system—to build support for key system-improvement goals. With or without privatization, we believe substantive system change will only occur when that kind of coalition is in place.

In terms of contract oversight, time constraints limited the auditors' review to a comparison of CFS's process against the typical process identified in government contracting standards. With the significant exception of the need for additional cost analysis mentioned above, we found that the process was generally in compliance with those standards.

Let me begin to wrap-up my discussion by coming back to the Audit Committee's concern about leadership—we believe that so many of the problems we identified come down to this and have recommended that the CEO needs to evaluate whether there's the right match between the individuals in the CFS Division and the positions they hold. But we also think, and I know some of you do as well, that the agency itself may be too big for adequate internal oversight. So we've also recommended that your committee should review the agency structure and in fact we think you might want to contract with a management expert to get some additional information about what changes are needed.

The Audit Committee has incorporated information from both the State Auditor's financial audit and your LR 37 hearings. One of those is the need to change the budget process as it relates to DHHS generally and CFS specifically. As a member of the Appropriations Committee, I can tell you we have been frustrated by the lack of transparency regarding the additional $30 million that has been moved into child welfare. Despite the best efforts of our fiscal staff, it has been extremely difficult to get timely information about this significant change and we

find that unacceptable. The Audit Committee plans to work with the Chair of the Appropriations Committee and DHHS CEO to pursue implementation of performance-based budgeting for the CFS Division for two budget cycles in order to get the agency to articulate goals, benchmarks and demonstrate progress towards meeting them. We also believe that budget program 347 is too large—it contains 26 subprograms representing more than $200 million dollars—and believe that at a minimum, the child welfare subprogram needs to be made into a separate program to provide more accountability and transparency.

So, as I stated when I began these comments, our audit raises serious concerns about accountability, transparency, and leadership. We believe additional legislative oversight is needed and make specific recommendations about how to address these concerns. With that, I would be happy to answer any questions and also have Martha Carter, our Legislative Auditor, with me who can answer specific questions about the audit.

Audit Summary and Committee Recommendations

Audit Summary

This performance audit was undertaken at the request of the Health and Human Services Committee as part of its review, under interim study resolution LR 37, of the child welfare and juvenile services privatization initiative implemented by the Department of Health & Human Services (DHHS or department) Division of Children and Family Services. Specifically, the Legislative Performance Audit Committee directed the Legislative Audit Office (Office) to (1) provide a timeline of major events in the implementation privatization; (2) assess how DHHS, policymakers, and stakeholders know whether privatization of services is working effectively to assure children's safety; (3) assess whether the Executive Branch exceeded its authority in implementing reform without legislative involvement; and (4) assess whether contract oversight is sufficient.

The audit produced a comprehensive timeline of events relating to privatization, along with several significant findings, including that the Division of Children and Family Services (CFS or division) failed to:

- conduct a cost-benefit analysis or similar assessment prior to entering into the lead-agency contracts in 2009, which is contrary to best practice and was a critical error in the contracting process;
- identify key performance goals for improvements they expected to see following privatization or benchmarks or timeframes for meeting such goals; and.
- make significant progress in reducing the number of children placed out of their homes.

Nebraska's high rate of children placed out of their homes was one of the reasons CFS administrators cited as demonstrating the need for privatization. Another was Nebraska's low scores on the six data indicators that are part of the federal Child and Family Services Review process, and we also found little improvement in those scores since privatization began.

We determined that the Executive Branch did not exceed its authority in pursuing privatization without involvement of the Legislature. However, we also found that goals such as safely reducing the number of children placed out of their homes are policy questions that should be considered by the Legislature, because the legislative process allows for the coalition building needed to make substantive change.

Time constraints limited the auditors' review of contract oversight to a comparison of the CFS process to the typical process identified in government contracting standards. With the significant exception of the need for additional cost analysis mentioned above, we found that the process was generally in compliance with those standards.

Division administrators generally agreed with the audit findings and indicated that efforts were already underway to identify key outcome goals, along with benchmarks and timeframes for meeting them. The division also expressed its desire to work collaboratively with the Legislature and Judiciary to bring about system change.

Committee Recommendations

The Committee adopted the audit staff's draft recommendations, which begin on page V. In addition, the Committee believes that this performance audit report, the State Auditor's financial audit report, and information presented at the LR 37 public hearings document a critical lack of financial and performance accountability by the Department of Health and Human Services (DHHS or department) and makes the following recommendations to address this significant problem.

DHHS Management/Agency Structure

While the Committee believes that former and current DHHS management are in part responsible for the failure to provide adequate accountability, the Committee also believes that the department structure is part of the problem. The Committee questions whether any CEO could provide meaningful oversight of the multiple major programs within the agency. Similarly, the Committee questions whether any CFS director could provide enough attention to the broad scope of significant responsibilities under his or her review. Within the child welfare and the juvenile services program, the Committee questions whether the merging of the two populations into single system has resulted in a good "fit" or should be reconsidered.

Recommendation: The Committee recommends that the Legislature's Health and Human Services Committee, or a working group of that Committee, evaluate the 2007 restructuring of DHHS to determine whether changes are needed in order to facilitate sufficient oversight and accountability of the programs the agency administers. The Committee suggests that the HHS Committee consider contracting for the opinion of a management expert as part of the study, in order to get an objective assessment about what changes would be the most effective.

Recommendation: The Committee recommends that the DHHS CEO conduct a comprehensive evaluation of CFS staff to determine whether the division has made good matches between individuals and the positions they hold and report the results back to the Committee and the Health and Human Services Committee.

Contracting Process

The Committee believes that process used by CFS administrators to contract for child welfare and juvenile services was inadequate in significant ways. In particular, the absence of a written analysis of the

potential costs (through a cost-benefit or similar analysis) and the inadequacy of the assessments of the ability of potential providers to provide the necessary services and maintain financial viability were of concern. The Committee believes that statutory changes are needed to prohibit any state agency from entering into contracts that may present a high risk of service disruption and expose the state to high financial liability because of lack of adequate analysis and documentation.

Recommendation: The Committee will work with the Health and Human Services and the Government, Military and Veterans Affairs committees to propose and/or support legislation requiring agencies to work with the Department of Administrative Services in the letting of personal services contracts to ensure adequate accountability and sound contracting practices.

Recommendation: The Committee will work with the Health and Human Services Committee to propose legislation establishing a moratorium on adding any additional DHHS service area to any new or existing lead agency contract to provide services in the child welfare system and juvenile justice system and for wards of the state pursuant to the child welfare reform initiative known as Families Matter.

Budgeting Changes

Committee members are extremely concerned about, and find unacceptable, the difficulty the Legislature has had in getting accurate, timely fiscal information from DHHS about the child welfare services' contacts. The Legislature is responsible for appropriating funds to state agencies and must be able to obtain information about how those funds are spent.

The Committee is also concerned that budget program 347, which contains 26 subprograms—including Child Welfare Services, Temporary Assistance to Needy Families (TANF), and Employment First, among others—is too large and that having so many significant subprograms in one budget program hampers effective oversight. The Committee believes that the program needs to be broken up into smaller areas in order to facilitate appropriate oversight and understands that the Legislative Fiscal Office is reviewing options for doing so.

Recommendation: The Committee will explore legislation to require: (1) performance-based budgeting for the CFS Division for the 2013-2014 and 2015-2016 budget cycles—and then sunset—which would require the agency to articulate verifiable and auditable goals and benchmarks and demonstrate progress in those areas; (2)

creating Child Welfare Services as a separate budget program and possibly changing other subprograms from program 347 to separate programs; and (3) funds within program 347 be earmarked by the Legislature for specific purposes. The Committee will work with the Appropriations Committee and will request the participation of the DHHS CEO as well. The Committee acknowledges that budget-process changes, as well as contract-process changes discussed later in this section, may have fiscal impacts and will further identify those along with other consideration related to these recommendations.

SECTION II: Is Privatization Working?

Findings Relating to Outcomes

Our conclusion is that, to date, few outcomes show improvement and those that have improved do not show the degree of change we believe policymakers and other stakeholders expect from privatization specifically or from the broader system reform of which it is a part. For the goals and indicators we studied, including certain measures from the 2008 Child and Family Services Review (CFSR), the rate of out-of-home placements, and five indicators suggested by Children and Family Services (CFS or division) administrators, we found:

Finding #1: CFS met the performance improvement goals for five of the six data indicators prior to the start of privatization. (p. 25)

Finding #2: Scores on the data indicators since privatization began have been mostly down. Two scores went up since privatization began—one increased enough that it met the intermediate improvement goal for the first time—but the remaining four indicators went down. (p. 27)

Finding #3: Since 2006, there has been no significant decrease statewide in the proportion of children placed out of their homes but the rate improved (dropped) four percent between April 2010 and April 2011. (p. 30)

Finding #4: Fewer children are being placed in state custody, but the rate of decline is less than what is taking place nationally, which suggests that Nebraska should be doing more. In addition, the rate has slowed, not increased, since privatization began in 2009. (p. 37)

Finding #5: The proportion of kinship placements has increased since 2006, including a noticeable increase since privatization began in 2009. (p. 39)

Finding #6: We agree with CFS administrators that since 2009, there has been improvement in placement stability and kinship placements. Adoption timeliness measures have also improved, although that trend started before privatization began. We disagree that the measures relating to permanency, reentry, and maltreatment in foster care have improved in meaningful ways. (p. 41)

Finding #7: Nebraska is not unique in its inclusion of the juvenile services population in the data used to calculate the out-of-home rate and this factor alone does not appear to explain Nebraska's high rate compared to other states. (p. 32)

Recommendation: The Health and Human Services Committee may wish to consider whether it is satisfied with the current level of improvement in outcomes for children and families.

* * *

Findings Relating to Goals

Finding #8: If CFS administrators intended the 70/30 reversal in the proportion of children removed from their homes to be a figurative goal, then the Division failed to adequately communicate that intent to stakeholders. (p. 30)

Finding #9: CFS administrators' failure to identify key goals, as well as performance benchmarks and timeframes for achieving them is contrary to best practice and their failure to recognize the importance of these reflects questionable professional judgment. (p. 34)

Finding #10: The statistical goals set by the Children's Bureau for improvement in the CFSR data indicators, which are measured in tenths-of-a-percent increments, are difficult to understand. (p. 41)

Discussion: While division administrators' commitment to establish key goals, timeframes and benchmarks is a good step, it does not change the fact that those important accountability tools have not been in place to date. That is first and foremost an accountability problem: without clear goals, it is very difficult to hold CFS—or any other part of the system—accountable, and the CFS leadership's failure to recognize that is concerning.

Recommendation: In establishing goals, timeframes and benchmarks for system improvement, CFS administrators must work with the Health and Human Services Committee to ensure that division goals reflect areas of interest to the Committee and that the division has the Committee's assistance in working towards goals that CFS cannot accomplish on its own. In addition, CFS staff need to

develop ways of discussing system improvement that go beyond statistical changes—like those used for the CFSR data indicators—to emphasize meaningful levels of change at a big-picture level and that are more comprehensible. The Committee strongly encourages division representatives to report quarterly (or at a frequency determined by the HHS Committee) to the HHS Committee on progress towards the identified goals.

Finding #11: Goals that CFS cannot accomplish on its own, including safe-reduction, are policy issues that should involve the Legislature. (p. 36)

Discussion: CFS is only one part of the child welfare and juvenile services and many goals that may be desirable—like safe-reduction—cannot be accomplished without commitment from other key players, especially the judiciary. As the policymaking arm of state government, the Legislature could bring the key players together to identify goals that all key players can support. With or without privatization, we believe real system change will only occur when that kind of coalition is in place.

Recommendation: The Legislature's Health and Human Services Committee may wish to introduce legislation to establish goals for reform of the child welfare and juvenile services system. If it does this, the Committee should consider having a candid discussion with key stakeholders—especially the judiciary.

* * *

In addition to CFS administrators' general unwillingness to commit to key goals, we found other aspects of their approach to measuring progress problematic, as reflected in the following findings.

Finding #12: CFS staff's analysis of indicators they believe reflect system improvement was confusing, did not contain consistent information on the indicators and, in some cases used inaccurate methodologies, which are transparency problems. (p. 36)

Discussion: CFS makes a tremendous amount of data available through its Web site and we commend it for that level of transparency. However, transparency should also include producing and making available a clear and thorough analysis of progress on various indicators.

Recommendation: As recommended above, CFS administrators should work with the HHS Committee to identify the type of information and analyses of most value to policymakers and other stakeholders.

SECTION III: Questions of Legal Authority

Finding #13: DHHS neither overstepped Executive Branch authority nor violated state law by contracting out child welfare and juvenile services without legislative involvement. (p. 45)

Recommendation: None.

SECTION IV: Contract Oversight Standards

Our review of the lead agency contracts compared to contract oversight standards resulted in the following findings.

Finding #14: CFS's contracts with the lead agencies meet the Adequacy of Contract Provisions standards. (p. 48)

Finding #15: CFS staff met standards relating to the process for analysis of business needs, goals, objectives and services prior to determining whether contracting was necessary. (p. 50)

Finding #16: CFS did not conduct any type of cost-benefit analysis prior to entering into the 2009 lead agency contracts, which conflicts with contracting standards and we believe was a critical error. (p. 51)

Discussion: State government should have a protection in place to keep a state agency from being able to enter into substantial personal services contracts without conducting or obtaining a detailed analysis of the potential financial implications.

Recommendation: The Legislative Performance Audit Committee will work with the HHS Services and Government committees to propose or support legislation to require a written cost-benefit or similar analysis, or an opinion by a financial expert, of the potential financial implications of personal services contracts valued at $25 million or more.

Chapter 4

Hearing Testimony

"...Keeping siblings together or maintaining constant contact is crucial for all youth in care. Oftentimes the only people we can trust are our brothers and sisters, as we are the ones who survived the unsurvivable together. Having this connection also helps the child more easily go through the transitions experienced in the system. I have two brothers and two sisters, and I can honestly say that I cannot remember the last time I saw my sisters, or spoke with them for that matter. As for my brothers, we maintain contact through phone calls and e-mails. I was able a few months ago to see my younger brother for the first time in 3 years, and I am still awaiting a visit with my older brother, who I have not seen in a little over 11 years."

~ Former foster care youth – adopted

LINCOLN – January 28, 2011	
Name	Organization Represented
Allen, Pamela	Nebraska Foster and Adoptive Parent Association
Authier, Karen	Children and Family Coalition of Nebraska (CAFCON)
Dake Abel, Julie	NAPE/AFSCME Local 61
Forrest, Sarah	Voices for Children in Nebraska
Gasca-Gonzalez, Sandra	KVC Behavioral Health of Nebraska
Helvey, Sarah	Nebraska Appleseed Center for Law in the Public Interest
Kennedy, Candy	NE Federation of Families for Children's Mental Health
Meyer, Jacquelyn	Building Blocks Foster Care
Newell, David	Nebraska Families Collaborative
Weisz, Vicky	Self

LINCOLN – June 23, 2011	
Name	Organization Represented
Tweedie, Jack	National Conference of State Legislatures (NCSL)
Williams-Mbengue, Nina	National Conference of State Legislatures (NCSL)

GRAND ISLAND – August 3, 2011	
Name	Organization Represented
Baxter, Beth	Region III Behavioral Health Services
Dugan, Scott	Mid-Plains Center for Behavioral Healthcare Services, Inc.
Nuncio, Yolanda	DHHS Central Service Area
Paulsen, Dawn	Foster Care Review Board
Wagoner-Wiese, Kathy	Self
Young, Mark	Hall County Attorney's Office
Zychowski, Ron	Eckerd

LINCOLN – September 7, 2011	
Name	Organization Represented
Braaten, Jon	(guardians ad litem)
Esau, Leigh	(foster parents)
Foley, Mike	Auditor of Public Accounts
Helvey, Sarah	Nebraska Appleseed Center for Law in the Public Interest

LINCOLN – September 7, 2011	
Jackson, Stephanie	(biological parents)
Longe, Heidi	(foster parents)
Maca, Vicki	DHHS Southeast Service Area
Nicklas, Greg	Christian Heritage
Peters, Amy	Project Everlast
Robinson, Pam	Lincoln Public Schools Department of Student Services
Rockey, Dawn	CASA
Schmidt, Jeff	Self
Stitt, Carol	Foster Care Review Board

SCOTTSBLUFF – September 13, 2011	
Name	Organization Represented
Bahnsen-Price, Janay	Speak Out
Bills, Stan	Snow-Redfern Memorial Foundation
Busch, Nathan	DHHS Western Service Area
Cabral, Britlyn	Project Everlast
Crystal, Diana	CAPWN – Crossroads Mentoring
Curtis, Scott	Foster Care Review Board
Frances, Joan	Panhandle Partnership for Health and Human Services
Grapes, Todd	Self
Hald, Mark	Options in Psychology
Perkins, Tom	Self
Smith, Otis	Speak Out
Smith, Valerie	Speak Out
Swanson, Maridee	Self
Tollefson, Roger	Self
Worden, James	Scotts Bluff County Court

NORFOLK – September 15, 2011	
Name	Organization Represented
Barnes, Connie	(provider)
Beed, Megan	(foster parent)
Boettger, Frances	Parent to Parent

NORFOLK – September 15, 2011	
Drahota, Jill	Parent to Parent
Dye, Kimberly	Parent to Parent
Headley, Matthew	Self
Matthews-Mott, Ruth	CASA
Meyer, Jacquelyn	Building Blocks for Community Enrichment
Millard, Laurie	GoodLife Counseling & Support LLC
Nelson, Dorothy	Parent to Parent
Paul, Jessica	(foster youth)
Puls, Mike	DHHS Northern Service Area
Smith, Joe	(county attorney)
Stoffer, Ross	(judge)
Williams, Pauline	Foster Care Review Board
Zychowski, Ron	Eckerd

OMAHA – September 28, 2011	
Name	Organization Represented
Authier, Karen	Nebraska Children's Home Society
Byers, Leslie	Family-Professional Partnership Solutions, Inc.
Dake Abel, Julie	NAPE/AFSCME Local 61
DeLaet, Ted	Nebraska Psychological Association
Delgado, Oscar	Project Everlast
Diaz, Camas	DHHS Eastern Service Area
Faulkner, Deborah	Nebraska Family Support Network (NFSN)
Goaley, Nicole	Douglas County Attorney's Office
Harrington, Curtis	Self (foster parent)
Henderson, Alicia	Lancaster County Attorney's Office
Kennedy, Jeanette	Self
Myles, Pamela	Self (biological parent)
Phillips-Soash, Evance	Nebraska Family Support Network (NFSN)
Robbins, Elizabeth	NFC
Rooker, Carolyn	Voices for Children in Nebraska
Smith, Dana	Self
Stewart, Tawni	Family Advocacy Movement

OMAHA – September 28, 2011	
Williams-Smotherman, Melanie	Family Advocacy Movement
Williams, Pauline	Foster Care Review Board

LINCOLN – October 18, 2011	
Name	Organization Represented
Cox, Linda	Nebraska Foster Care Review Board
Helvey, Sarah	Nebraska Appleseed Center for Law in the Public Interest
Latshaw, Amy	State Probation Administrator's Office
Lux, Marshall	Ombudsman/Public Counsel
Steel, Corey	State Probation Administrator's Office
Stitt, Carol	Foster Care Review Board
Weisz, Vicky	Nebraska Court Improvement Project

Overall Summary of Hearing Testimony

Summary of 50 testifiers at 5 hearings. Not included: Auditor Foley; some DHHS Service Area Administrators (those who didn't raise concerns); and individuals whose testimony was very specific to their situations not policy issues. The spreadsheet includes 194 specific comments/concerns.

Main Issues

(1) Services

Almost half of the testifiers raised concerns relating to services (22 or 44%). It was also the issue that had the most comments (47 or 24%). Specific concerns included: loss of providers generally and after Boys and Girls Home stopped providing services in particular; and how services are paid for: who pays when Medicaid denies payment, etc.

(2) Staffing Problems

Again, almost half of the testifiers raised concerns relating to staffing (22 or 44%). About 20% of the responses (39) dealt with this issue. Specific concerns included: caseloads too high; caseworker turnover; caseworkers lack of training & understanding; and questions about the relationship between DHHS and lead agency workers (duplication; who goes to court, etc.).

(3) Payments

About 25% of testifiers (13) raised concerns about provider payments; but only about 10% of responses dealt with it. Specifics included: need to make subcontractors whole; foster parent payments have gone down; and need to adequately fund lead agencies. (Note that this one was kind of a "distant" third in that the number of comments & testifiers dropped quite a bit from the top two issues.)

There were three other issues that had about 10 comments each. (But that's less than 10% of all the responses, so not that many in the big picture.) They are:

- communication (13 comments);
- specific Boys and Girls Home-related comments (12 comments); and
- contracting process problems (11 comments).

Recommendations

There were 30 comments we characterized as recommendations, which included:

- lead contractor should be broker only, not both broker and provider;
- importance of prevention;
- impose moratorium on additional privatization; &
- identify & use strategies that worked in behavioral health reform.

Other

There were 23 comments that didn't really fit into any of the categories we'd defined.

Summary of Issues Identified within Specific Groups of Testifiers

Biological Parents: 11 comments by 5 people. No clear themes.

Foster Kids: 4 comments by 3 kids. Importance of sibling relationships mentioned twice.

Others??

Hearing Date	Last Name	Organizatio	Key Concern	Testifier Type	Issue Category
9/7/2011	Helvey	Nebraska Appleseed	Existing service area inadequate to meet needs of children and families. State lacks sufficient wraparound services and can't retain foster parents.	Advocacy	Services
9/7/2011	Helvey	Nebraska Appleseed	When Medicaid denies payment for services to children with significant behavioral health problems, parents are sometimes forced to make the child a state ward to get services. Places children in a system not intended for them and is financially unsustainable.	Advocacy	Services
9/7/2011	Helvey	Nebraska Appleseed	DHHS must be responsible for court-ordered services denied by Medicaid so that private contractors are not at risk.	Advocacy	Services
9/7/2011	Helvey	Nebraska Appleseed	State must provide all necessary behavioral health services as required by federal law.	Advocacy	Services
9/7/2011	Helvey	Nebraska Appleseed	Need additional legislative and public input into guidelines that dictate whether a service is covered.	Advocacy	Services
9/28/2011	Rooker	Voices for Children	Need to provide prevention services to keep families from coming into the system, e.g., home visitation.	Advocacy	Services
9/28/2011	Rooker	Voices for Children	Need complete array of juvenile justice services.	Advocacy	Services
9/15/2011	Williams	FCRB	Family Support/Visitation providers solely being supplied by BGH which caused local service providers to go out of business or reduce staff (so this was a problem when BGH withdrew?)	Advocacy	Services
9/28/2011	Williams	FCRB	Loss of all different levels of care.	Advocacy	Services
9/15/2011	Williams	FCRB	Lack of availability of infrastructures, e.g., visitation with parent increased to 20 hrs per week but no one is able to provide it. This delays the achievement of permanency.	Advocacy	Services
9/13/2011	Williams	FCRB	Lack of/decrease in placements (all levels). Decrease in licensed foster care placements.	Advocacy	Services
9/13/2011	Curtis	FCRB	Difficult to rebuild the infrastructure after BGH left.	Advocacy	Services
9/13/2011	Curtis	FCRB	Western Service Area has limited opportunity to find qualified people.	Advocacy	Services
8/3/11	Curtis	FCRB	Loss of service providers (foster homes, shelters and group homes).	Advocacy	Services
9/15/2011	Curtis	FCRB	" . . . [HHS] is sometimes limited in what they can say during our meetings. But I heard at points that there were limited resources for certain programs . . ."	Advocacy	Services
9/15/2011	Curtis	FCRB	Difficult to maintain children in their communities. Disrupts education, medical and therapy needs. Increases need for transportation for visitation, therapy and court appointments.	Advocacy	Services

Hearing Date	Last Name	Organizatic	Key Concern	Testifier Type	Issue Category
9/28/2011	Curtis	FCRB	Magellan denying kids treatment level care. Kids being placed in emergency shelters for unacceptable periods of time.	Advocacy	Services
9/28/2011	Paulsen	FCRB	Family support and service providers were being solely provided by BGH. Since the contract terminated, this system now has to be rebuilt.	Advocacy	Services
9/15/2011	Drahota		Need to have a residential sex offender treatment program for juveniles.	Bio Parent	Services
9/13/2011	Matthews-Mott	CASA of NE Neb	Loss of foster homes.	Court Related	Services
8/3/11	Goaley	Douglas Co Atty	One reason OJS kids are going out-of-state is that we are not effectively rehabilitating them here.	Court Related	Services
9/15/2011	Stoffer	Judge	Lead agencies providing direct services takes away services from other agencies.	Court Related	Services
9/7/2011	Stoffer	Judge	Lead agencies should have to work with community based providers rather than creating their own separate network. Takes business away from community-based providers and creates 2 separate systems, which damages the infrastructure of the existing network.	Court Related	Services
9/7/2011	Stoffer	Judge	Lack of placement options for OJS kids who are not dangerous enough to be placed in detention.	Court Related	Services
9/7/2011	Worden	Judge	Distance from available treatment centers for delinquent kids is too great. No continuity of services and support when kids are placed so far from their families.	Court Related	Services
8/3/11	Worden	Judge	Kids stay too long in detention centers (sometimes 90-120 days). He has to order the caseworker to look for out-of-state placements.	Court Related	Services
8/3/11	Worden	Judge	A central clearinghouse showing available beds in Nebraska would help him.	Court Related	Services
9/13/2011	Worden	Judge	Some kids should not be placed at home but also should not be placed in a detention center. Need some intermediate placement option. Suggests day reporting centers/day treatment centers so kids can get structure during the day (education, therapy needs) and go home at night. This is a less expensive option but would put more responsibility on the communities.	Court Related	Services
9/28/2011	Busch	DHHS WSA	Contractors need to convince community that they can provide services better (than in-house).	DHHS	Services
9/13/2011	Busch	DHHS WSA	Lack of availability of resources to keep kids in community.	DHHS	Services
9/13/2011	Busch	DHHS WSA	Lack of availability of shelter beds in western service area. Not enough money.	DHHS	Services
9/13/2011	Busch	DHHS WSA	Recruit foster homes for kids with severe behavioral disorders.	DHHS	Services
8/3/11	Busch	DHHS WSA	Decrease in the number of group homes due to loss of providers.	DHHS	Services

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9/7/2011	Puls	DHHS-NSA	Number of licensed foster care homes has declined significantly. They said they left because of an uncertain job future.	DHHS	Services
8/3/11	Diaz	DHHS – ESA/SESA	Large number of children placed out of state due to lack of funding and medical necessity criteria.	DHHS	Services
9/7/2011	Duggan	Mid-Plains Center – BHS	Fallout from lack of payments = decrease in families desiring to be foster parents and organizations going out of business.	Provider	Services
9/13/2011	Authier	NE Child. Home Soc	Changes in Medicaid criteria adversely affects children's access to services (because service array diminishes) and may impact whether a child can return home or adoptive placement. Also impacts recruitment of foster families who will care for really troubled teenagers.	Provider	Services
9/15/2011	Hald	Options and Psychology	When ICCU closed, we lost a lot of people with experience.	Provider	Services
9/15/2011	Frances	Panhandle Prtnership – HHS	Not all areas of Nebraska are equal in terms of resources; create partnerships with rural communities.	Provider	Services
9/7/2011	Bahnsen-Price	Speak Out	Need flexibility in treatment options, i.e., don't send somebody to a parenting class just because its required. That person may not need a parenting class and it's more expensive.	Provider	Services
9/7/2011	Bahnsen-Price	Speak Out	Utilize the family organizations and increase the availability of support groups. These are less expensive options.	Provider	Services
9/28/2011	Esau	Foster Care	Reduction in number of foster parents due to lack of financial support and increasing demands.	Provider (Foster	Services
9/15/2011	Esau	Foster Care	It has been difficult for KVC to establish positive working relationships with community services.	Provider (Foster	Services
9/28/2011	Beed	Foster parent	Foster parents should not be asked to be babysitters for bio-parents. They should not be able to schedule their visitation anytime they want without regard to foster family's schedule.	Provider (Foster	Services
8/3/11	Baxter	Region 3 BH	Lack of support for family organization and an effective case management model such as the integrated care coordination unit (ICCU).	X-Other	Services
9/28/2011	Baxter	Region 3 BH	Decrease in service providers due to a lack of referrals and lack of payment. DHHS needs to ensure providers receive 100% of the funds owed to them (e.g., Boys and Girls Home).	X-Other	Services

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9/15/2011	Schmidt	SESA	Biggest problem with system was getting behavioral health treatment in a timely fashion. Need quick assessments of parents and kids. One way they got around the problem was to use child welfare money to pay for these services. Director Landry told them not to do this anymore - that it was a behavioral health problem.	X-Other	Services
9/13/2011	Stitt	FCRB	Worker retention.	Advocacy	Staff
9/13/2011	Williams	FCRB	Lack of stability in case management.	Advocacy	Staff
9/13/2011	Williams	FCRB	Lack of stability in case management; lead agencies did not have enough time to prepare.	Advocacy	Staff
9/28/2011	Williams	FCRB	Court gives custody of child to DHHS, who is no longer required to see the child, parent or visit the placement and yet they make safety/risk decisions?	Advocacy	Staff
9/13/2011	Paulsen	FCRB	Because of the large case management overturn, the case history is lost during testimony in court.	Advocacy	Staff
9/15/2011	Williams-Smotherman	Family Advocacy Movement	Overload of cases is a direct result of taking too many children from their homes.	Bio Parent	Staff
9/13/2011	Williams-Smotherman	Family Advocacy Movement	County attorneys and GALs don't meet the children they are paid to represent.	Bio Parent	Staff
9/15/2011	Jackson		DHHS worker did not have time to return phone calls; KVC worker always returned calls.	Bio Parent	Staff
9/7/2011	Rockey	CASA	Hearings have to be continued, which delays permanency, due to late case plans and court reports, lack of knowledge about case.	Court Related	Staff
8/3/11	Rockey	CASA	Caseloads are too high.	Court Related	Staff
	Rockey	CASA	Caseworker turnover.	Court Related	Staff
9/15/2011	Rockey	CASA	Inadequate worker training.	Court Related	Staff
9/7/2011	Matthews-Mott	CASA of NE Neb	Caseworker turnover - somebody different showing up every time. Lack of stability not good for the kids.	Court Related	Staff
9/7/2011	Goaley	Douglas Co Atty	Caseworkers' lack of legal knowledge. Turnover exacerbates this problem. E.g. new caseworker deciding that parental rts should not be terminated after former cw had already made that decision and was going to testify accordingly. This compromises the prosecution of the case.	Court Related	Staff
9/15/2011	Goaley	Douglas Co Atty	Caseworkers don't understand the difference between a kid coming into the system as a result of a voluntary placement vs. violation of a safety plan. Creates pressure on county attorney to figure out the facts of a case (investigation) which is unethical.	Court Related	Staff

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9/28/2011	Goaley	Douglas Co Atty	Concern that statutory authority is being delegated out when contract employee is testifying rather than an HHS employee as per statute. Legal issue is who has the firsthand knowledge of the facts (i.e., who is the appropriate person to cross-examine).	Court Related	Staff
9/28/2011	Henderson	Lancaster County Attorney	Lack of training (staff) and understanding of safety and risk.	Court Related	Staff
9/15/2011	Henderson	Lancaster Co Atty	Caseworker turnover and high caseloads.	Court Related	Staff
9/7/2011	Henderson	Lancaster Co Atty	Failure to provide pertinent information to the court and parties.	Court Related	Staff
9/7/2011	Smith	Madison County	Too many continuances because of new caseworkers. Bad decisions made due to lack of knowledge of caseworkers.	Court Related	Staff
9/7/2011	Braaten	Atty (GAL)	Turnover also causes transportation issues, lack of knowledge about DHHS policies and procedures, legal procedures.	Court Related	Staff
9/7/2011	Braaten	Atty (GAL)	Lack of consistency for families due to caseworker turnover. Foster parents uninformed about permanency options.	Court Related	Staff
9/28/2011	Braaten	Atty (GAL)	Must reduce caseload.	Court Related	Staff
9/28/2011	Braaten	Atty (GAL)	CFOM concept does not make sense. Responsible for 200-250 cases. HHS is still the legal guardian in most cases but the CFOM (HHS rep) does not have the information to make decisions about the case (the contractor does).	Court Related	Staff
9/28/2011	Braaten	Atty (GAL)	Court reports are supposed to get to the parties 10 days before the hearing. Instead they get them at court or 24 hours prior.	Court Related	Staff
9/7/2011	Stoffer	Judge	Caseworker turnover creates lack of familiarity with case, loss of institutional knowledge.	Court Related	Staff
9/28/2011	Stoffer	Judge	Two worker have to be present in the courtroom, rather than one because DHHS is still legal guardian but the contractor is the one who knows the case.	Court Related	Staff
9/15/2011	Stoffer	Judge	Case reports not prepared on time.	Court Related	Staff
9/28/2011	Worden	Judge	Many times the right people (e.g., visitation aides) don't show up to testify in court. Caseworkers always show up for him.	Court Related	Staff
9/28/2011	Puls	DHHS-NSA	High turnover rate of Children and Family Services Specialists	DHHS	Staff
8/3/11	Diaz	DHHS – ESA/SESA	Staff turnover and staff training.	DHHS	Staff
9/28/2011	Peters	Former state ward	Children cannot be treated like commodities. Caseworkers/GALs don't know the kids they are making decisions for.	Foster Child	Staff

Hearing Date	Last Name	Organization	Key Concern	Testifier Type	Issue Category
9/15/2011	Authier	NE Child. Home Soc	Lead agency staff lack experience which results in poor decision-making; lack of knowledge about community resources and lack of credibility in court.	Provider	Staff
9/13/2011	Authier	NE Child. Home Soc	High turnover of case management staff creates limited opportunities for relationships to develop between worker and child.	Provider	Staff
9/15/2011	Hald	Options and Psychology	Caseworkers don't have appropriate background and experience. Need a Bachelor's degree but also need to help them understand relationships. Need to expose them to research based parenting programs.	Provider	Staff
9/15/2011	Esau	Foster Care	Excessive demand on KVC workforce; turnover is affecting confidence in the foster care system. Creates larger caseloads for the workers who stay.	Provider (Foster	Staff
9/15/2011	Harrington	Foster parent	CFOM worker's only purpose is to be present at the hearing for HHS. S/he does not know anything about the case; provides no input. What do they do?	Provider (Foster	Staff
9/15/2011	Longe	Foster parent	DHHS does not have contact with the foster kids anymore but they are making decisions about them (CFOMs).	Provider (Foster	Staff
9/28/2011	Zychowski	Eckerd	Case management function split between DHHS and lead agencies creates confusion and communication issues.	X-Other	Staff
9/13/2011	Rooker	Voices for Children	Give lead contractors a meaningful case rate; will prevent the perception that they keep coming back for more.	Advocacy	Payment
9/13/2011	Stitt	FCRB	Foster parents are receiving less money.	Advocacy	Payment
9/15/2011	Curtis	FCRB	DHHS needs to strengthen oversight of lead agencies, i.e., service coordination, financial payments, documentation, foster parent recruitment, retention, etc.	Advocacy	Payment
9/15/2011	Paulsen	FCRB	DHHS needs to strengthen its oversight of lead agencies, including service coordination, financial payment and timely acting on reported concerns.	Advocacy	Payment
9/13/2011	Paulsen	FCRB	Lack of payment/reduction in payment to foster families. Makes it difficult to maintain children in their communities. Foster parents receiving less than before the reform.	Advocacy	Payment
9/15/2011	Curtis	FCRB	Foster parent support: pay decreased while responsibilities increased; expected to provide parental supervision without training/support; this (visitation) supervision over parents and children creates conflicts of interest.	Advocacy	Payment
9/15/2011	Curtis	FCRB	No payment or reduced payment or untimely payment to foster homes.	Advocacy	Payment
9/28/2011	Williams-Smotherman	Family Advocacy Movement	Change funding incentives; use child welfare waivers to help with family preservation and keep children in their homes.	Bio Parent	Payment

Hearing Date	Last Name	Organizatic	Key Concern	Testifier Type	Issue Category
9/7/2011	Young	Hall County Attorney	Pay foster parents.	Court Related	Payment
8/3/11	Duggan	Mid-Plains Center – BHS	Lack of financial management. BGH did not pay within 60 days, per terms of contract. Sometimes only partial payment with little/no explanation why. Mid-Plains has lost $140K; changed system has resulted in lower reimbursements with higher demands. Need to develop financial risk protections for providers; maybe a relief fund?	Provider	Payment
8/3/11	Duggan	Mid-Plains Center – BHS	Lack of flexibility in design of system. Sometimes forced to try to fit a family in a specific slot that's been identified for that particular funding. Need to be able to use creative approaches to achieve stability.	Provider	Payment
9/15/2011	Authier	NE Child. Home Soc	Cost shifting to subs for services that used to be paid for by the state and are no longer covered by the lead agencies.	Provider	Payment
9/15/2011	Authier	NE Child. Home Soc	Lead agencies did not have adequate infrastructure in place to handle payments to subcontractors.	Provider	Payment
9/13/2011	Nicklas	Christian Heritage	Make sure lead agencies have adequate funding.	Provider (Foster	Payment
9/13/2011	Nicklas	Christian Heritage	Make DHHS pay subcontractors of BGH 100%. Introduce legislation if necessary.	Provider (Foster	Payment
9/13/2011	Nicklas	Christian Heritage	Foster care pay schedule needs to be returned to the level in place prior to contract with BGH. FC payments are based on "tiers." Higher payment for more behaviorally-challenged kids. DHHS changed the tier levels, which lowered the reimbursement even though there was no corresponding change in the behavior of the kids.	Provider (Foster	Payment
8/3/11	Millard	Good Life Counseling	BGH owes them $182,610.61. Email from DHHS telling them they would get 35 cents on the dollar or nothing was not received by Good Life. Because it was a large mass emailing, some got "spammed out."	Provider (Foster	Payment
9/13/2011	Wagoner-Wiese	Foster parent	Financial subsidies for foster parent greatly reduced. She went from $30 to $12 per child.	Provider (Foster	Payment
9/15/2011	Baxter	Region 3 BH	Payment for child welfare has shifted to behavioral health.	X-Other	Payment
9/13/2011	Stitt	FCRB	Lack of information about placements.	Advocacy	Comm
9/28/2011	Williams	FCRB	Delays in updating the files on N-FOCUS. Inaccurate data (i.e., number of placements).	Advocacy	Comm
9/13/2011	Curtis	FCRB	Lack of communication to lead agencies; confusion re: who to contact results in children not getting the services they need.	Advocacy	Comm
9/7/2011	Matthews-Mott	CASA of NE Neb	After contract with BGH, communication was bad. No one knew who to call.	Court Related	Comm

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9/7/2011	Goaley	Douglas Co Atty	Too many layers creates communication issues. Schools, probation and other professionals don't know who to contact to get information. Also delays expeditious adjudication of case which potentially impacts the safety of the child.	Court Related	Comm
9/28/2011	Henderson	Lancaster Co Atty	Failure to provide accurate and consistent data comparisons (e.g., counting of state wards (definition may vary across states), counting of placements).	Court Related	Comm
9/28/2011	Young	Hall County Attorney	No clear lines of communication/responsibility/authority. Attorneys, GALs get to court and don't have the information, witnesses they need.	Court Related	Comm
9/28/2011	Young	Hall County Attorney	Poor communication - information is lost or deliberately suppressed. Providers are punished for giving testimony with which DHHS disagrees. Too much opportunity for mid-level supervisors in service areas or central office to interfere with case plans before they are submitted to attys/courts.	Court Related	Comm
9/15/2011	Authier	NE Child. Home Soc	Role of subcontractors is not clearly defined.	Provider	Comm
8/3/11	Hald	Options and Psychology	No clear communication; not getting the same answer from different people about cases; creates distrust in the system and a lack of confidence that services will be reimbursed.	Provider	Comm
9/15/2011	Robinson	LPS	Confusion about role of KVC vs DHHS.	X-Other	Comm
9/28/2011	Robinson	LPS	Lack of information; workers not given current info.	X-Other	Comm
9/28/2011	Robinson	LPS	Lack of communication from KVC; calls not returned or returned too late.	X-Other	Comm
9/13/2011	Williams	FCRB	Large turnover of BGH workers who were not prepared to deal with stress of case management.	Advocacy	BGH
9/28/2011	Smith	Madison County	BGH was not organized well enough from within for privatization and it there was not enough oversight from DHHS.	Court Related	BGH
9/28/2011	Stoffer	Judge	Infrastructure problems with other agencies were caused by BGH pulling out of contract. These agencies aren't getting reimbursed at 100%. Eliminates their ability to be innovative in providing future services.	Court Related	BGH
8/3/11	Worden	Judge	Need to maintain visitation w the parents for kids removed from home. BGH not flexible enough with times. Very important for kids to have contact with the parents.	Court Related	BGH
8/3/11	Barnes	Beh. Health Spec.	BGH lacked appropriate financial controls. DHHS did not investigate this issue before the contract or after they got out.	Provider	BGH
8/3/11	Barnes	Beh. Health Spec.	BGH did not have adequate infrastructure or experience in providing foster care services to privatize.	Provider	BGH

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8/3/11	Barnes	Beh. Health Spec.	BGH hired their staff away and paid them significantly (10K) higher amounts. Then when they went under, Behavioral Health Specialists ended up paying the unemployment claims.	Provider	BGH
9/7/2011	Duggan	Mid-Plains Center – BHS	Poor communication from BGH. Sometimes had to wait weeks or months to get information about families in care. CEO never responded to his requests for status on cases and contracts.	Provider	BGH
9/13/2011	Duggan	Mid-Plains Center – BHS	Boys and Girls Home (BGH) did not have adequate administrative structure and resources.	Provider	BGH
9/13/2011	Meyer	Building Blocks Foster Care	Main fear is that if a new lead agency comes in, they will lose all the progress they've made in the last ten years. When BGH came in they did not know "the territory."	Provider (Foster	BGH
8/3/11	Wagoner-Wiese	Foster parent	BGH "alot of confusion," "people didn't know who was responsible for what," "no structure," "inexperienced workers."	Provider (Foster	BGH
9/28/2011	Baxter	Region 3 BH	Boys and Girls Home lacked infrastructure to provide systems management (i.e., partnering with families and youth; contract management;subcontractor monitoring; support and payment; data-driven decision making; and value based fiscal planning.	X-Other	BGH
9/28/2011	Young	Hall County Attorney	Contracts should not have financial incentives for providers that are outcome based.	Court Related	CP
9/28/2011	Young	Hall County Attorney	Defining success by statistics rather than focusing on the specific needs and interests of children and families. Contract process exacerbates this.	Court Related	CP
9/15/2011	Braaten	Atty (GAL)	Lack of communication with the courts when preparing for privatization.	Court Related	CP
9/7/2011	Duggan	Mid-Plains Center – BHS	If new lead agency is selected for this service area, providers need to be involved in the vetting process.	Provider	CP
8/3/11	Bills	Snow-Redfern Found. (Boys Ranch)	Privatization process did not allow residential treatment homes to actively participate, negotiate and survive.	Provider	CP
8/3/11	Esau	Foster Care	Expecting one lead agency (KVC) to be an expert in all aspects of foster care.	Provider (Foster	CP
9/28/2011	Zychowski	Eckerd	No readiness assessment done at the front end of the contract process to ensure both provider and DHHS ready to perform work.	X-Other	CP

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9/28/2011	Zychowski	Eckerd	Contract payment method is flawed. "Cannot fund an at-risk managed care contract on a small administration fee and fee for service." (?)	X-Other	CP
9/15/2011	Schmidt	SESA	He and Chris Hanus were asked to make financial recommendations but neither of them has a financial background. They needed a financial expert.	X-Other	CP
8/3/11	Schmidt	SESA	They were told to privatize within existing resources even though evidence from the U.S. DHHS and other states (KS and FL) clearly showed the contrary.	X-Other	CP
9/7/2011	Schmidt	SESA	Involving DAS in the contracting process would not necessarily have helped. The contracts were publicly bid.	X-Other	CP
9/13/2011	Helvey	Nebraska Appleseed	State should pull back from reform and put moratorium on future privatization.	Advocacy	Recs
9/13/2011	Rooker	Voices for Children	Need strong leadership at the top levels; a well-designed plan.	Advocacy	Recs
9/28/2011	Byers	Bio parent	Most important things are: prevent removals, ability to work with system without court involvement and aftercare support.	Bio Parent	Recs
9/13/2011	Stewart	Former CPS worker and bio parent	Empower families (educate them about the system). She was told in her training to be a CPS worker to take advantage of the fact that parents do not know their rights.	Bio Parent	Recs
9/7/2011	Stewart	Former CPS worker and bio parent	Prevention is most important - cheapest, fastest way to keep families in tact.	Bio Parent	Recs
9/15/2011	Young	Hall County Attorney	Lead contractor should just be a broker, not a broker and a service provider.	Court Related	Recs
9/7/2011	Braaten	Atty (GAL)	Child welfare needs to be either govt-controlled or privatized - not both - with appropriate statutory changes made.	Court Related	Recs
8/3/11	Stoffer	Judge	Need to make sure lead agencies have expertise in providing services before they actually start doing it.	Court Related	Recs
9/28/2011	Stoffer	Judge	Lead agencies dual role as case manager and direct provider of services creates conflict of interest.	Court Related	Recs
9/28/2011	Delgado	Former state ward	Most important things for child welfare reform are to get youth input, maintain sibling relationships, support youth that are transitioning from care and ensure proper services are given to them when they age out.	Foster Child	Recs
8/3/11	Paul	Former state ward	Make health insurance available to kids who age out of the system.	Foster Child	Recs
8/3/11	Paul	Former state ward	Ensure sibling relationships are maintained; that there is funding for kids aging out of the system: and create and maintain positive permanency relationships.	Foster Child	Recs

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9/7/2011	Barnes	Beh. Health Spec.	Needs to be a separation between managing the provision of services and providing services.	Provider	Recs
8/3/11	Barnes	Beh. Health Spec.	What works in one service area will not necessarily work in another.	Provider	Recs
8/3/11	Barnes	Beh. Health Spec.	Look at how the behavioral health regions are organized in further reform of child welfare.	Provider	Recs
9/7/2011	Barnes	Beh. Health Spec.	Require organizations providing direct care services to obtain and maintain national accreditation.	Provider	Recs
9/28/2011	Duggan	Mid-Plains Center – BHS	Remove heavy handed constraints over DHHS management.	Provider	Recs
9/7/2011	Authier	NE Child. Home Soc	Dual role of KVC as direct service provider and case manager too burdensome and creates potential conflict of interest.	Provider	Recs
9/7/2011	Authier	NE Child. Home Soc	Slow down on reprivatizing the three service areas. Focus on kids not numbers.	Provider	Recs
9/28/2011	Hald	Options and Psychology	Must focus on early intervention (children under age 5). This is when healthy brain development begins and adverse experiences (removal from home) impacts brain development.	Provider	Recs
8/3/11	Frances	Panhandle Prtnership – HHS	Impose moratorium on future privatization.	Provider	Recs
9/7/2011	Frances	Panhandle Prtnership – HHS	Build on emerging practices and policies; look at design of systems to get families referred to the appropriate services in a timely fashion.	Provider	Recs
9/28/2011	Frances	Panhandle Prtnership – HHS	Focus on prevention and early intervention.	Provider	Recs
9/28/2011	Perkins		Return to govt control of child welfare; inherent conflict of interest in privatization of these services: needs of the children vs. needs of the corporation's profit.	Provider (former	Recs
9/13/2011	Zychowski	Eckerd	Lead agencies should not be service providers. They should be designated as "subrecipients" of state and federal money. This would subject them to an A133 audit by independent auditors and would therefore create a higher level of oversight.	X-Other	Recs

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9/28/2011	Dake-Abel	NAPE/AFSCME	Legislature must define what can and cannot be contracted out for profit.	X-Other	Recs
9/28/2011	Dake-Abel	NAPE/AFSCME	Appropriations Committee should not spend more taxpayer money on a failed venture.	X-Other	Recs
9/28/2011	Baxter	Region 3 BH	Remove heavy handed management of DHHS Central Office and allow service areas to work with stakeholders.	X-Other	Recs
9/13/2011	Baxter	Region 3 BH	Identify and use strategies that worked with Behavioral Health Reform, e.g., ICCUs.	X-Other	Recs
9/13/2011	Baxter	Region 3 BH	Implement proven system of care principles that effectively address needs of children with multiple and complex needs in their families.	X-Other	Recs
9/13/2011	Rooker	Voices for Children	Need oversight and accountability in how money is spent, likes zero-based budgeting.	Advocacy	Other
9/13/2011	Williams	FCRB	Cases transferred to lead agencies too fast.	Advocacy	Other
8/3/11	Williams	FCRB	No direct oversight of placements.	Advocacy	Other
9/13/2011	Williams	FCRB	Too many court continuances, i.e., hearings regarding whether accessible services were provided in a timely manner (reasonable efforts).	Advocacy	Other
9/7/2011	Williams-Smotherman	Family Advocacy Movement	DHHS picks attorneys and therapists who will support their case plans in court and make it appear that all the appropriate steps have been taken. Foster care abuses are covered up.	Bio Parent	Other
8/3/11	Williams-Smotherman	Family Advocacy Movement	Focus on accountability; use zero-based budgeting.	Bio Parent	Other
9/28/2011	Jackson		Court orders were not consistent; unclear what requirements she was to follow.	Bio Parent	Other
9/7/2011	Goaley	Douglas Co Atty	Pressure to keep kids from coming into the system.	Court Related	Other
9/7/2011	Henderson	Lancaster Co Atty	Out-of-home placements without oversight (legal representation) for long periods of time.	Court Related	Other
9/7/2011	Smith	Madison County	Returning a child to the home is not always the right decision. And if a child is removed from the home, someone needs to make sure the appropriate changes are made before that child goes back home.	Court Related	Other
9/7/2011	Young	Hall County Attorney	If keeping kids in the home is the goal (under a safety plan in an abusive situation), then the safety plan has to work. "The safety plan is only as good as the reporting."	Court Related	Other

Hearing Date	Last Name	Organizatio	Key Concern	Testifier Type	Issue Category
9/28/2011	Authier	NE Child. Home Soc	Remaining 2 lead agencies struggled to respond to implementation timeline, changing expectations from DHHS, responsibility for outcomes but not for case management decisions, lack of up-front work with judicial system, and tightening of authorizations for Medicaid services.	Provider	Other
9/15/2011	DeLaet	NE Psych Assoc	Blurring of case management decision vs. medical necessity decision	Provider	Other
9/15/2011	DeLaet	NE Psych Assoc	Ever-changing utilization management practices necessary to diagnose and treat people. Medical necessity criteria has changed radically since July 1. Proper diagnosis directly impacts which kids can be maintained in the home.	Provider	Other
9/15/2011	Swanson	Personal Care Aide	Too much administrative waste. (She received 7 separate letters from DHHS informing her of a 2.5% pay cut.)	Provider	Other
9/28/2011	Bills	Snow-Redfern Found. (Boys Ranch)	Children and families are at greater risk since the reform. Not always best to keep children at home.	Provider	Other
9/15/2011	Bills	Snow-Redfern Found. (Boys Ranch)	Privatization is not cost effective.	Provider	Other
9/15/2011	Beed	Foster parent	Foster parents don't have any input in decisions about child when they are the person spending the most time with the child.	Provider (Foster	Other
9/15/2011	Beed	Foster parent	Foster parent should get to decide when respite care services are scheduled.	Provider (Foster	Other
9/15/2011	Beed	Foster parent	Child's school needs to be chosen based on location of foster home.	Provider (Foster	Other
9/15/2011	Zychowski	Eckerd	There needs to be more contract oversight from DHHS.	X-Other	Other
9/7/2011	Robinson	LPS	Some staff concerned that abuse situations aren't being dealt with timely.	X-Other	Other
9/28/2011	Dake-Abel	NAPE/AFSCME	Existing statutes require DHHS to do a cost-benefit analysis. However, DAS circumvented the statutory requirements by creating a justification study after the decision to privatize had already been made.	X-Other	Other

Hearing Date	Location	Administrator	DHHS Service Area	Testimony
8.3.11	Grand Island	Yolanda Nuncio	Central Service Area	Through reform efforts, number of state wards has been reduced from 675 on November 2009 to 568 in June 2011.
8.3.11	Grand Island	Yolanda Nuncio	Central Service Area	We work closely with community-based agencies to provide services to children, youth and families.
8.3.11	Grand Island	Yolanda Nuncio	Central Service Area	CSA has increased the number of children served in their home from 29% in November 2009 to 36% in June 2011.
8.3.11	Grand Island	Yolanda Nuncio	Central Service Area	Number of children placed in kinship care has increased from 66 in 2008 to 135 in June 2011.
8.3.11	Grand Island	Yolanda Nuncio	Central Service Area	Because there is a shortage of alternative placements (group homes and shelter beds) in the CSA, a stakeholders group was established to collaborate with our partners to improve child welfare and juvenile justice outcomes. The group gathers input from community stakeholders and data is shared with staff and stakeholders to make improvements.
8.3.11	Grand Island	Yolanda Nuncio	Central Service Area	CSA participates in CFSRs and has consistently showed strengths in areas of: nonoccurrence of maltreatment, children not reentering the foster care system, placement of children with their siblings, placement of children near their home of removal, monthly visits to the child by caseworker, and assessment of child's educational and mental health/behavioral health needs. Areas needing improvement are: establishing permanency for children earlier, assessment of the needs of the parents and other children living in the home, involvement of both parents and the child in case planning, maltreatment in a foster care settings and placement stability.
8.3.11	Grand Island	Yolanda Nuncio	Central Service Area	CSA has improved its outcome on the establishment of permanency for children who have been in care for long periods of time as a result of creation of a permanency planning team in 2008.
8.3.11	Grand Island	Yolanda Nuncio	Central Service Area	We work with immigrant and refugee families who have relocated to the CSA from Mexico, Central America, South America, Somalia and Sudan. We respect their religious and cultural beliefs.

Hearing Date	Location	Administrator	DHHS Service Area	Testimony
9.7.11	Lincoln	Vicki Maca	Eastern and Southeastern Service Areas for Families Matter	Since DHHS has contracted out case management responsibilities, its first priority is that the transition be as seamless as possible. This transfer will provide clarity to those who receive services, those who coordinate, and provide services and to community partners. It will also allow DHHS to enhance its focus on the statewide child abuse and neglect hotline, initial assessments, and outcome monitoring.
9.7.11	Lincoln	Vicki Maca	Eastern and Southeastern Service Areas for Families Matter	DHHS will soon begin to use a different assessment tool developed by the Children's Research Center called the "structured decision making model," which will help investigators and case managers to make objective and reliable decisions about safety.
9.7.11	Lincoln	Vicki Maca	Eastern and Southeastern Service Areas for Families Matter	DHHS investigators, along with trained KVC/NFC staff, now have the ability to go to a family's home and immediately connect them with resources and services (called Initial Response Unit or IRUs). In SESA, IRU served 59 families with 39% of families getting services without court involvement and in the ESA, 261 families were served by IRUs with 48% not needing court involvement.
9.7.11	Lincoln	Vicki Maca	Eastern and Southeastern Service Areas for Families Matter	"Nebraska is one of only four states that manage youth delinquency within their child welfare system." DHHS is working to effectively communicate with all parties who affect oucomes related to the child welfare and juvenile justice systems (e.g., juvenile judges, county attorneys, FCRB, Through the Eyes of the Child Initiative, etc.)
9.7.11	Lincoln	Vicki Maca	Eastern and Southeastern Service Areas for Families Matter	DHHS is working with national experts and other states that have had similar experiences to Nebraska's.
9.7.11	Lincoln	Vicki Maca	Eastern and Southeastern Service Areas for Families Matter	DHHS is more effectively mastering the balance of holding contractors responsible for deliverables and at the same time collaborating with them to ensure the safety of Nebraska's children.

Hearing Date	Location	Administrator	DHHS Service Area	Testimony
9.13.11	Scottsbluff	Nathan Busch	Western Service Area	Number of state wards has decreased from 850 in October 2007 to 605 in September 2011. Currently, 73% are placed outside their home. Of these, 41% are placed with a relative or someone known to the child.
9.13.11	Scottsbluff	Nathan Busch	Western Service Area	Stakeholders group was established to gather input from community stakeholders. They meet monthly.
9.13.11	Scottsbluff	Nathan Busch	Western Service Area	WSA has improved contract monitoring and quality assurance through activities that we have developed. Increased availability of service area specific data from central office and QA has been helpful.
9.13.11	Scottsbluff	Nathan Busch	Western Service Area	WSA monitors monthly progress on six CFSR indicators. In October 2007, WSA only met one, but due to the establishment of a permanency planning team, it now meets three.
9.13.11	Scottsbluff	Nathan Busch	Western Service Area	A non-court involvement planning team has been created to staff and manage cases of children and youth in need of services but not involved in the formal court process.
9.15.11	Norfolk	Mike Puls	Northern Service Area	Focus on use of kinship care: in November 2009, 87 approved homes; currently NSA has over 123 approved homes. As of August 2011, 49% of NSA youth placed in non-treatment family home setting were in relative homes or in a home known by the child.
9.15.11	Norfolk	Mike Puls	Northern Service Area	Percentage of children served in their homes has increased from 32.5 in November 2010 to 35.7 in August 2011.
9.15.11	Norfolk	Mike Puls	Northern Service Area	Since reform began in 2008, there has been an emphasis on QA in the NSA.
9.15.11	Norfolk	Mike Puls	Northern Service Area	Community stakeholders meet on a quarterly basis to help find solutions to issues identified in the service areas' Program Improvement Plans (PIPs).
9.15.11	Norfolk	Mike Puls	Northern Service Area	NSA Partners Advisory Team has recently been established to problem, solve, educate, and discuss common barriers and community issues that affect children and families.

Hearing Date	Location	Administrator	DHHS Service Area	Testimony
9.28.11	Omaha	Camas Diaz	Eastern and Southeastern (initial assessment teams and abuse and neglect ongoing teams)	DHHS is evaluating its current outcome monitoring system, including data reports and access to information that drives decisions and planning, as it moves to a system where the agency is monitoring case management. Requires a complete restructuring, change of culture of our staff, change of how we measure accountability.
9.28.11	Omaha	Camas Diaz	Eastern and Southeastern (initial assessment teams and abuse and neglect ongoing teams)	Role of CFOM (Child and Family Outcome Monitors) has changed greatly since DHHS began contracting out case management. CFOMs are collocated at NFC and KVC and there is one CFOM in each courtroom in eastern and southeastern Nebraska. Collocated CFOM is able to immediately review court reports and request revisions in person, not through email. Court-assigned CFOMs attend every hearing, reports concerns, positive experiences and discusses legal issues that have arisen during hearings. Because they are in court every day, they build relationships with court and other legal parties. Collocated and court-assigned CFOMS also collect data related to timeliness and quality of court reports, and ensure reports are submitted to all appropriate parties.
9.28.11	Omaha	Camas Diaz	Eastern and Southeastern (initial assessment teams and abuse and neglect ongoing teams)	CFOM staff also do random sampling on specific data outcomes and provide this feedback to DHHS and KVC/NFC. Examples are CFSR measures and monthly contact narratives. Data is aggregated and analyzed for trends, strengths and weaknesses.
9.28.11	Omaha	Camas Diaz	Eastern and Southeastern (responsible for initial assessment teams and abuse and neglect ongoing teams)	
9.28.11	Omaha	Camas Diaz	Eastern and Southeastern (initial assessment teams and abuse and neglect ongoing teams)	We work every week with KVC and NFC to maintain data integrity between N-FOCUS and their independent data systems.

Chapter 5

Report of the Auditor of Public Accounts

"The best example I can give is that we used to . . . in kind of gallows humor . . . used to joke that here's a couple of English majors trying to make some of these financial recommendations . . . [We] were supposed to work with the contractors to develop the financial reporting forms that they were going to provide to us, and we were in the bizarre position of, frankly, having to ask the contractors' financial folks, 'What is this? What should we get?' We had no background in this and there . . . we were . . . really, in my mind we needed a financial analyst of some sort."

~ Former DHHS administrator

Executive Summary
Attestation Report of the Nebraska Department of Health and Human Services
Child Welfare Reform (Families Matter) Contract Expenditures
July 1, 2009 through March 31, 2011

The Auditor of Public Accounts (APA) recognizes and thanks the audit staff who worked diligently on the demanding and complicated task of examining expenditures for child welfare services under the Families Matter reform implemented by the Department of Health and Human Service (DHHS) in 2009. Due to its complexity, such an examination would be difficult under even the best of circumstances; however, an already trying task was made all the more frustrating by a pronounced lack of cooperation on the part of DHHS. Thus, the audit staff deserves special appreciation for their remarkable forbearance and tenacity in the face of such consistent obstruction. This lack of cooperation by DHHS, which is among the worst ever encountered by my office, will be addressed again at the conclusion of this summary.

From the outset, DHHS touted the Families Matter reform as a way of enhancing the efficiency and accountability of child welfare services – and doing so "within existing resources." The audit report concludes, however, that DHHS failed to realize its stated goal of containing expenditures. Instead, the costs of child welfare services have skyrocketed during the past two years. More disturbing yet, the audit report points to a critical lack of accountability, primarily in the form of missing documentation, regarding how these public funds have been spent.

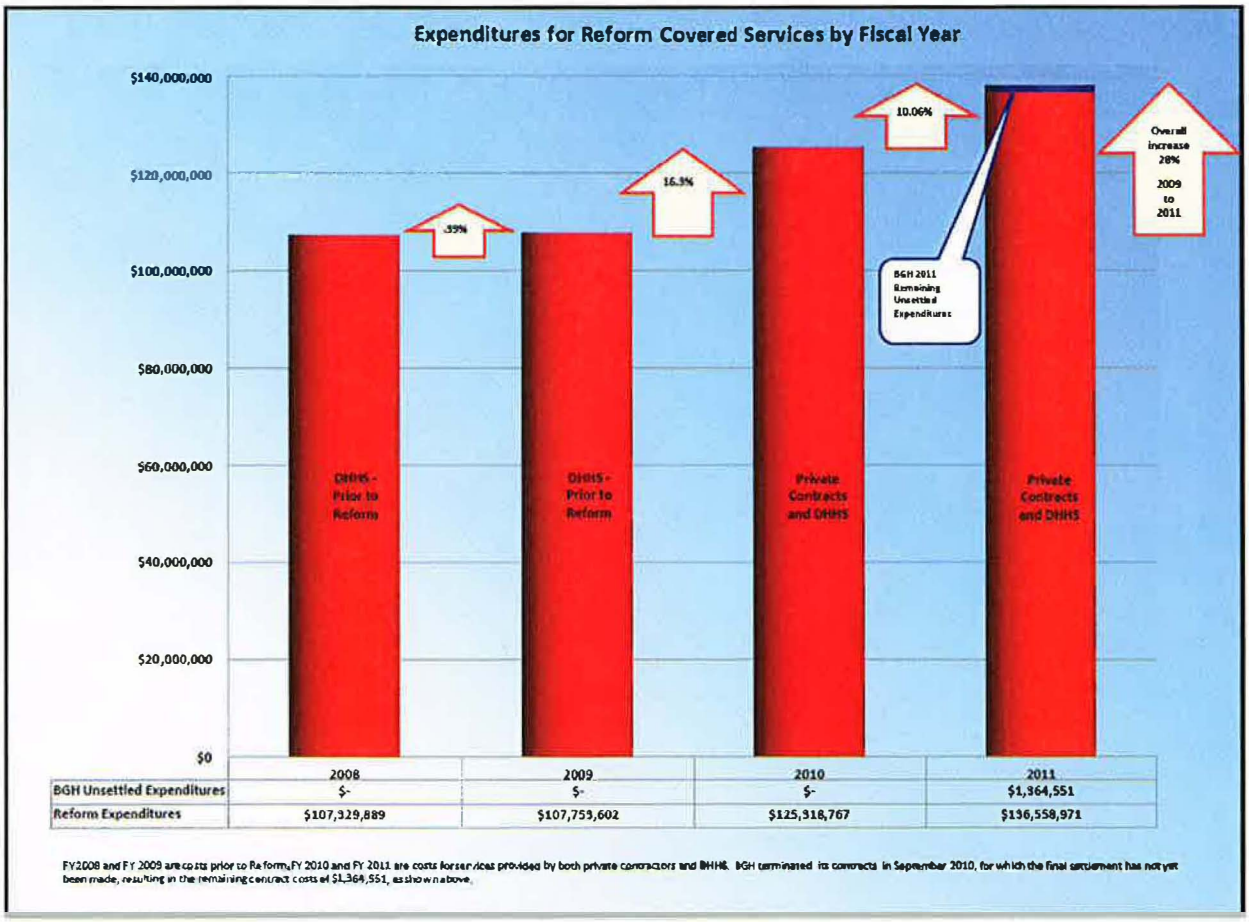
The 152-page audit report addresses in great detail numerous findings regarding both increased costs and a lack of financial accountability under the Families Matter reform. Some of the most striking of those findings, which are presented briefly herein, are:

- Child welfare costs have increased by some 27% between 2009 and 2011.
- DHHS failed to bid publicly multi-million dollar contracts with private service providers, resulting in many amendments and increased costs with no effective oversight.
- One service provider, Visinet, Inc., was overpaid by millions of dollars.
- DHHS expended thousands of dollars on both duplicate claims and payments to the wrong contractors.
- DHHS failed to secure possession of important, as well as potentially confidential, documents relating to client services following termination of its contract with a service provider.
- DHHS failed to reconcile provider billings in NFOCUS, which prevented effective agency oversight of both service expenditures and the welfare of children in State custody.
- Service providers failed to meet client service coordination and delivery benchmarks required by the service contracts with DHHS.
- DHHS failed to prevent former employees of service providers from gaining access to confidential client information in NFOCUS.
- DHHS failed to approve subcontractors utilized by service providers, as well as to ensure that such subcontractors were appropriately compensated for their services.
- DHHS failed to cooperate with the audit examination.

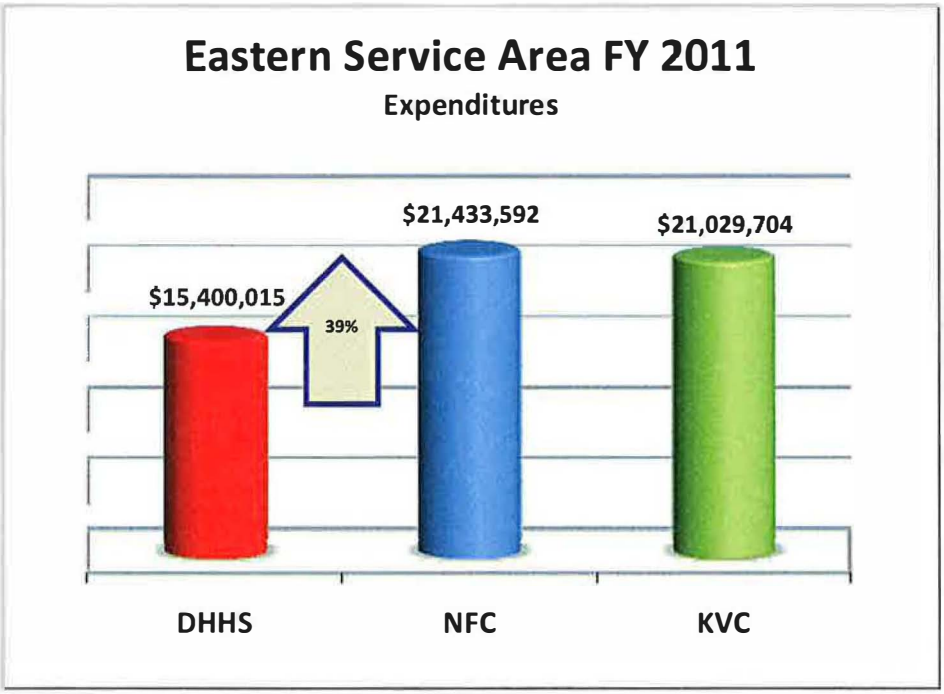
On June 15, 2009, DHHS initiated the Families Matter reform by entering into implementation contracts totaling $7 million with six providers. The purpose of these agreements was to lay the groundwork, through hiring and training staff and purchasing needed equipment, for the planned privatization of child welfare services in Nebraska.

Subsequently, effective November 1, 2009, DHHS entered into service contracts with five of the six contractors that had carried out the implementation stage of the Families Matter reform. Those service contracts, which initially totaled $149,515,887, have since been amended eight times. Out of the five original service providers, moreover, only two remain. As a result, DHSS employees have resumed responsibility for child welfare services left otherwise unavailable by the departure of the private contractors.

Child Welfare Costs Have Increased Significantly: Contrary to DHHS' stated goal of operating "within existing resources," child welfare costs have increased significantly under the Families Matter reform. From 2009 to 2011, DHHS expenditures for child welfare services grew from $107,753,602 to $136,558,871 – a cost hike of some 27%. Additionally, almost a year after having provided services, Boys and Girls Home (BGH), a former contractor, awaits service contract payments of some $1,364,551. Including that unpaid amount, the total increase for child welfare services would be $30,169,920 or 28%.



The developments in one particular service area illustrate the disturbing implications of these increased costs. In the Eastern service area, child welfare cases were initially divided between three different private contractors: Visinet, Inc. (Visinet); Nebraska Families Collaborative (NFC); and KVC Behavioral Healthcare Nebraska, Inc. (KVC). Compensation for services rendered was shared among those providers. During fiscal year 2011, after the departure of Visinet, DHHS assumed that former lead contractor's case load. However, actual expenditures did not continue to correspond to the initial allotment of dollars between the private providers. As revealed in the chart below, NFC required as much as $6 million, or 39%, more than did DHHS to provide essentially the same type and number of client services.



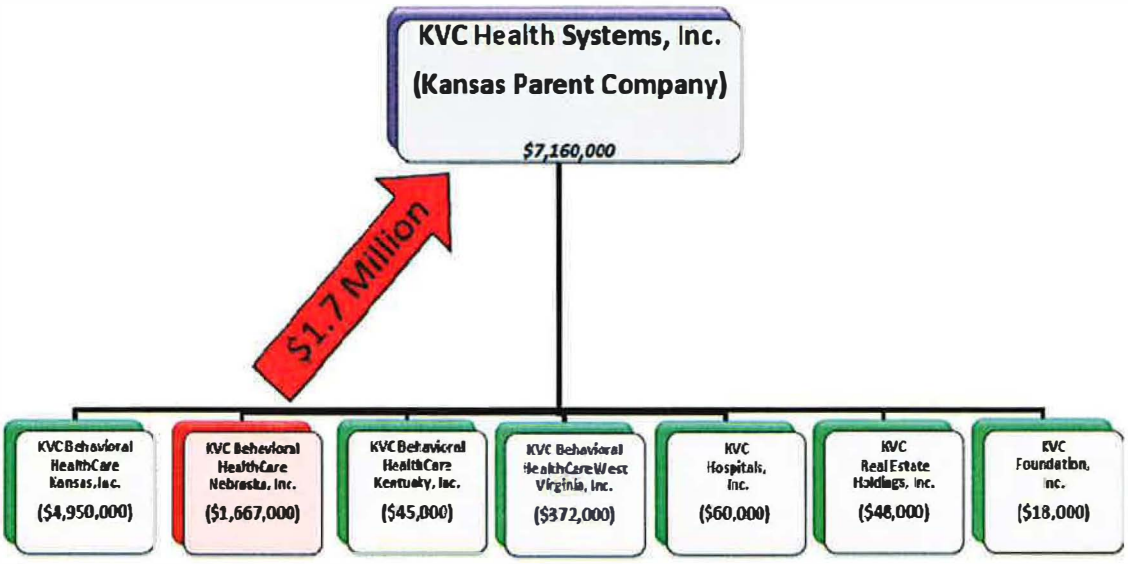
Though startling in and of themselves, the increased costs of privatization under the Families Matter reform are made more disturbing yet by the fact that DHHS lacks adequate support for them. For instance, along with the initial $7 million for the implementation contracts, there appears to be no documentation supporting the various contract amendments that have given rise to ballooning service costs – such as the total $6 million contractual increase for NFC and KVC, per Amendment 5, and a further $19 million in overall service contract increases for those same two providers, per Amendment 7.

According to DHHS, the inflated amounts paid to the service providers were the result of contract negotiations. However, DHHS could offer no documentation to show that any study was given to determining either the necessity of the dramatic growth in expenditures or a reasonable basis for the amounts paid to the private contractors for providing client services.

An additional consideration important to any discussion of the increased costs of providing child welfare services under the Families Matter reform is the fact that a significant portion of those expenditures do not necessarily further the interests of the clients whom the reform was supposed to benefit. In some cases, a not-inconsequential portion of the money received by the contractors

goes, rather than to supporting enhanced client services, directly into the pockets of corporate officers. In one instance, a significant sum of money paid to the private contractors under the Families Matter reform ends up leaving this State. The chart below illustrates this point, revealing how payments received by KVC flow directly to its parent corporation, KVC Health Systems, Inc. – the corporate headquarters of which is located in Olathe, KS.

KVC Management Fees from Subsidiaries to Parent Company
Fiscal Year Ended June 30, 2010.



Source: KVC Health Systems, Inc. Audit for Fiscal Year Ended June 30, 2010.

DHHS Failed to Bid Publicly Service Contracts: DHHS chose not to place the service contracts up for public bid, contending that the agreements were exempt from statutory bidding requirements as contracts with "direct providers" of "child welfare services to an individual" under Neb. Rev. Stat. § 73-507(2)(e) (Reissue 2009). The APA believes the statutory analysis applied by DHHS to be subject to some debate. Nevertheless, by using its own staff to oversee the contract selection process, DHHS failed to take advantage of the experience of the Department of Administrative Services-Materiel Division (DAS).

Due to both the large amount of public funds and the intricacies involved, the APA believes that it would have been prudent, not to mention more responsible to the Nebraska taxpayers, for DHHS to have placed the service contracts up for public bid. Additionally, though DAS could have proven an extremely valuable resource throughout the contract selection process, DHHS pursued a unilateral strategy that resulted ultimately in numerous amendments to the service agreements and the expenditure of millions of public dollars without any effective oversight.

In light of the eventual default of more than half of the providers selected, it is apparent that DHHS either lacked the expertise to examine the qualifications of those private contractors or was simply indifferent to the financial implications of contracting with entities whose business backgrounds contained glaring indicators of unsuitability. In addition to being able to help overcome either of these shortcomings, it is possible that DAS could have assisted in finding more and better qualified applicants.

The Health and Human Service Committee is currently seeking the input of DAS in an attempt to address problems occasioned by DHHS' contracting misadventures. Regardless of the applicability of statutory bidding requirements, it is likely that the committee would not be burdened with these concerns now had DHHS chosen to avail itself of the contracting resources of DAS.

Service Provider Overpaid Millions of Dollars: When Visinet, one of the five service providers with whom DHHS contracted, went out of business, some assumed that company's financial woes to have been exacerbated by a lack of payment from the State. In fact, nothing could be further from the truth. The audit examination revealed that Visinet was overpaid by more than $1.8 million under its service contracts with DHHS. Moreover, despite that overpayment, DHHS entered into a settlement agreement with Visinet that cost the State an additional $2 million. Worse yet, DHHS then added insult to the millions of dollars of injury done already to Nebraska's taxpayers by managing somehow to overpay that settlement agreement by $127,472. Between the service contract overpayment, the subsequent settlement agreement, and the overpayment on that gratuitous settlement, Visinet received nearly $4 million in unearned public funds.

The APA found that a senior attorney/administrator for DHHS had cautioned against overpaying Visinet. Even so, under the settlement agreement, DHHS accepted responsibility for paying an additional $2,008,818 to compensate subcontractors, foster parents, and employees left unpaid by Visinet – an obligation that DHHS had no duty whatsoever to assume. Additionally, due to the timing of the settlement agreement, DHHS made payments for 76 days during which Visinet provided no services at all.

With regard to public funds expended under the settlement agreement, DHHS could not provide documentation to support a payment of $627,270 to satisfy Visinet's payroll and payroll tax obligations. Likewise, DHHS lacked support for $158,639 in foster parent payments. In paying various subcontractors for Visinet, moreover, DHHS did not review service invoices to ascertain the amounts actually owed. As for the $127,472 overpayment on the settlement agreement, DHHS attempted no explanation.

Duplicate Claims Paid and Payments to the Wrong Contractors: During the period examined, DHHS made $25,276 in duplicate payments for the same services. Based upon our testing, the duplicate claim error rate was 78%, which indicates the potential duplicate dollars could be as high as $629,460.

Similarly, during that same period, DHHS paid a total of $128,422 to the incorrect contractors or subcontractors for client services provided. Our testing found that the incorrect contractor claim

error rate was 75.9%, indicating that the amount of payments to the wrong contractors could be as high as $454,444.

Financial Records Were Not Obtained After Contracts Terminated: On April 15, 2010, Visinet closed its doors, and its service contracts with DHHS were officially terminated effective April 20, 2010. In concluding its business relationship with that former contractor, DHHS failed to obtain all financial and service delivery records needed both to support the settlement amounts paid and to verify that child welfare services had been provided in accordance with the terms of the terminated service contracts.

By not taking possession of Visinet's records, DHHS neglected also to ensure that potentially confidential client information contained therein would be protected. Specifically, DHHS did not secure some 3,000 boxes of service-related documents summarily discarded when Visinet ceased business operations. Prior to their destruction, the former service provider expressly invited DHHS to take possession of those records. However, DHHS disregarded its duty to confirm that client information was properly safeguarded. Because no one was able to provide an explanation of when, where, or how thousands of boxes of Visinet files were destroyed – only that they were no longer available and were disposed of prior to this audit examination – there are also concerns regarding compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

Due to the failure to obtain the records in question, DHHS could provide the APA with only very minimal documentation regarding Visinet's operations. Those documents lacked the following: 1) subcontractor invoices submitted to Visinet; 2) payments made to subcontractors and foster parents; 3) bank information; 4) accounts payable and receivable; 5) contracts between Visinet and subcontractors and foster parents; 6) client service rate schedules; 7) client placement agreements; 8) employee timesheets; 9) payroll records; 10) and other information pertaining to the service delivery and coordination contracts. Without access to those Visinet records, the APA was unable to issue an opinion as to whether the financial schedule for DHHS's expenditures under the Families Matter reform, for the period July 1, 2009, through March 31, 2011, was presented correctly, in all material respects, in this report.

DHHS Failed to Reconcile Service Provider Billings in NFOCUS: DHHS failed to ensure that service provider claim information contained in the Nebraska Family Online Client User System (NFOCUS) was both current and accurate. A comparison of service provider billings sent to DHHS with corresponding claims found in NFOCUS, between November of 2009 and March of 2011, revealed inconsistencies totaling more than $28 million dollars and dating back for almost two years. These variances are attributable to poor oversight and account keeping, as well as faulty data entry, by DHHS. At no point, it appears, has DHHS ever attempted to reconcile client service billings received from contractors to information entered into NFOCUS. As a result of this serious omission, much of the child welfare service data contained in NFOCUS is neither current nor complete.

Because NFOCUS serves as the primary repository of information pertaining to DHHS clients and services, the failure to reconcile provider billings to that database deprived DHHS of verifiable documentation upon which to base payments for services. Far more importantly, due

to the inadequacy of the NFOCUS records, DHHS lacked a functional mechanism for monitoring the well being, including the proper treatment and care, of children in State custody. Thus, in addition to showing how far the Families Matter reform has fallen short of expectations of increased financial accountability, the failure of DHHS to ensure the accuracy of billing information in NFOCUS has actually increased the vulnerability of the very children whom the reform was supposed to help.

Service Providers Failed to Meet Client Service Coordination and Delivery Benchmarks: The five private contractors selected by DHHS to provide services under the Families Matter reform agreed to take control of client cases from DHHS according to percentages found in a transition schedule referenced in the service contracts. With the passing of each month, between November 2009 and March of 2010, the service providers were expected to assume an increasingly large percentage of DHHS' client case load, as specifically outlined in the transition schedule, for a particular service area. Ultimately, this gradual transition process was to bring about the complete privatization of child welfare services.

The audit examination revealed that the contractors failed to meet the required contractual percentages for transitioning client service coordination and delivery – accumulating shortfalls that ranged from 1% to 18%. Surprisingly, the service contracts contained no penalties for failure to meet these periodic benchmarks. Thus, the service providers continued to receive full compensation despite having failed to meet their contractual obligations. Because fiscal year 2010 contract amounts were based on the transition percentages specified, moreover, DHHS incurred additional costs by continuing to provide client services for which the contractors were already being paid.

Former Employees of Service Providers Continued to Access NFOCUS Data: DHHS did not revoke in a timely manner the NFOCUS access for 24 former employees of service providers. As a result, those unauthorized individuals were able to continue accessing – and, at least, one person was found to have done so – client service data contained in NFOCUS days after their employment had been terminated.

The ability to restrict NFOCUS access depends, to a large degree, upon the cooperation of the contractors, who are responsible for informing DHHS immediately when workers have ceased employment. However, even when notified within a day of a terminated employment, DHHS delayed by as much as three weeks revoking the NFOCUS access of the former employee.

DHHS Failed to Approve Subcontractors or Ensure Their Proper Compensation: Under the service contracts, all of the five providers were expressly required to obtain the approval of DHHS prior to utilizing subcontractors for client services. However, DHHS appears to have granted that approval in a perfunctory fashion. As a result, neither the qualifications nor the suitability of the subcontractors were properly verified.

Two subcontractors, BSM, Inc., and Family Skill Building Services, LLC, (FSBS) were found to be using workers who lacked appropriate credentials to provide client services. Those six employees had neither a Bachelor's degree nor a staff equivalency petition approved by the DHHS service area Contract Liaison, as required by the service contracts. The immediate prior

employment of two workers had been at Taco Bell and Walmart – neither of which is an establishment known to offer extensive training in the field of child welfare services.

It should be noted that the uncredentialed employees were paid between $10.50 and $13.00 per hour. At the same time, however, DHHS was reimbursing the direct contractor for the work of those same employees at a rate of $47.00 per hour – doing so under the mistaken assumption that such compensation was paying for the labor of qualified workers. Thus, the contractors profited enormously from paying unqualified staff wages much lower than what would have been required to retain qualified workers. Aside from creating a situation that could have proven potentially detrimental to the welfare of the clients served, the failure of DHHS to scrutinize subcontractors more closely permitted some of them to enjoy a windfall in public funds at taxpayer expense.

The audit examination revealed yet another apparent consequence of the lackadaisical approach taken by DHHS toward approval of subcontractors. BGH subcontracted with McConaughy Discovery Center, which is a trade name for BSM, Inc. That entity was incorporated by Jeannine J. Lane, who was the subject of a previous report by the APA. The report found that, as the incorporator of Alternative Learning Lane, Inc., a company paid $1.4 million to provide a computer-delivered "alternative education" program for at-risk students in the Ogallala Public School District (OPSD), both Jeanine J. Lane and her employees lacked the teaching certification required by the Nebraska Department of Education to perform such a service. Upon learning of that lack of certification, OPSD terminated its contract with Alternative Learning Lane, Inc.

Finally, DHHS failed to seek, much less to obtain, assurances that the subcontractors maintain proper insurance coverage, as required by the service contracts. Furthermore, DHHS made no effort to ensure that any of the five lead contractors compensated, both timely and adequately, subcontractors and foster parents alike for their services.

Lack of Cooperation by DHHS: Despite the fact that the APA is vested with statutory authority to access all records of any public entity, DHHS failed to provide the APA with complete and timely access to requested documentation. This lack of cooperation necessarily limited the scope of the examination and, to some degree, its overall effectiveness – not to mention generated no small amount of speculation regarding other findings that might have been developed had full agency cooperation been forthcoming.

The audit report describes numerous examples of DHHS's failure to respond either timely or completely, or both, to requests for information. Incidents involving three or four separate requests, made over a period of almost a month or more, for the same records were not uncommon. For instance, on June 20, July 5, and July 8, 2011, the APA asked DHHS for specific details regarding Amendments 6 and 7 to the service contracts. Finally, on July 19, 2011, DHHS provided a response that carefully avoided the requested details.

Following a July 22, 2011, exit conference that included some of the agency's senior administrators, DHHS was given 28 days to respond to findings discussed in the draft audit report, as well as to make available any additional relevant documentation, previously requested or otherwise. On August 19, 2011, moreover, DHHS signed a representation letter asserting that

all "financial and related data" had been made available to the APA. However, ten days later, it was discovered that all such information had not, in fact, been provided.

More details regarding requested information not provided by DHHS can be found in the full audit report. Suffice it to say, this failure to acquiesce both promptly and completely to records requests, made pursuant to express statutory authority, leads to the inescapable conclusion that either DHHS hoped to hinder the examination by intentionally circumventing the law requiring cooperation with the APA, or supporting documentation for the expenditure of millions of taxpayer dollars simply does not exist.

Conclusion: As a whole, the findings noted above – along with others addressed in the full audit report – indicate that DHHS has exercised poor fiscal management and control over the Families Matter reform. The consequence to the Nebraska taxpayers has been dramatic, including tens of millions of dollars in increased costs for child welfare services and a conspicuous lack of financial accountability that effectively frustrates any hope of transparency with regard to the expenditure of related public funds. Given these shortcomings, the Families Matter reform has little hope of realizing DHHS' goal of enhancing the efficiency and accountability of child welfare services, much less of doing so "within existing resources."

The full audit report is available on the APA website at http://www.auditors.state.ne.us/.

Signed Original on File

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September 7, 2011

Chapter 6

Legislative Fiscal Office

"Cost is the other thing. In some states . . . the purpose has been to reduce costs. The experience in Kansas and Florida is that costs don't go down in the short or medium term; indeed, they go up. The costs in Florida have about doubled and in Kansas [costs] have increased substantially"

~ Program director,
National Council of State Legislatures.

Fiscal Overview of Child Welfare Privatization in Nebraska

Legislative Fiscal Office
October 18, 2011

Introduction

The major thrust of child welfare reform began in 2009 when lead agency contracts were signed and cases were transferred over a period of months to the private contractors. Since the initial contracts were signed, three contractors dropped out and there have been many contract amendments increasing funding. To assist state senators in their examination of the child welfare reform effort, the approach taken in this analysis of the fiscal aspects of child welfare reform and the privatization of service coordination and case management was to ask the public policy questions that are needed for making decisions in the future. The questions that will attempt to be answered are:

- Why were increased costs needed?
- How much did child welfare aid increase?
- How was the increase paid for?
- Will additional funds be needed in FY11-12 and FY12-13?
- Are additional funds available?
- What is the state getting through privatization?

Why Were Increased Costs Needed?

The contracts were global transfer contracts which are the most "at-risk" type of contracts. Under a global transfer contract, the contractor receives a set amount regardless of the number of children served or the level or cost of the services. Under a case-rate contract, the contractor would receive a set amount per child regardless of the level of care or cost of the service. Under the latter payment type, payments account for variations in workload. A case-rate contract was not established in the beginning as there was not adequate information to establish a case-rate contract. The state had entered into a contract to move to a case-rate contract, but the consultant died and the process of developing a case-rate stopped.

Approaches in other states could have mitigated the risk for the contractors while also vetting the contractors better. In Texas the contractors were held harmless in the first year to allow for better information on how the privatization effort was proceeding. Florida requires a readiness assessment of the contractors prior to turning over cases.

If providers would have been held harmless, it is likely Cedars would have been able to continue providing services. Had there been an assessment of readiness, Boys and Girls Home may not have been a contractor. When Boys and Girls Home pulled out of their contract, they stated they were experienced in the provision of services, but lacked the ability to act in the service coordination capacity.

The contracts were always intended to be handled within existing resources. The agency did not ask for additional funding for any part of the welfare reform effort in their budget request. Todd Landry who headed the Division of Children and Family Services and the person who initiated the move to turn service coordination over to private contractors, stated that no state employees would be laid off. According to Mr. Landry, caseloads were too high which delayed movement toward permanency as the caseworkers did not have adequate time to perform the work. By removing the day-to-day activity of obtaining services for children, the state case managers' time would be freed up to move the cases towards permanency. Initially there were no savings for personnel or operating expenses.

Contractors were offered the amount appropriated for services only, even though they were required to hire staff and pay for operating expenses. The contractors in essence were required to pay all personnel and operating costs from funding other than from the contract. In addition they had to cover the cost of 12-months of aftercare which had not previously been offered by the state and therefore was not included in the aid amount that was the basis for the contract amounts. This business model for the for-profit Visinet, would not have seemed to be workable from the very beginning. The non-profit organizations had a donor base on which to turn to subsidize welfare reform efforts and all of the non-profits contributed private dollars to the reform effort. Visinet did not.

Knowing that the global transfer contract placed the contractor most at-risk, the non-profit contractors knew and were prepared to contribute private funds toward the effort. However, the basis on which the contracts were signed was inaccurate and the costs were far greater than projected based on that information.

During the meeting with the two remaining contractors and from articles written about contractors who withdrew from the contracts, it was universally stated that the costs were substantially higher than anticipated based on information provided prior to signing the contracts.

Areas where projected costs exceeded those projections were in three areas: 1) youth in foster care, 2) non-court involved cases and 3) treatment costs ordered by the court and not covered by Medicaid.

Case Management Transfer

One of the reasons for the transfer of case management to the lead agencies was to give them some control over the services provided. Under the global transfer type funding scenario, the led agencies are required to pay for all children referred to them and for all services. No provision is provided if case referrals differed from the historical information HHS provided to them. In addition, lead agency contractors are required to serve all children with a "no reject, no eject" contract with little to no decision-making authority. As stated earlier, the number of children and level of services were much higher than any of the contractors anticipated. That coupled with no decision-making authority led to higher costs and the contract amendments. Case management was transferred to the lead agency contractors on January 3, 2011 to provide them with some limited decision-making authority.

Although case management transferred to the lead agency contractors, it was not a full transfer of decision-making authority and it is never likely to be. First, the state is ultimately responsible for children entrusted to its care. Second judges have the ability to order services as well making decisions on the status of state wards.

Although no state positions were eliminated initially, after case management was transferred, 77 FTEs were eliminated in DHHS. This was a different direction than what Todd Landry had envisioned. Although this may have been a necessary step to address some role confusion and tie funding closer to control over the decision-making process, it basically dismantled the state's infrastructure, thereby eliminating the "back stop" for case management and service coordination in the event the contractors provide notice of termination.

Judges may order specific placements which may or may not be in agreement with the recommendations of the state or the State Foster Care Review Board. The contractors cited specific placements by judges as one of the cost drivers that led to the request for increased funding from the state.

How much did Child Welfare aid increase?

Child Welfare costs as expended through Program 347-Public Assistance and Subprogram 48-Child Welfare has increased substantially over the past two years and exceeded the budgeted amounts as derived in the appropriations process. The following table compares the budgeted amounts versus actual expenditures over the past five years and the current biennial budgets for this program and subprogram. The table below shows statewide expenditures for child welfare grew from $105.2 million in FY 2008-09 to $127.4 million in FY 2009-10 and to $139.2 million in FY 2010-11 and the total increase in expenditures compared to the budget increased by $20.5 million in FY 2009-10 and by $29.1 million in FY 2010-11.

Table 1 Appropriations and Expenditures, Program 347, Subprogram 48

Child Welfare	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
New Appropriations						
General	101,133,823	100,471,590	100,812,721	106,051,233	103,978,106	101,706,331
Cash	2,522,277	2,522,277	2,522,277	2,522,277	2,522,277	2,522,277
Federal	444,000	1,748,656	3,488,656	1,558,047	10,674,724	8,402,949
Total	104,100,100	104,742,523	106,823,654	110,131,557	117,175,107	112,631,557
Actual Expenditures						
General	99,491,589	101,014,519	123,285,672	133,295,581	?	?
Cash	2,522,277	2,522,277	2,522,277	2,522,277	?	?
Federal	434,761	1,617,668	1,542,214	3,420,161	?	?
Total	102,448,627	105,154,464	127,350,163	139,238,019	?	?
Difference						
General	(1,642,234)	542,929	22,472,951	27,244,348	?	?
Cash	0	0	0	0	?	?
Federal	(9,239)	(130,988)	(1,946,442)	1,862,114	?	?
Total	(1,651,473)	411,941	20,526,509	29,106,462	?	?

Keep in mind that there are 27 individual aid programs within the broad appropriation in Program 347-Public Assistance. Monies can be reallocated within these individual programs but not between budgetary programs. Also the federal fund budgeted amounts are estimates and the use of federal funds is not limited to the amounts shown in the appropriation bills.

This table should not be used as an indicator that Child Welfare costs went up substantially in FY10 and FY11 due to privatization. The actual expenditures for Program 347, Subprogram 48 for FY08 through FY11 are very close to the comparison table in the Auditors Report. It's also known that the expenditures in Program 347, Subprogram 48 do not include any administrative costs nor do they include any of the staffing costs related to case management and service coordination.

How was the increase paid for?

Child Welfare is one of 27 programs in budget Program 347. Budget Program 347 includes aid programs that serve many different populations, including the aged, persons with disabilities and safety net program for low-income families. Some of the subprograms in Program 347 other than Child Welfare are Adoption Assistance, Child Care, ADC, Employment First, State Disability Medical and Maintenance, Emergency Assistance and Domestic Violence. The additional amounts expended in Child Welfare were basically financed through a combination of the following: 1) use of carryover funding, 2) savings from staff reductions and 3) federal funding offsets to the General Fund among the subprograms within Program 347.

The additional funds paid to the contractors were funds that either would have eventually been lapsed to the General Fund at the end of the biennium or could have been used to lower General Fund expenditures, as in the case of ARRA funds that were used to offset General Fund spending.

Amendment Five (October 2010)

The $6 million in contract adjustments in October 2010 were paid from the $9 million in Emergency TANF dollars the state received. The Emergency TANF funding had not been factored in when the appropriation was set because it was not clear if Nebraska would qualify for that funding at the time the appropriation was being determined. The $6 million was used in TANF programs, i.e. ADC and Employment First to lower General Funds expended those programs. The freed up General Funds were then used for the contract.

Amendment Seven (January 2011)

The $19 million contract adjustments were from the following sources:

- General Fund offset using the remaining amount of Emergency TANF funding ($3.8 million)
- Savings from staff reductions due to the transfer of case management responsibilities to the lead agencies ($4.6 million)
- FY 2010 carryover balance ($4.3 million)
- General Fund offset resulting from changing the Aid to Dependent (ADC) fund mix from 30/70 to 20/80 ($2.3 million)
- New use of TANF funding for family preservation services ($4.0 million)

In Subprogram 43-AFDC/TANF (in Program 347), General Fund actual expenditures for both FY2010 and FY 2011 were approximately $6 million below the budgeted amount due to the use of Emergency TANF funds. The FY 2012 and FY 2013 budget already shows lower General Fund appropriations of $3 million per year due to using the one-time federal funds, so there may not be any significant amounts that could be reallocated.

Similarly, actual General Fund expenditures in Subprogram 46-Employment First were about $9 million less than budgeted in FY11. This is attributed to additional federal funds not to a reduction in overall expenditures. These "savings" will not be available in FY12 and FY13 as the additional level of federal funds has already been reflected in lower new General Fund appropriation amounts.

Funding from the change in the TANF federal allocation for FY 2011-12 and FY 2012-13 are intended to be permanent changes in the allocation of TANF federal funds and the General Fund appropriation was reduced to reflect this as ongoing.

The savings from the staff reductions are also ongoing. The Appropriations Committee only transferred the funding for FY 2011-12. The balance remains in the Department of Health and Human Services' administrative program but is available for the contracts in FY 2012-13.

Amendment Eight (June 2011)

The $5.5 million increase in the KVC contract in June 2011 was from the under spending in other subprograms located in Program 347.

During the 2009 Session, all unexpended balances from FY2008-09 were reappropriated for the FY09-10 and FY10-11 biennium. While this was intended mostly for operational programs to assist agencies in meeting reduced levels of new appropriations, this reappropriation was applied to all programs including aid programs, such as Program 347. As actual expenditures were well below appropriated levels in both FY08 and FY09, a large amount of unexpended funds were reappropriated. Even though $16.5 million was lapsed during the 2009 special session carryover, funds allowed FY2009-10 expenditures to be about $9 million higher than the new appropriation amounts. These were one-time monies only used in FY09-10.

Significant under expending occurred in two areas where actual expenditures were less than budgeted. The programs are 34--State Subsidized Adoption and 38--State Disability-Medical. Actual expenditures for Subprogram 34--State Subsidized Adoption were below budgeted amounts by $4.5 million in FY10 and $5.7 million in FY11. These "savings" appear to be on-going as actual expenditures to date have consistently been below budgeted.

Savings from Subprogram 38--State Disability-Medical only occurred in FY2010-11 and seem to be of a more one-time nature. Expenditures to date in FY 2011-12 appear to confirm that this is the case. This program is funded solely with General Funds, so there was no fund shift. Actual expenditures have ranged from $7 to $10 million and have only fluctuated by $1 to $2 million over the other four years.

Table 2 shows the appropriations compared to expenditures for the FY 2009-2011 biennium. It shows FY2009-10 expenditures exceeding the new appropriation amount by $8.8 million in FY 2009-10 but $3.8 under spent in FY 2010-11.

Table 2 General Fund Appropriations and Expenditures, FY10 and FY11 Program 347 by Subprogram

Budgeted vs. Actual Expenditures	New Appropriation		Actual Expenditure		Expend vs Appropriation	
(General Funds Only, Prog 347)	FY2009-10	FY2010-11	FY2009-10	FY2010-11	FY2009-10	FY2010-11
14 Food stamps	349,802	1,055,069	1,004,828	729,229	655,026	(325,840)
15 Birth Certificates	150,000	150,000	52,188	103,577	(97,812)	(46,423)
16 Juvenile predisposition detention	156,536	156,536	198,432	133,007	41,896	(23,529)
17 Post-adoption/guardianship services	1,221,840	2,027,970	547,667	828,578	(674,173)	(1,199,392)
18 Protection and Safety of Children	1,889,556	1,889,556	1,924,540	2,028,420	34,984	138,864
19 Adoption incentives	0	0	0	0	0	0
22 AABD Special Rates	2,646,712	1,615,576	1,935,548	2,083,508	(711,164)	467,932
23 Winnebago/TANF/MOE	299,187	339,929	222,241	203,498	(76,946)	(136,431)
28 Food stamp employment	185,395	185,395	20,441	7,639	(164,954)	(177,756)
29 Medically handicapped children	1,404,051	1,416,270	794,888	414,801	(609,163)	(1,001,469)
30 Title IV-E Foster Care	3,757,003	3,345,539	3,129,027	2,922,351	(627,976)	(423,188)
31 Title IV-E Adoption	5,675,009	5,261,624	5,861,263	5,804,337	186,254	542,713
33 Energy Assistance	0	0	0	0	0	0
34 State subsidized adoption	10,924,651	12,748,901	6,438,228	7,023,044	**(4,486,423)**	**(5,725,857)**
35 Domestic Violence	1,347,300	1,347,300	1,277,835	1,229,840	(69,465)	(117,460)
36 Education Assistance, State Wards	17,366,709	17,540,376	17,106,298	16,265,017	(260,411)	(1,275,359)
37 Disabled persons/family support	910,000	910,000	899,861	872,709	(10,139)	(37,291)
38 State Disability-Medical	8,701,718	9,097,211	10,334,043	2,195,556	1,632,325	**(6,901,655)**
39 State Disability-Maintenance	795,945	466,684	444,461	290,670	(351,484)	(176,014)
40 Title XX Social Services	5,667,327	5,783,807	5,472,766	4,917,452	(194,561)	(866,355)
42 State supplement-SSI	7,895,255	6,923,135	6,593,462	6,478,530	(1,301,793)	(444,605)
43 AFDC / TANF	20,467,461	16,436,293	14,096,819	9,907,865	**(6,370,642)**	**(6,528,428)**
44 Title IV-D Child Care	32,244,539	41,847,035	32,188,305	44,752,361	(56,234)	2,905,326
45 Emergency Assistance	1,392,490	1,738,126	1,580,114	1,222,454	187,624	(515,672)
46 Employment First	10,201,815	9,791,421	9,747,752	586,698	(454,063)	**(9,204,723)**
48 Child Welfare Services	100,812,721	106,051,233	123,285,672	133,295,581	22,472,951	27,244,348
Total Program 347	236,346,958	248,124,986	245,156,679	244,296,723	**8,809,721**	(3,828,263)

Table 3 shows actual expenditures for Program 347, Subprogram 48 for the past four years and appropriations for FY12 and FY13. A review of this table helps indicate whether the appropriation amounts in FY12 and FY13 will meet expenditure levels based on the prior four years actuals.

Table 3 General Fund Expenditures and Appropriations, Program 347 by Subprogram

Actual Expenditures and Budgeted	Expend	Expend	Expend	Expend	Approp	Approp
(General Fund Only)	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
14 Food stamps	319,350	523,664	1,004,828	729,229	0	0
15 Birth Certificates	124,098	71,128	52,188	103,577	150,000	150,000
16 Juvenile predisposition detention	--	--	198,432	133,007	156,536	156,536
17 Post-adoption/guardianship services	--	--	547,667	828,578	2,027,970	2,027,970
18 Protection and Safety of Children	--	--	1,924,540	2,028,420	1,889,556	1,889,556
19 Adoption incentives	0	0	0	0	0	0
22 AABD Special Rates	2,307,230	2,098,416	1,935,548	2,083,508	1,615,576	1,615,576
23 Winnebo/TANF/MOE	300,894	283,517	222,241	203,498	339,929	339,929
28 Food stamp employment	51,136	140,339	20,441	7,639	185,395	185,395
29 Medically handicapped children	755,018	789,489	794,888	414,801	1,416,270	1,416,270
30 Title IV-E Foster Care	4,297,141	3,345,188	3,129,027	2,922,351	3,724,509	3,831,377
31 Title IV-E Adoption	5,403,054	7,491,501	5,861,263	5,804,337	5,846,061	6,006,364
33 Energy Assistance	0	0	0	0	0	0

(Table 3 continued)		Expend FY2007-08	Expend FY2008-09	Expend FY2009-10	Expend FY2010-11	Approp FY2011-12	Approp FY2012-13
34	State subsidized adoption	7,791,518	2,269,914	6,438,228	7,023,044	12,748,901	12,748,901
35	Domestic Violence	1,343,280	1,351,380	1,277,835	1,229,840	1,347,300	1,347,300
36	Education Assistance, State Wards	16,375,963	17,042,823	17,106,298	16,265,017	17,540,376	17,540,376
37	Disabled persons/family support	976,942	808,846	899,861	872,709	910,000	910,000
38	State Disability-Medical	6,958,788	6,162,183	10,334,043	2,195,556	9,097,211	9,097,211
39	State Disability-Maintenance	633,672	578,482	444,461	290,670	466,684	466,684
40	Title XX Social Services	5,529,297	6,274,074	5,472,766	4,917,452	5,783,807	5,783,807
42	State supplement-SSI	6,285,668	6,359,862	6,593,462	6,478,530	6,906,909	6,906,909
43	AFDC / TANF	19,309,522	13,702,182	14,096,819	9,907,865	13,043,345	13,043,345
44	Title IV-D Child Care	32,232,645	31,214,636	32,188,305	44,752,361	46,467,109	46,467,109
45	Emergency Assistance	1,179,237	1,619,391	1,580,114	1,222,454	1,738,126	1,738,126
46	Employment First	10,753,674	9,233,587	9,747,752	586,698	2,143,260	8,143,260
48	Child Welfare Services	99,491,589	101,014,519	123,285,672	133,295,581	103,978,106	101,706,331
	Total-New	222,606,961	212,584,993	245,156,679	244,296,723	239,522,936	243,518,332

Will Additional Funds be Needed in FY11-12 and FY12-13?

Based on the contracts with KVC and NFC for FY12 and FY13 as of August 2011 and rough estimates for the other three regions based on FY11 actual expenditures for the last nine months, the current appropriation amount appears more than adequate. However, there are many assumptions attached to the contracted amounts, and it will require significant changes to stay within those levels.

The contract amendments that increased funding have consistently been labeled as "one-time" funding Since there have been multiple adjustments labeled as "one-time," it is easy for policy makers to be skeptical that more "one-time" adjustments might be forthcoming. The fact that the contracts in FY 11-12 in actual dollars are less than in FY 2010-11 for KVC and are less for NFC when adjusted for the additional caseload they will be assuming, this further fuels the skepticism.

The KVC contract amount for the Southeast Service Area for FY2011-12 is $9.1 million less than actual payments in FY2010-11; for the KVC Eastern Service Area the FY2011-12 amount is $4.7 million less. However, their contracts were increased by a total of $5.5 million at the end of June 2011. Since the $5.5 million was paid at the end of the fiscal year, it assumed the entire $5.5 million will be spent in FY 2011-12. Adjusting the figures to reflect the use of the $5.5 million in FY 2011-12, KVC has approximately $2.7 million less in funding.

	FY2010-11	FY2011-12	Change FY11 to FY12
Actual Contract Amounts			
Southeast	43,806,962	34,720,877	
Eastern	21,019,548	16,365,254	
Total for KVC	64,826,510	51,086,131	(13,740,379)
Contract Amounts with adjustment			
Southeast	43,806,962	34,720,877	
Eastern	21,019,548	16,365,254	
Adjustment for cash flow	(5,500,000)	5,500,000	
Total for KVC	59,326,510	56,586,131	(2,740,379)

NFC is assuming one-third of the caseload in the Eastern Service Area that was transferred back to the state when Visinet pulled out. Through the end of the 2011, the caseload assigned to NFC will be doubling from 13% to 26% of the statewide total. However, the amount the contract is only increasing by

54% to 56% depending on whether a year over year comparison is made or the figures are compared after case management was transferred in January 2011 to NFC. In either case, the dollar increase is substantially lower than the workload increase.

For both contractors to stay within the contracted amounts, significant changes are required. Based on conversations with both NFC and KVC these contract levels appear "doable" assuming a significant shift in how the child welfare system operates. Fewer children must enter care and permanency must accelerate. The lowering of the overall costs is the result of the assumption that there will be a reduction in the number of children served by approximately 15%. The two contractors and Kerry Winterer believe this is possible and will not be the result of simply denying needed services. To reduce the overall number of children will require new standards to be instituted in assessing when a child should be taken into the state's custody. This has already begun with the establishment of the initial assessment teams. The number of children achieving permanency also must accelerate. It is hoped that the implementation of structured decision making will work toward this goal. Both the state and the contractors must improve their performance, as the two providers have some control over the closures but depend on DHHS to reduce the number of referrals.

If the overall number of children being provided services is not reduced it's very likely that further amendments to the contract will be in order. KVC stated in our meeting with them that they had contributed approximately $14 million in private funds to the reform effort in Nebraska and no further private funding would be made available. NFC stated they had paid approximately $7.5 million and would contribute up to $2.0 million more. Any further shortfalls beyond these commitments would bring the contractors back to the negotiating table.

Are Additional Funds Available?

The agency will have less excess or flexible funding available in FY 2012 and FY 2013, as ARRA funds were temporary and have been exhausted and the Legislature did not authorize the unexpended balance at the end of FY 2010-11 to reappropriated. The agency does have approximately $7.1 million in FY 2011-12 and $9.4 million in FY 2012-13 that could be used for additional child welfare costs.

The appropriation for child welfare and the Office of Juvenile Services combined were increased. The agency requested a $5 million increase each year for "detention services." The actual amounts needed for increased costs in detention were $200,000 in FY 2011-2012 and $400,000 in FY 1012-2013. The balance of the $5 million was an indirect way to increase funding for services to state wards. DHHS had been paying for services for OJS wards out of Program 250, which is the appropriate program for those services to be paid. When Program 250 ran out of appropriations, they would transfer the expenditures via journal entry to Program 347 Subprogram 48 – Child Welfare instead of asking the Legislature to transfer the funds to the appropriate budget program.

With the $5 million increase, they will no longer transfer the expenditures. Instead of asking for a reduction in Program 347 of $4.8 million and an increase of the same amount in Program 250 in their budget request, they instead asked for the $5 million increase for "detention services," which resulted in an overall appropriation increase for state ward services.

Although information about the need for the $5 million increase was requested from the agency in November, the response was not provided until late in January and came after the initial analysts' briefing to the Appropriations Committee. The Appropriations Committee was aware that approximately $4.8 and $4.6 million in FY 2011-12 and FY 2012-13 respectively could be used to cover additional expenditures in child welfare.

What is the State Getting through Privatization?

It is clear the move to privatization resulted in higher costs to date. The structure alone lends itself to higher costs. Initially, contractors had to hire service coordinators and management and administrative personnel and the corresponding operating costs associated with establishing such an organization, while

state staff was not reduced. The work formerly handled entirely by state workers was divided between state case managers and contracted service coordinators. Essentially, two systems were being supported under the privatization model. Even after case management moved to the contractors and 77 FTEs were eliminated, some staff has been retained by the state for oversight. Contracting did cost more and may continue to cost more at least in the near future, but the major issue for policy markers is, has or will the move to privatization produce better services or improve outcomes? That question will likely be answered as information is gathered that measures performance over time. Privatization does differ from the staff-only managed system. A few of those differences that are intended to have positive impacts are mentioned below.

The contractors are required to meet certain standards, assuming those standards are enforced by the state through its oversight. For example, the state had stated goals for caseloads, recognizing various case mixes, but there was no enforcement if not held to those caseload standards. For the private contractors, the state should be holding them to those standards. In addition, the contractors must maintain current accreditation and be fully accredited by July, 1, 2013. Accreditation should provide an additional check to ensure contracted organizations are using best practices and performing within established standards.

The contractors are required to provide access 24 hours a day, seven days a week for 365 days a year.

Twelve months of aftercare is a new service provided under the contract. There are approximately 2,000 children who are receiving this service which lowers the rate of reentry into the child welfare system.

In his presentation to this committee on June 23rd, Jack Tweedy talked about one of the reasons for privatization is a change in culture. The private contractors are committed to right-sizing the child welfare system. Nebraska far exceeds other states in the removal of children from their homes. A considerable shift in what is best for children in deciding to remove or not remove a child from their parental home will be required to bring Nebraska closer to the national average. Citing documented studies both contractors believe Nebraska removes too many children from their homes and this type of intervention, when not needed, can cause harm.

Conclusion

The child welfare contracts were increased substantially over the last biennium. There was little or no involvement of the Legislature on this decisions that led to the increases, even though the Legislature controls the appropriation process. The agency was able to make the substantial adjustments due to a convergence of several factors. First, the budget program in which child welfare is located contains a large number of aid programs and this allows for great flexibility to move money among the various subprograms. Second, as an overall policy for all state agencies, agencies were allowed to carryover unused balances for the prior three years and other subprograms within Program 347 were under spending. Third, the American Recovery and Reinvestment Act (ARRA) provided additional federal funding not anticipated when the appropriation was established, allowing for fund shifting that freed up State General Funds. And finally, the administrative decision to transfer case management to the private contractors resulted in savings that could be used for the contracts.

The contractors and DHHS are comfortable with the lower level of spending in the FY 2011-2013 biennium with efforts being made toward huge system changes that will help to keep the costs within the contracted amounts. If additional funding is needed, the agency has some flexibility, but far less than what was available to them in the last two years.

Summary by Fiscal Year by Contract

Service Delivery, Coordination, Case Management

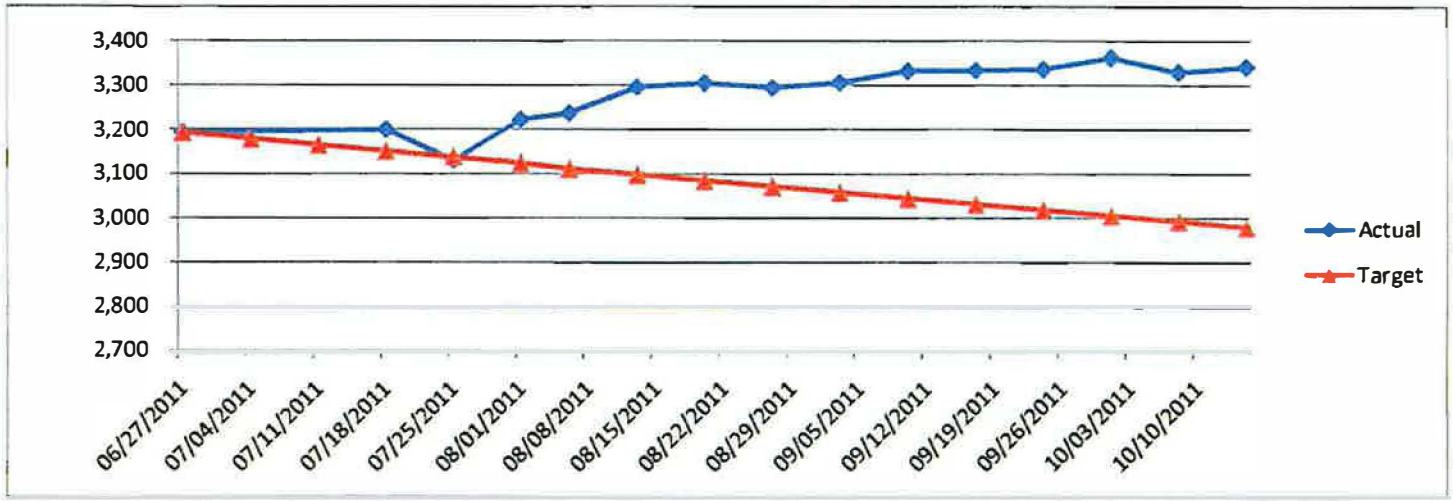
	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14	2 Year Total	Change	5 Year Total	Change
Original Contract October 2009									
KVC-ESA	5,905,605	13,823,484	0	0	0	19,729,089	--	--	--
KVC-SESA	4,375,049	10,372,440	0	0	0	14,747,489	--	--	--
NFC-ESA	5,361,968	13,823,484	0	0	0	19,185,452	--	--	--
B&G-NSA	3,576,509	10,905,024	0	0	0	14,481,533	--	--	--
B&G-CSA	2,668,494	6,067,920	0	0	0	8,736,414	--	--	--
B&G-WSA	3,508,033	11,768,244	0	0	0	15,276,277	--	--	--
Visinet-SESA	4,375,049	10,372,440	0	0	0	14,747,489	--	--	--
Visinet-ESA	5,304,744	13,823,484	0	0	0	19,128,228	--	--	--
Cedars-SESA	4,375,049	10,372,440	0	0	0	14,747,489	--	--	--
Total	39,450,500	101,328,960	0	0	0	140,779,460	--	--	--
		140,779,460		0					
With Amendment 1 (Dec 2009 & Jan 2010)									
KVC-ESA	7,429,524	13,802,556	0	0	0	21,232,080	1,502,991	--	--
KVC-SESA	5,516,830	10,215,451	0	0	0	15,732,281	984,792	--	--
NFC-ESA	6,900,193	13,802,556	0	0	0	20,702,749	1,517,297	--	--
B&G-NSA	4,794,287	11,952,290	0	0	0	16,746,577	2,265,044	--	--
B&G-CSA	5,676,850	10,740,047	0	0	0	16,416,897	7,680,483	--	--
B&G-WSA	4,661,719	11,590,743	0	0	0	16,252,462	976,185	--	--
Visinet-SESA	5,516,830	10,215,451	0	0	0	15,732,281	984,792	--	--
Visinet-ESA	6,842,969	13,802,556	0	0	0	20,645,525	1,517,297	--	--
Cedars-SESA	5,516,830	10,215,451	0	0	0	15,732,281	984,792	--	--
Total	52,856,032	106,337,101	0	0	0	159,193,133	18,413,673	--	--
		159,193,133		0					
With Amendment 3 Where Applicable (Dec 2009 & Jan 2010)									
KVC-ESA	7,429,524	13,764,548	0	0	0	21,194,072	(38,008)	--	--
KVC-SESA	5,516,830	30,561,962	0	0	0	36,078,792	20,346,511	--	--
NFC-ESA	6,900,193	13,764,548	0	0	0	20,664,741	(38,008)	--	--
B&G-NSA	4,794,287	10,710,473	0	0	0	15,504,760	(1,241,817)	--	--
B&G-CSA	5,676,850	11,919,377	0	0	0	17,596,227	1,179,330	--	--
B&G-WSA	4,661,719	11,558,827	0	0	0	16,220,546	(31,916)	--	--
Visinet-SESA	5,516,830	10,215,451	0	0	0	15,732,281	0	--	--
Visinet-ESA	6,842,969	13,802,556	0	0	0	20,645,525	0	--	--
Cedars-SESA	5,516,830	10,215,451	0	0	0	15,732,281	0	--	--
Total	52,856,032	126,513,193	0	0	0	179,369,225	20,176,092	--	--
		179,369,225		0					
With Amendment 4 Where Applicable (July 2010)									
KVC-ESA	7,429,524	13,764,548	0	0	0	21,194,072	0	--	--
KVC-SESA	5,516,830	30,561,962	0	0	0	36,078,792	0	--	--
NFC-ESA	6,900,193	13,764,548	0	0	0	20,664,741	0	--	--
B&G-NSA	4,794,287	10,710,473	0	0	0	15,504,760	0	--	--
B&G-CSA	5,676,850	11,919,377	0	0	0	17,596,227	0	--	--
B&G-WSA	4,661,719	11,558,827	0	0	0	16,220,546	0	--	--
Visinet-SESA	5,516,830	10,215,451	0	0	0	15,732,281	0	--	--
Visinet-ESA	6,842,969	13,802,556	0	0	0	20,645,525	0	--	--
Cedars-SESA	5,516,830	10,215,451	0	0	0	15,732,281	0	--	--
Total	52,856,032	126,513,193	0	0	0	179,369,225	0	--	--
		179,369,225		0					

	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14	2 Year Total	Change	5 Year Total	Change
With Amendment 5 Where Applicable (July 2010)									
KVC-ESA	7,429,524	14,874,548	0	0	0	22,304,072	1,110,000	--	--
KVC-SESA	5,516,830	32,451,962	0	0	0	37,968,792	1,890,000	--	--
NFC-ESA	6,900,193	16,764,548	0	0	0	23,664,741	3,000,000	--	--
B&G-NSA	4,794,287	10,710,473	0	0	0	15,504,760	0	--	--
B&G-CSA	5,676,850	11,919,377	0	0	0	17,596,227	0	--	--
B&G-WSA	4,661,719	11,558,827	0	0	0	16,220,546	0	--	--
Visinet-SESA	5,516,830	10,215,451	0	0	0	15,732,281	0	--	--
Visinet-ESA	6,842,969	13,802,556	0	0	0	20,645,525	0	--	--
Cedars-SESA	5,516,830	10,215,451	0	0	0	15,732,281	0	--	--
Total	52,856,032	132,513,193	0	0	0	185,369,225	6,000,000	--	--
		185,369,225		0					
With Amendment 7 Where Applicable (Dec 2010)									
KVC-ESA	7,429,524	19,314,548	13,764,548	13,764,548	13,764,548	26,744,072	4,440,000	68,037,716	--
KVC-SESA	5,516,830	40,011,962	30,561,962	30,561,962	30,561,962	45,528,792	7,560,000	137,214,680	--
NFC-ESA	6,900,193	21,431,215	16,097,881	13,764,548	13,764,548	28,331,408	4,666,667	71,958,385	--
B&G-NSA	4,794,287	10,710,473	0	0	0	15,504,760	0	15,504,760	--
B&G-CSA	5,676,850	11,919,377	0	0	0	17,596,227	0	17,596,227	--
B&G-WSA	4,661,719	11,558,827	0	0	0	16,220,546	0	16,220,546	--
Visinet-SESA	5,516,830	10,215,451	0	0	0	15,732,281	0	15,732,281	--
Visinet-ESA	6,842,969	13,802,556	0	0	0	20,645,525	0	20,645,525	--
Cedars-SESA	5,516,830	10,215,451	0	0	0	15,732,281	0	15,732,281	--
Total	52,856,032	149,179,860	60,424,392	58,091,058	58,091,058	202,035,892	16,666,667	378,642,400	--
		202,035,892		118,515,450					
With Amendment 8 Where Applicable (June 2011)									
KVC-ESA	7,429,524	21,019,548	16,365,254	13,764,548	13,764,548	28,449,072	1,705,000	72,343,422	4,305,706
KVC-SESA	5,516,830	43,806,962	34,720,877	30,561,962	30,561,962	49,323,792	3,795,000	145,168,594	7,953,915
NFC-ESA	6,900,193	21,431,215	16,097,881	13,764,548	13,764,548	28,331,408	0	71,958,385	0
B&G-NSA	4,794,287	10,710,473	0	0	0	15,504,760	0	15,504,760	0
B&G-CSA	5,676,850	11,919,377	0	0	0	17,596,227	0	17,596,227	0
B&G-WSA	4,661,719	11,558,827	0	0	0	16,220,546	0	16,220,546	0
Visinet-SESA	5,516,830	10,215,451	0	0	0	15,732,281	0	15,732,281	0
Visinet-ESA	6,842,969	13,802,556	0	0	0	20,645,525	0	20,645,525	0
Cedars-SESA	5,516,830	10,215,451	0	0	0	15,732,281	0	15,732,281	0
Total	52,856,032	154,679,860	67,184,012	58,091,058	58,091,058	207,535,892	5,500,000	390,902,021	12,259,621
		207,535,892		125,275,070					
With New Nebraska Families Collaborative (NFC) (August 2011)									
KVC-ESA	7,429,524	21,019,548	16,365,254	13,764,548	13,764,548	28,449,072	0	72,343,422	0
KVC-SESA	5,516,830	43,806,962	34,720,877	30,561,962	30,561,962	49,323,792	0	145,168,594	0
NFC-ESA	6,900,193	21,431,215	33,068,885	34,887,454	29,037,373	28,331,408	0	125,325,120	53,366,735
B&G-NSA	4,794,287	10,710,473	0	0	0	15,504,760	0	15,504,760	0
B&G-CSA	5,676,850	11,919,377	0	0	0	17,596,227	0	17,596,227	0
B&G-WSA	4,661,719	11,558,827	0	0	0	16,220,546	0	16,220,546	0
Visinet-SESA	5,516,830	10,215,451	0	0	0	15,732,281	0	15,732,281	0
Visinet-ESA	6,842,969	13,802,556	0	0	0	20,645,525	0	20,645,525	0
Cedars-SESA	5,516,830	10,215,451	0	0	0	15,732,281	0	15,732,281	0
Total	52,856,032	154,679,860	84,155,016	79,213,964	73,363,883	207,535,892	0	444,268,756	53,366,735
		207,535,892		163,368,980					

	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
With New Nebraska Families Collaborative (NFC) (August 2011)					
KVC-ESA	7,429,524	21,019,548	16,365,254	13,764,548	13,764,548
KVC-SESA	5,516,830	43,806,962	34,720,877	30,561,962	30,561,962
NFC-ESA	6,900,193	21,431,215	33,068,885	34,887,454	29,037,373
Total	19,846,547	86,257,725	84,155,016	79,213,964	73,363,883

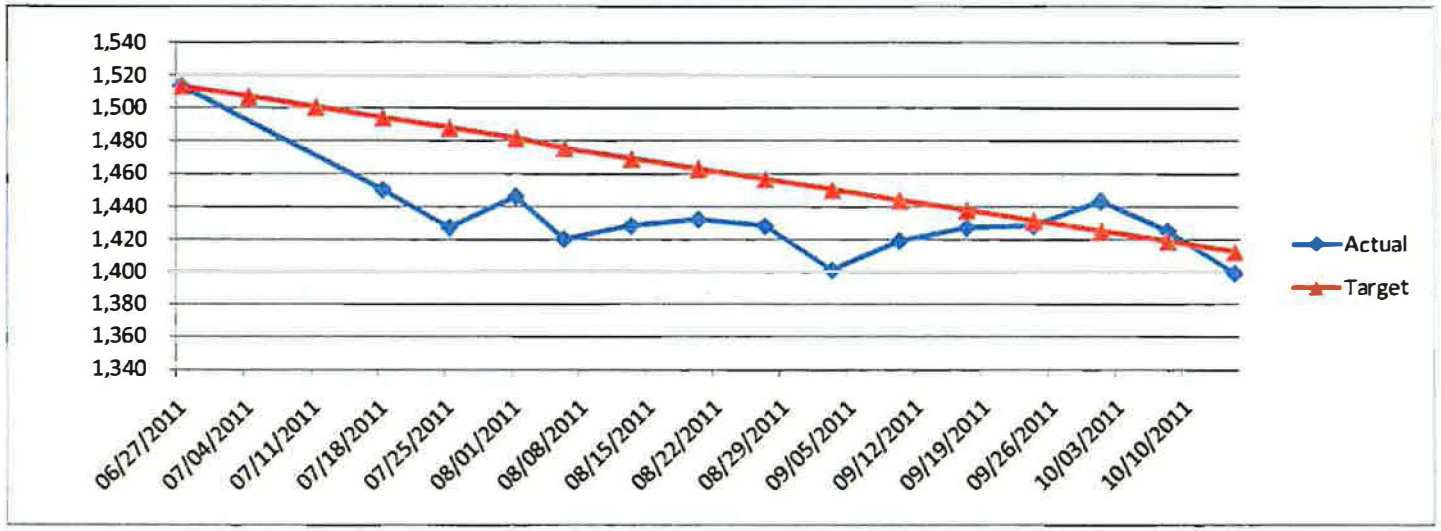
KVC Behavioral Healthcare Nebraska, Inc.
All Children by Service Area

KVC - Southeast Service Area



As of October 15, 2011, actual exceeds target by 361 kids (difference was 95 as of August 1, 2011 and 246 as of September 3, 2011)

KVC - Eastern Service Area

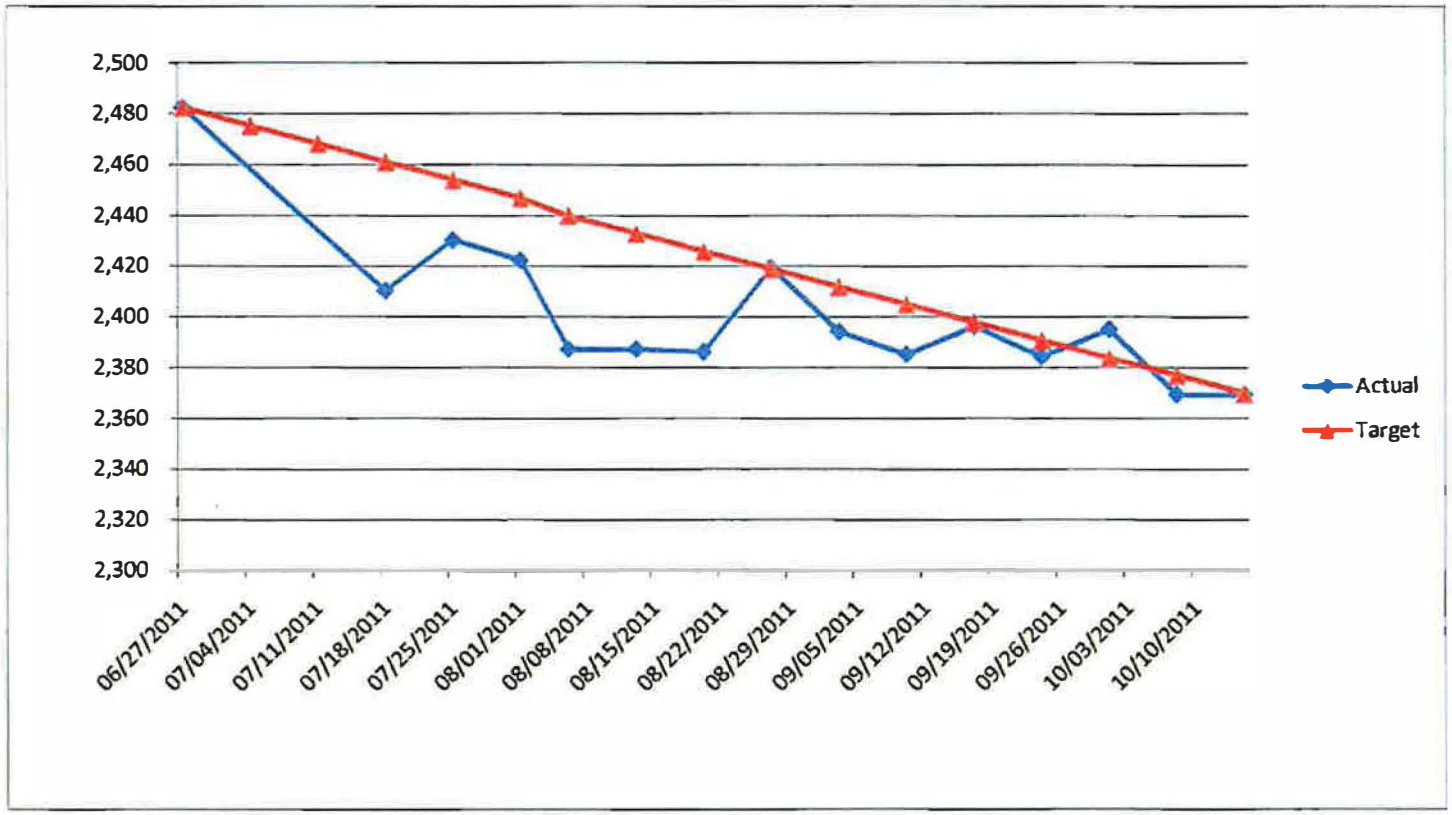


As of October 15, 2011, target exceeds actual by 14 kids (difference was 36 as of August 1, 2011 and 49 as of September 3, 2011)

H:\Families Matter\Contractor State Ward Projections KVC
Prepared by: Kevin Nelson, FinSvc, 10/17/2011
Source: Point In Time Management Report
Print date: 10/17/2011 11:31 AM

Nebraska Families Collaborative

NFC - Eastern Service Area



As of October 15, 2011, target exceeds actual by 1 kid (difference was 25 as of August 1, 2011 and 18 as of September 3, 2011)

* - Target amounts based on a 15% reduction for the fiscal year ended June 30, 2012

H:\Families Matter\Contractor State Ward Projections NFC
Prepared by: Kevin Nelson, FinSvc, 10/17/2011
Source: Point In Time Management Report
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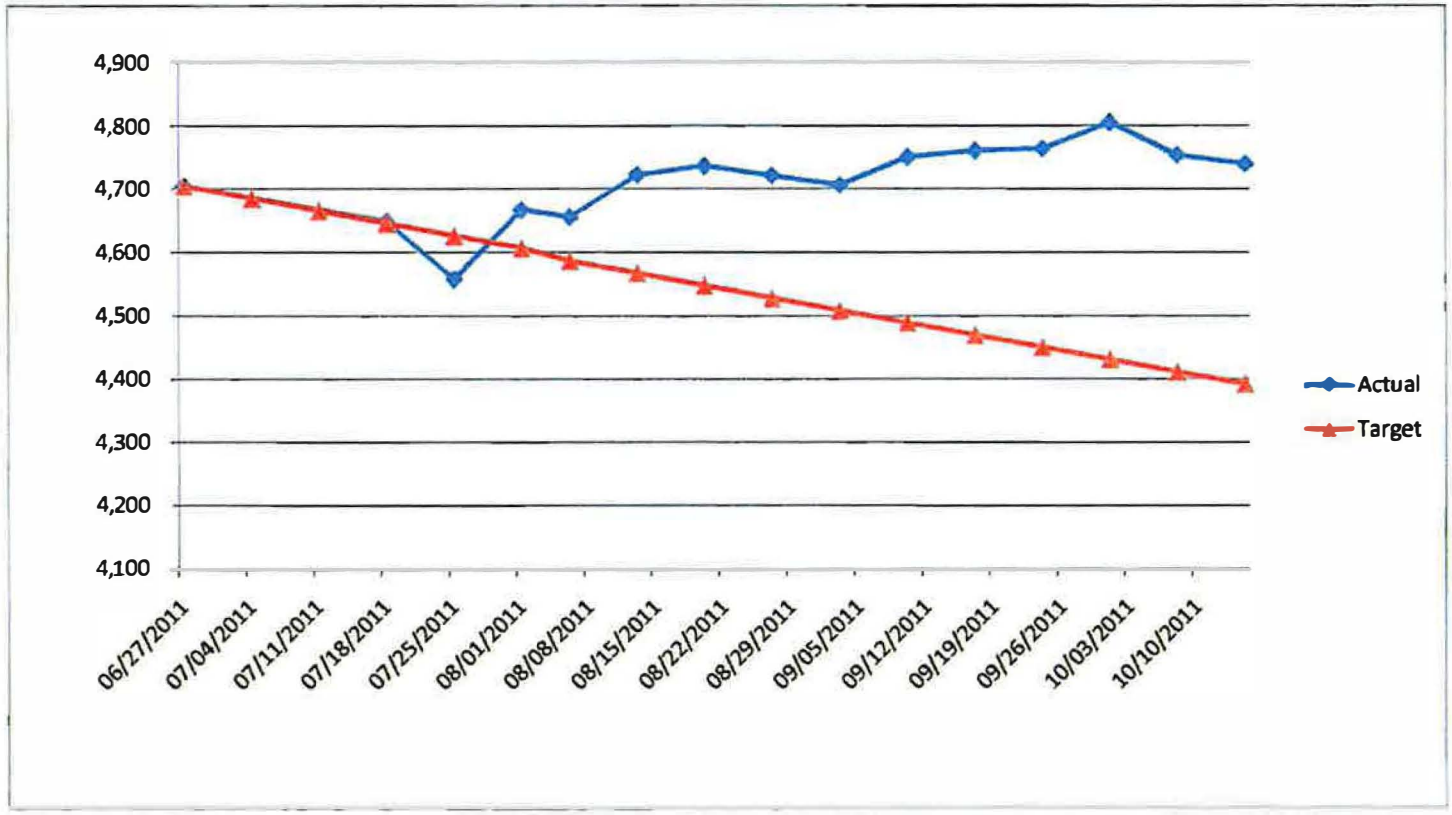
KVC Behavioral Healthcare Nebraska, Inc.
All Children by Service Area

KVC - Combined



As of October 15, 2011, actual exceeds target by 347 kids (difference was 60 as of August 1, 2011 and 197 as of September 3, 2011)

* - Target amounts based on a 22% reduction for the fiscal year ended June 30, 2012

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Chapter 7

Surveys

"My research has shown that our closest residential treatment center is in York . . . closest group home for boys is North Platte . . . for girls I think it's Henderson . . . I think our closest therapeutic group home is in Norfolk. So having said that, let's just assume, first of all, that there's a bed for the kids so we can actually get somebody there . . . So we've got a 13- or 14-, 15-year-old . . . take them all the way across the state . . . They've got to develop a new relationship with a new counselor somewhere else. Now they are completely away from their parents. Their parents have five-, six-, seven-hour drives to be able to see their children. The kids can't come home for a weekend. They can't do any of those types of things that if they're closer they are able to have that support mechanism around them. So it really causes problems for that child to have any normalcy, any continuity of services and support when they're being taken so far away from their families."

~ Judge, western Nebraska

Survey of Foster Parents and Biological Parents in Nebraska

October 4, 2011

Prepared for

Health and Human Services Committee, Nebraska Legislature

Submitted by
Ombudsman/Public Counsel Office
State Capitol
P.O. Box 94604
Lincoln, Nebraska 68509-4604
(402) 471-2035

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I. Introduction

The Ombudsman's Office was asked by Health and Human Services Committee Chair Kathy Campbell to survey foster parents to learn about their experience with the Families Matter Reform. From the last week of July to mid-September, current and former foster parents across the State answered the 21 question survey. We were ultimately successful in securing the completion of the survey by 269 foster parents. Our success in this effort was largely thanks to the help we received from the Federation of Families for Children's Mental Health, the Foster Care Closet, and the Nebraska Foster and Adoptive Parents Association, NFAPA. Particular credit goes to Pam Allen, Candy Kennedy, and Leigh Esau. We must also, of course, acknowledge and thank the many foster parents who took the time to complete the survey.

While foster parents were our main subject of our survey, we also designed and carried out a similar questionnaire for biological parents. We interviewed or received completed surveys from 132 biological parents. This survey was completed with the assistance of the Nebraska Department of Health and Human Services, which provided us with a list of parents recently in the system, as well as the three organizations previously mentioned. We thank all of those who assisted in this survey as well, especially the parents who took the time to participate.

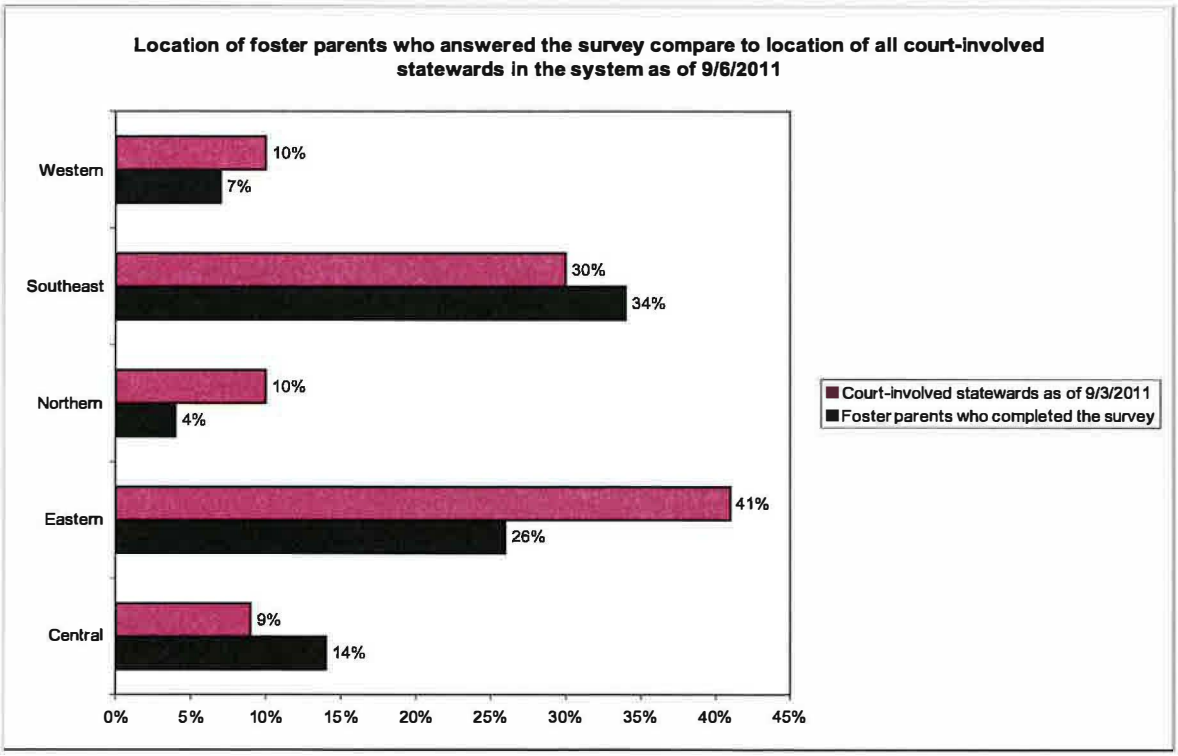
Strictly speaking, these were not "scientific" surveys. However, we do feel that we have received a very good and representative response from the foster and biological parents. While we recognize that each person looking at the results of these surveys might draw slightly different conclusions from our own, we did nevertheless want to highlight some of the patterns that we saw in the answers people gave us.

II. What the surveys say about the reform and satisfaction with the foster care system in Nebraska today

A. Foster Parents' Survey

To get a picture of foster parents' perspectives on the Reform, we asked them to evaluate their experiences and working relationships with three different kinds of organizations. The three are: 1) the State agency, the Department of Health and Human Services (**HHS**); 2) the current and past **Lead Agencies**, that is, the nonprofit corporations, such as KVC and NFC (the Nebraska Families Collaborative), Visinet, and the Boys and Girls Homes, that were retained to provide management services for the system in various geographical segments of the State; and 3) the **Foster Care Agencies**, in particular those nonprofit foster care organizations that have carried out the work of recruiting, training, supporting, and managing payment for foster parents (including agencies such as Lutheran Family Services, Child Savings Institute, and Cedars).

A few details about the foster parents who responded to the survey need to be noted. Of those who indicated the length of time that they had been foster parents, about 36% of them had become foster parents around the same time that the involvement of the Lead Agencies in the child welfare system took effect, while approximately 62% were foster parents before the reform. Some 60% of the foster parents who took the survey were living in the Eastern and Southeast Service Area at the time of the survey. In fact, when we compare the geographic locations of the foster parents who took the survey to the geographic locations of all court-involved children in the system (based upon data from the HHS Division of Children and Family Services, dated September 3, 2011), we see several points of note: (1) there was underrepresentation of foster parents responding to the survey as compared to the total of court-involved children in the Eastern, Northern, and Western HHS Service Areas; (2) there is overrepresentation of foster parents who responded to the survey relative to court-involved children in the Central Service Area; and (3) the Southeast Service Area had a similar representation of foster parents who took the survey (34%), when compared to all the court-involved children living in that Service Area (30%). (Please see Chart below)



In the survey of foster parents, we have specifically tried to test the "level of satisfaction" of parents in a variety of areas. In particular, we asked foster parents about the adequacy of communication, responses to their requests and problems, transportation, medical, and psychological services for the child, visitation schedules, payments, and support services made available to the foster parents, such as respite care. In addition, we asked the foster parents whether they had received adequate information about their foster child before accepting him or her into their home. The attached Charts will reflect the percentages of positive and negative responses that we received from the foster parents who answered

each of these questions. (Please see Chart One thru Chart Thirteen) It should be noted that in compiling the survey results that are reflected in these Charts we did not include the instances where the response was "Not Applicable," so that the 100% that is recorded in the Charts is all of those who actually answered "Agree," "Strongly Agree," etc.

It must also be emphasized that the percentages we will be making reference to here in connection with the results of the survey will be with respect to those respondents who answered that they ***had experience with all three components of the foster care system***, HHS, the Lead Agencies, and the Foster Care Agencies. This is important because it means that we are looking at the responses of people who had experienced, and could look, in a roughly equivalent way, at all three components. This does, of course, mean that we are looking at a smaller sampling for each survey question than the total of 269 foster parents who responded to the survey in any way. So, for example, while we had a total of 269 foster parents responding to the survey, only 154 provided answers relating to all three components of the system on the question dealing with communication (seen in Chart Three), and only 137 offered answers relating to all three components of the system on the question dealing with providing information relating to the foster child to the foster family prior to placement (Chart Ten). It is interesting, however, to note that, although we refined the samples in this way (to limit the analysis to those respondents who had experience with all three components), when the results for the refined sample were compared to the results of the responses for all 269 of the foster parents who took the survey, the outcomes for each question were very similar.

Chart One and Chart Two illustrate the basic "level of satisfaction" of foster parents by reflecting the percentage of foster parents who agreed or strongly agreed (in Chart One), or who disagreed or strongly disagreed (in Chart Two), with eleven positive statements relating to their experiences with each of the three kinds of organizations, HHS, Lead Agencies, and Foster Care Agencies. As might well be expected, these two Charts are roughly a mirror image of each other, so that, for instance, when Chart One reflects a peak in basic agreement/satisfaction with the statement that has to do with the availability of medical support services, there will be a corresponding valley in the expression of dissatisfaction with the availability of medical services shown on Chart Two. It must be emphasized that Charts One and Two are, for simplification purposes, a combination of the "agree" and the "strongly agree," and of the "disagree" and the "strongly disagree," responses to each question. For an illustration of how the survey responses broke down between, for instance, the "agree" and the "strongly agree," answers, it will be necessary to review Charts Three through Thirteen.

To a large extent, the results of the survey are self-explanatory. However, there are just a few points in the data that was produced by the foster parent survey that we would like to comment on in this Report. In that regard, we would highlight the following:

- As was previously indicated, we perceive the survey as being a test of the "level of satisfaction" of foster parents with the system as they have been exposed to it. We are not able to offer a standard for what would constitute an acceptable level of "satisfaction" in connection with the responses offered by the foster parents. In

fact, it is probably best for each person reviewing the responses to draw his or her own conclusions about what the "standard of satisfaction" should be. It should be noted, however, that in several of the areas, when evaluating services from HHS and the Lead Agencies, nearly as many of the foster parents who responded to the questions expressed disagreement with the statements, as those who expressed an agreement. This can be seen, for instance, in the answers to the questions dealing with transportation services (Chart Four), the timeliness of responses to requests (Chart Five), problem-solving (Chart Six), and delivery of support services (Chart Thirteen). There were also a couple of significant areas, communication (Chart Three), and the adequacy of payments for foster care services (Chart Eleven), where more respondents expressed disagreement and/or dissatisfaction with the performance of HHS and the Lead Agencies than expressed satisfaction. Much the same could also be said about the responses relating to the performance of HHS and the Lead Agencies concerning the adequacy of the information being provided to foster parents prior to the child's placement (Chart Ten). Whatever the reasonable standard for an acceptable level of "satisfaction" with the system might be, we would suggest that the results for HHS and the Lead Agencies that are reflected in Chart Three, Chart Ten, and Chart Eleven would not succeed in meeting that standard.

- It is important to note the fact that the responses from foster parents expressing satisfaction (agree and strongly agree) and dissatisfaction (disagree and strongly disagree) are closely aligned for the Lead Agencies and HHS. This conclusion is illustrated by the lines reflecting the responses for the Lead Agencies and HHS on Chart One and on Chart Two, that is, the lines are separated by a relatively small margin, and at some points are basically superimposed over each other. In fact, if we consider the responses that were given to the eleven individual questions in the survey, then we see that the largest differential between the Lead Agencies and HHS is a mere 6% (for example, HHS has a 44% satisfaction rating on the question about providing information to foster parents prior to the child's being placed - Chart Ten - while the Lead Agencies are given a 50% satisfaction rating on that same issue). On one of the questions, that having to do with the adequacy of payments (Chart Eleven), the percentage of respondents expressing satisfaction with the performance of the Lead Agencies and HHS is identical. As between the Lead Agencies and HHS, the average differential that is seen on the responses to the questions was slightly more than 3.5%, and although the Lead Agencies had a somewhat better score over HHS in all but two of the eleven areas, the differential between HHS and the Lead Agencies was 4% or less in eight of the eleven areas. The correspondence of the responses for the Lead Agencies and HHS as reflected in these numbers is remarkable, and strongly suggest that, from the perspective of the foster parents who have actually worked with the Lead Agencies and HHS, there is only a marginal distinction to be made between the quality of the relative performances of the Lead Agencies and of HHS - they are being ranked nearly the same. If the fundamental purpose of the Families Matter reform initiative is to dramatically improve the foster care system by involving the Lead Agencies in place of HHS, then the reader of this Report must carefully consider whether that

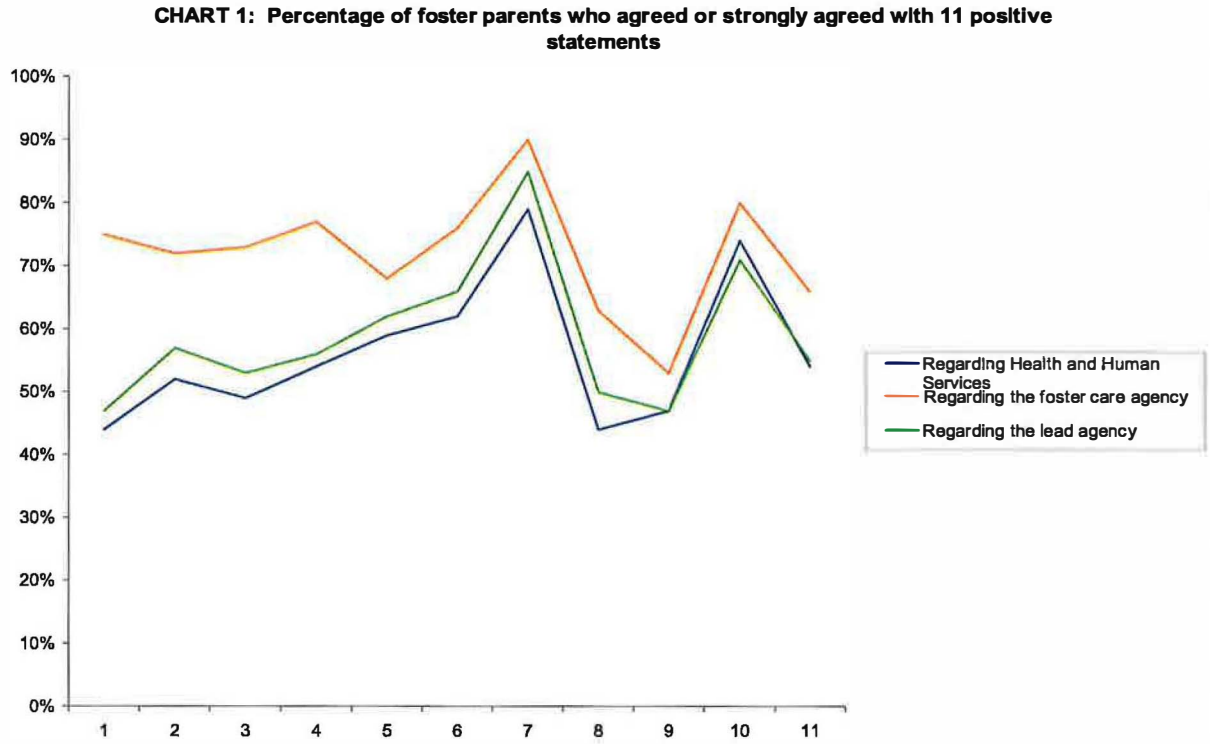
goal has been thus far accomplished, in light of the responses of foster parents to the survey.

- The level of satisfaction expressed by the foster parents responding to the survey was consistently, and often substantially, higher for the Foster Care Agencies (e.g., Lutheran Family Services, Child Savings Institute, Cedars, etc.), that is, the agencies working directly with the families in recruiting, training, supporting, and so forth. For example, while the Lead Agencies and HHS recorded a satisfaction rating on the subject of communication in the upper 40 percent range (47% for the Lead Agencies, and 45% for HHS), the Foster Care Agencies had a satisfaction rating of 75% (Chart Three). Another excellent example of this can be seen in the answers to the question dealing with the timeliness of responses to foster parent requests - the Lead Agencies scored a 53% satisfaction rate, and HHS scored a 49% satisfaction rate, while the Foster Care Agencies scored a 73% satisfaction rating in the answers to that question. Even when the overall responses of foster parents on an issue was very positive, as can be seen in the case of the question dealing with medical services (Chart Nine), the positive response for the Foster Care Agencies (90%) was still higher than the response for the Lead Agencies (85%) and the response for HHS (79%). Therefore, whatever else might be said about the foster parents' satisfaction with the system generally, it would seem that those foster parents who have dealt with all three components of the system are consistently more satisfied in their relationship with the Foster Care Agencies than with the other components of the system.

- Another point that needs to be emphasized with respect to the positive response of the foster parents to the Foster Care Agencies is illustrated in the "strongly agree" answers to the individual questions, as reflected in Charts Three through Thirteen. Perhaps the best examples of this are seen in the answers to the questions dealing with communication (Chart Three), timeliness of the responses to foster parent requests (Chart Five), and problem solving (Chart Six). For instance, in the case of the question concerned with communication, 12% strongly agreed that HHS was performing satisfactorily, and 10% strongly agreed that the Lead Agencies were performing satisfactorily, but 32% said that they strongly agreed with the idea that the Foster Care Agencies were performing satisfactorily. In the case of the question concerned with problem solving, 12% strongly agreed that HHS was performing satisfactorily, and 9% strongly agreed that the Lead Agencies were performing satisfactorily, but 30% said that they strongly agreed with the idea that the Foster Care Agencies were performing satisfactorily. In fact, consistently throughout all eleven of the questions asked, the Foster Care Agencies scored a higher (often a much higher) "strongly agree" response to the issues raised than did either the Lead Agencies or HHS. Because the survey is structured in such a way that the "strongly agree" responses, in effect, represents the highest rating that can be given by the foster parents responding to the survey, the fact that this answer was the one so often chosen in the case of the Foster Care Agencies must be viewed as being significant, The respondents were not only saying that the

Foster Care Agencies were performing at a higher level, but they were also doing so "with emphasis."

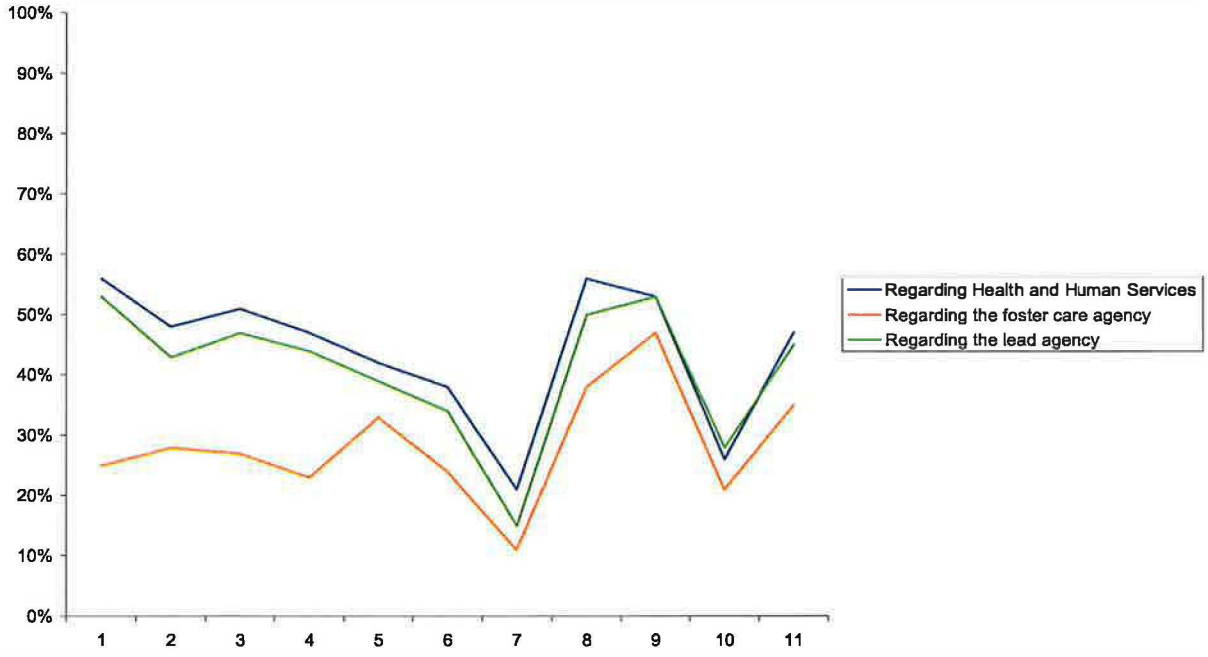
- One area where the responses reflect a relatively low level of satisfaction for the performance of the Lead Agencies, HHS, and the Foster Care Agencies is with regard to the adequacy of the information provided to the foster parents prior to placement of the foster child (Chart Ten). With one very predictable exception (the adequacy of payments for foster care services - Chart Eleven), the responses reflected in Chart Ten are collectively the lowest satisfaction levels recorded for the system generally, including for the Lead Agencies, HHS, and the Foster Care Agencies. Given the overall importance of this subject area for the wellbeing of the foster children, the foster families, and the foster care system generally, the fact that the whole system is ranked rather poorly in this area is, or should be, a source of some concern. It is interesting to compare the rating on this subject with regard to the performance of the Foster Care Agencies (63% satisfactory) with the much higher rating given to the Foster Care Agencies on the somewhat related subject of communication generally (75% satisfactory, as is reflected in Chart Three). What these two responses would seem to be telling us is that, while the Foster Care Agencies are doing a very good job of communicating with the foster families in general terms, they are doing a less satisfactory job, from the perspective of the foster parents, when it comes to the question of communicating information to the foster parents prior to placement of the foster child. As for the Lead Agencies and HHS, they score a low level of satisfaction in both providing information to parents prior to placement, and in communication generally.



My experience is that…

1. communication has been adequate.
2. transportation services provided have been adequate.
3. agency responses to my requests are timely.
4. when I have a foster care related problem, the agency was able to address it.
5. my foster child's visitation schedules have been reliable.
6. support services for the psychological needs of the foster child have been satisfactory.
7. support services for the medical needs of the foster child have been satisfactory.
8. I was provided with adequate and necessary information about the needs of the foster child before placement.
9. payments for foster care services have been adequate
10. payments for foster care services have been timely and accurate.
11. delivery of support services for foster parents have been satisfactory.

CHART 2: Percentage of foster parents who disagreed or strongly disagreed with 11 positive statements



My experience is that...

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3. agency responses to my requests are timely.
4. when I have a foster care related problem, the agency was able to address it.
5. my foster child's visitation schedules have been reliable.
6. support services for the psycho logical needs of the foster child have been satisfactory.
7. support services for the medical needs of the foster child have been satisfactory.
8. I was provided with adequate and necessary information about the needs of the foster child before placement.
9. payments for foster care services have been adequate
10. payments for foster care services have been timely and accurate.
11. delivery of support services for foster parents have been satisfactory.

CHART 3: Percentage of responses from foster parents who answered the question "My experience is that communication has been adequate" for all three organizations.

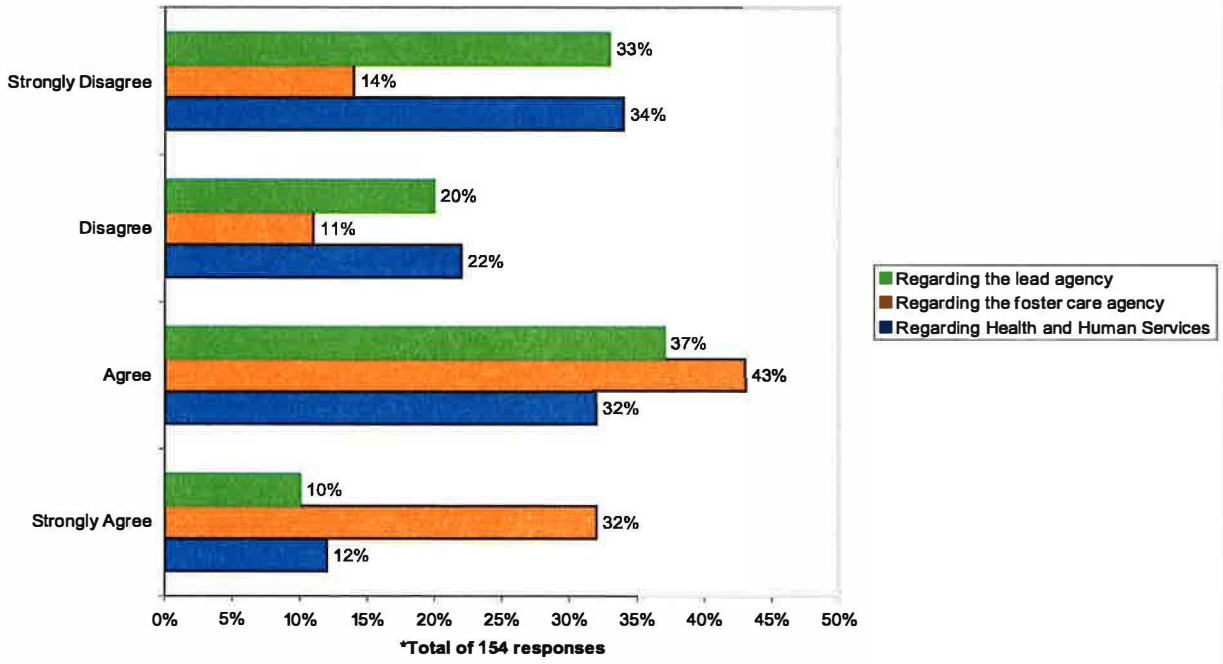


CHART 4: Percentage of responses from foster parents who answered the question "My experience is that transportation services provided have been adequate" for all three organizations

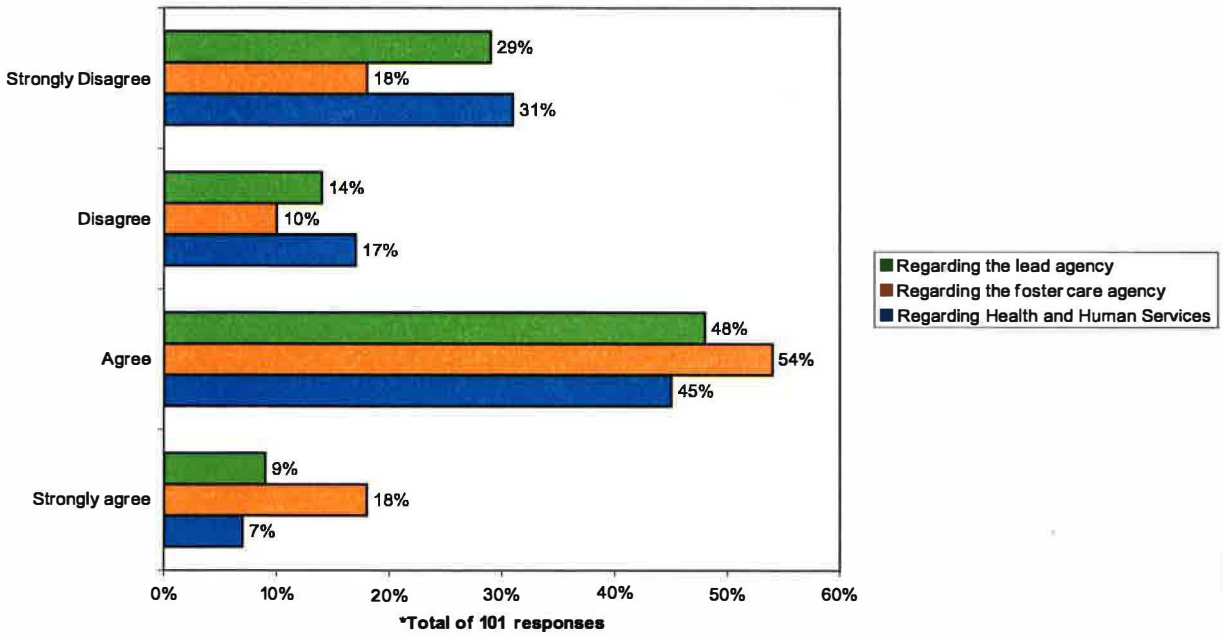


CHART 5: Percentage of responses from foster parents who answered the question "My experience is that agency responses to my requests are timely" for all three organizations.

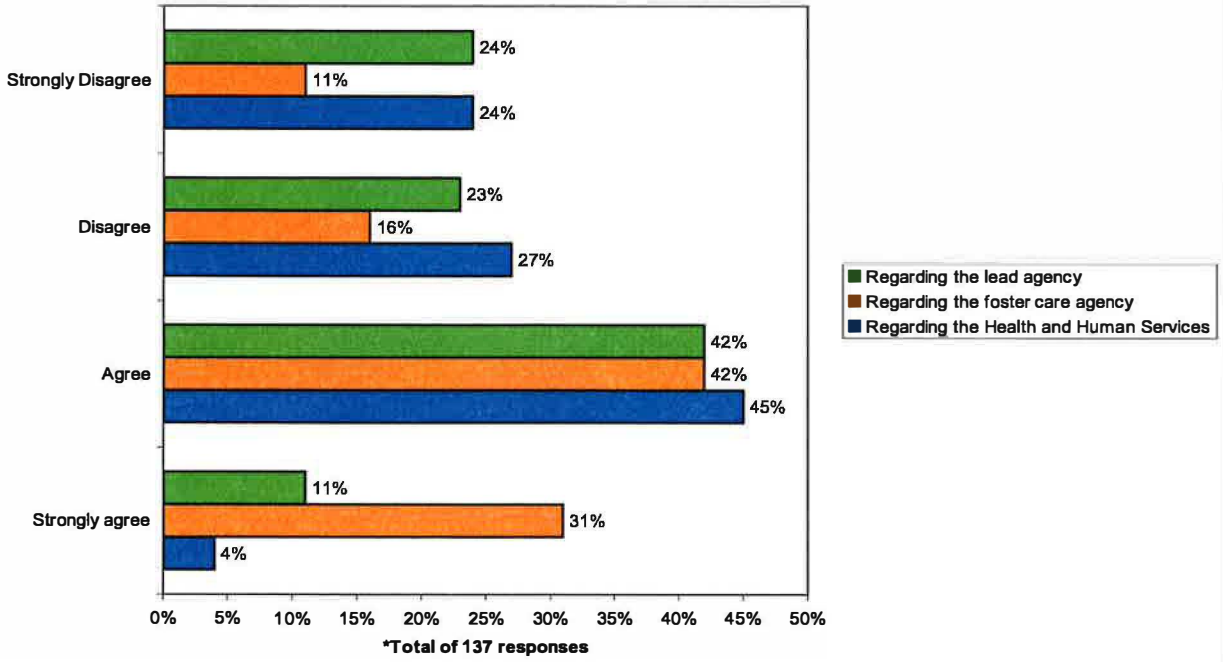


CHART 6: Percentage of responses from foster parents who answered the question "My experience is that when I have a foster care related problem, the agency was able to address it" for all three organizations.

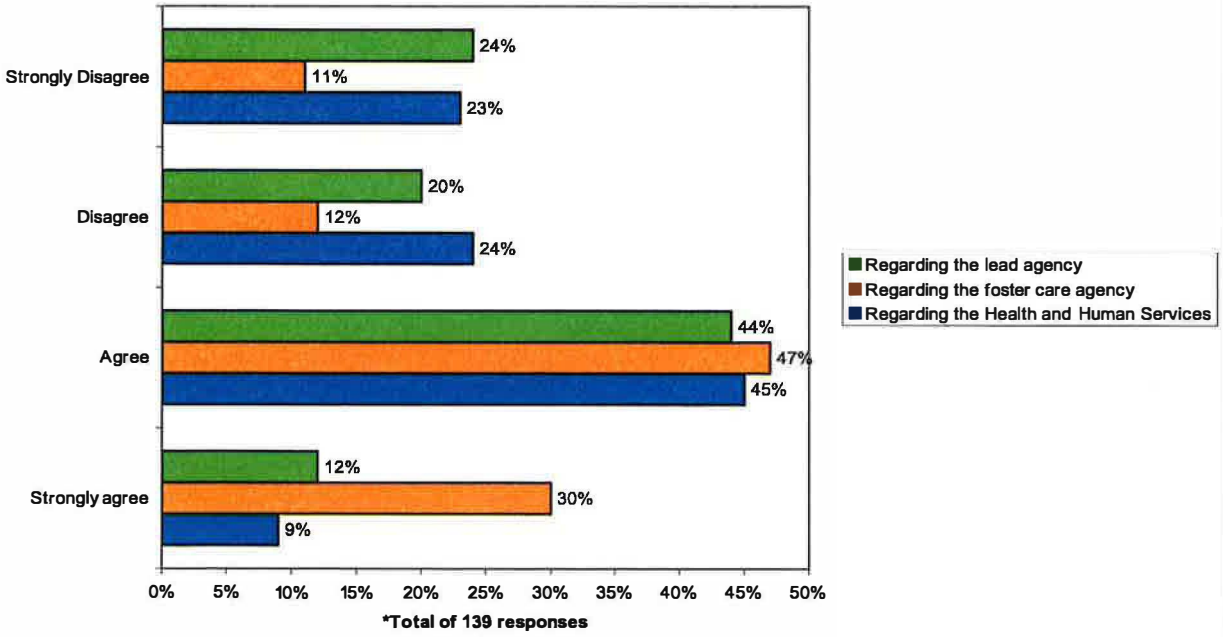
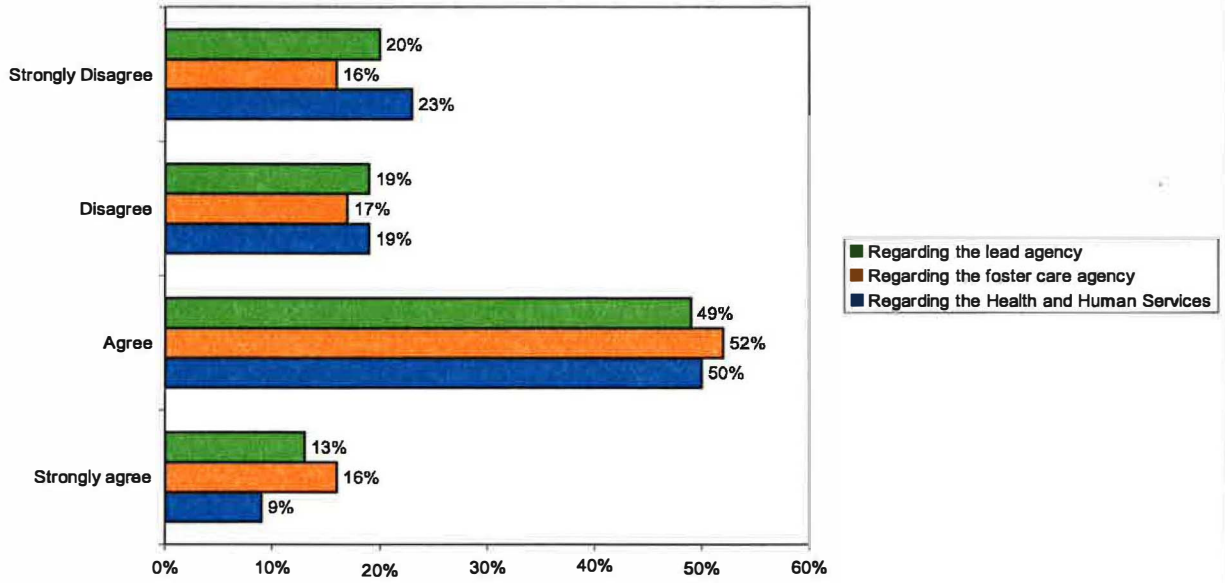
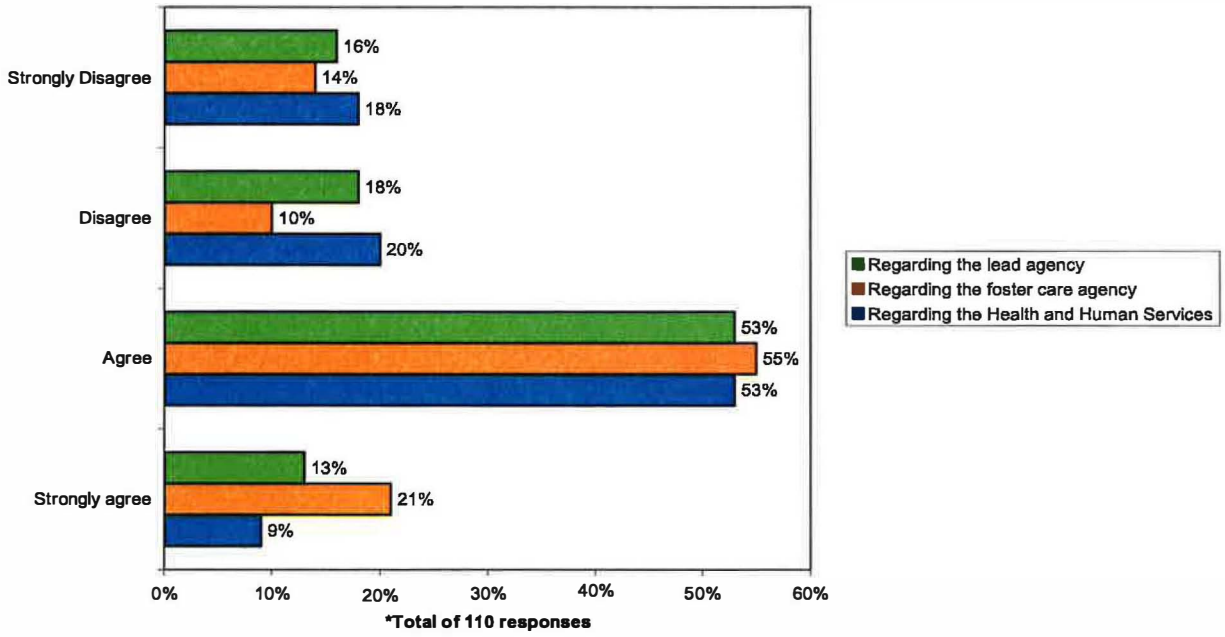


CHART 7: Percentage of responses from foster parents who answered the question "My experience is that my foster child's visitation schedules have been reliable" for all three organizations.



*Total of 101 responses

CHART 8: Percentage of responses from foster parents who answered the question "My experience is that support services for the psychological needs of the foster child have been satisfactory" for all three organizations.



*Total of 110 responses

CHART 9: Percentage of responses from foster parents who answered the question "My experience is that support services for the medical needs of the foster child have been satisfactory" for all three organizations.

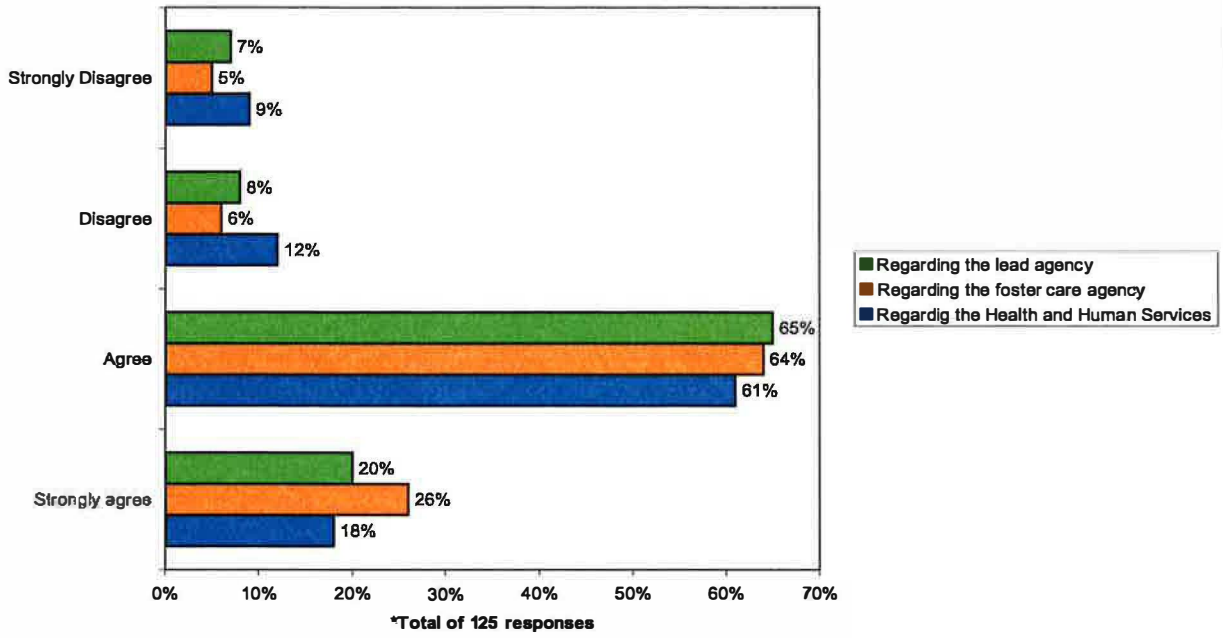


CHART 10: Percentage of responses from foster parents who answered the question "My experience is that I was provided with adequate and necessary information about the needs of the foster child before placement." for all three organizations.

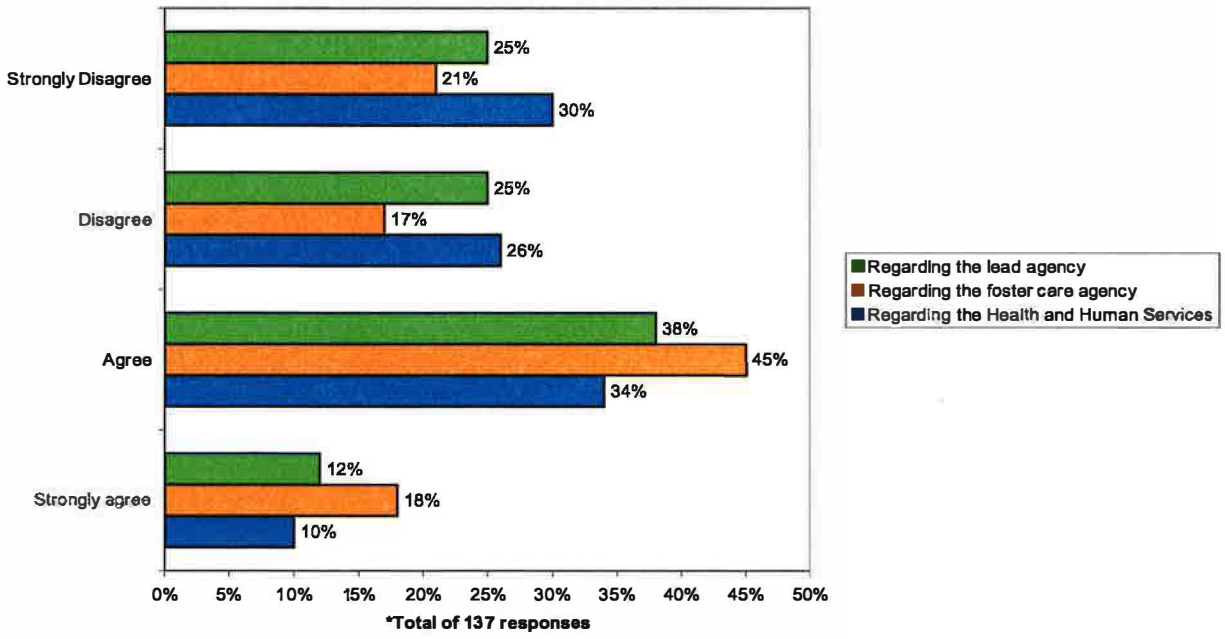


CHART 11: Percentage of responses from foster parents who answered the question "My experience is that payments for foster care services have been adequate" for all three organizations.

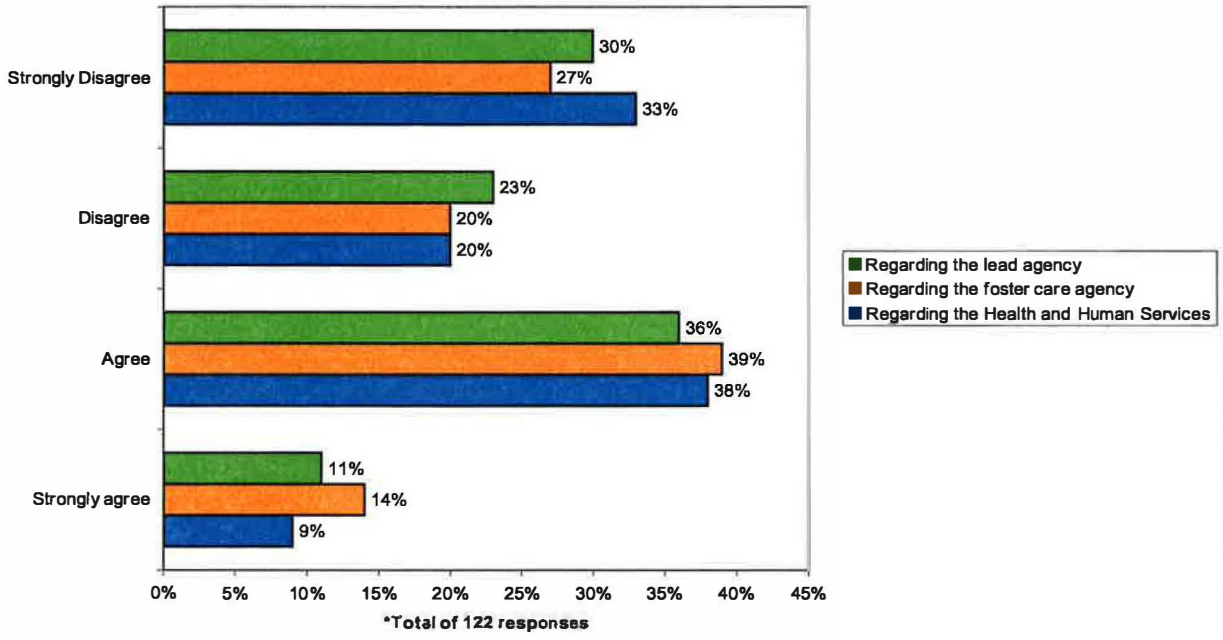
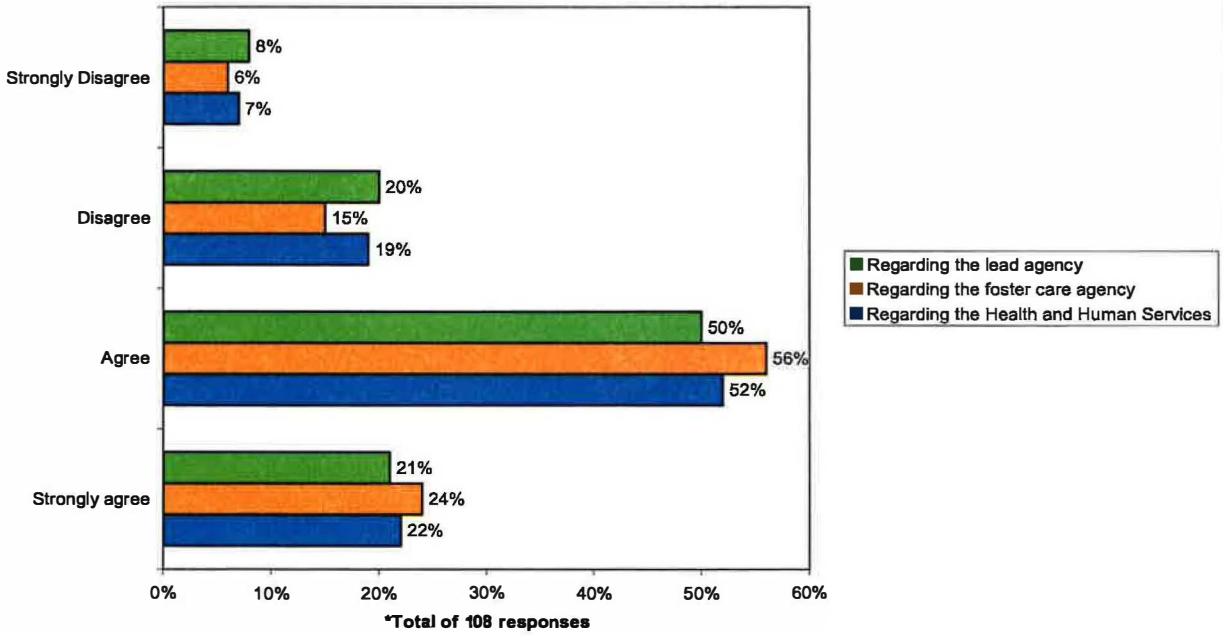
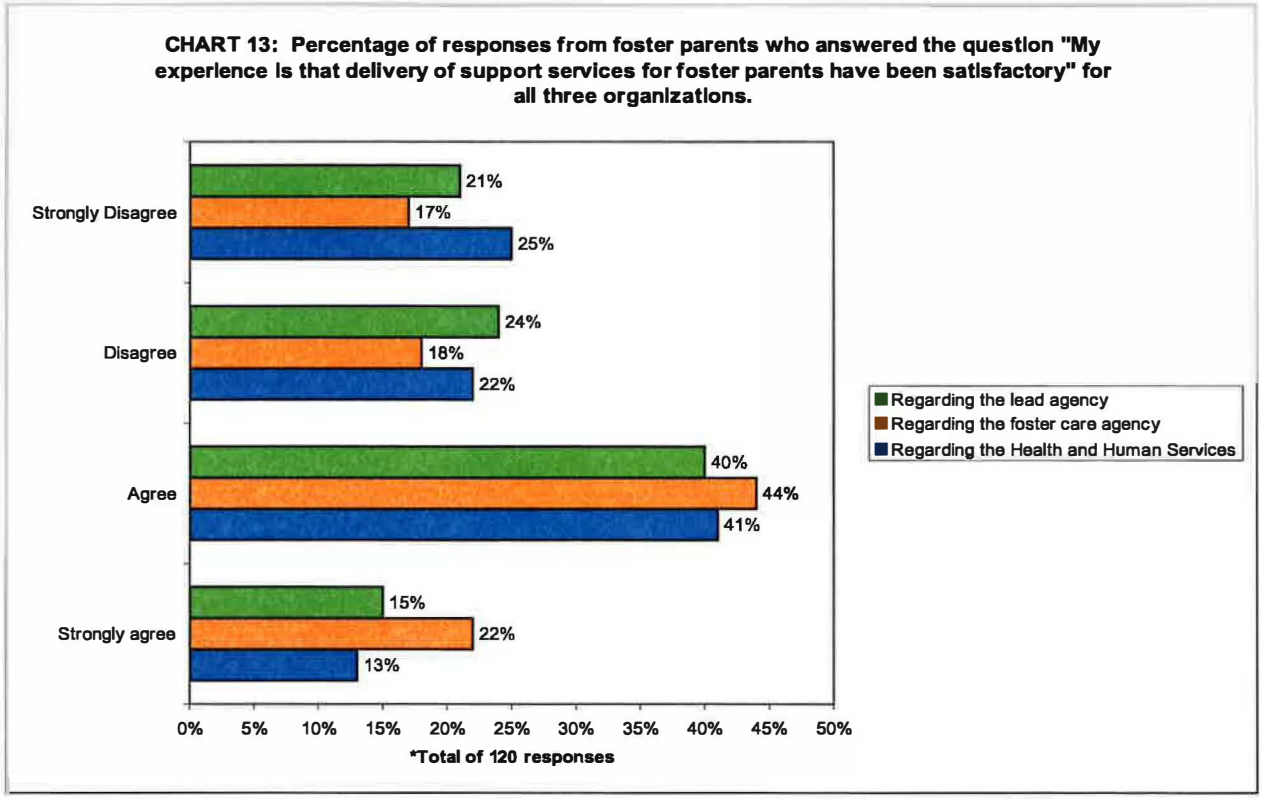


CHART 12: Percentage of responses from foster parents who answered the question "My experience is that payments for foster care services have been timely and accurate" for all three organizations.





B. Biological Parents' Survey

Our survey of biological parents involved telephone interview with, or completed survey forms from, a total of 132 biological parents who were recently involved in the system. Of the biological parents who took the survey, 108 (or approximately 82%) indicated that one or more of their children were placed outside of the home during the course of their involvement in the system. As will be discussed in detail later in this Report, nearly half of the biological parents surveyed indicated that they had more that two caseworkers in a twelve month period.

As with the survey of the foster parents, we were interested to see how the biological parents who were surveyed reacted to the system, and to learn their perspective on how well the system had met their needs in a number of areas of inquiry. However, in the case of the biological parents, the questions were limited to the parents' exposure to the two components of the system that they are involved with, HHS and the Lead Agencies. As we did in the case of the foster parent survey, we have prepared two Charts that are designed to illustrate the "level of satisfaction" of the biological parents by reflecting the percentage of biological parents who agreed or strongly agreed (in Chart Fourteen), or who disagreed or strongly disagreed (in Chart Fifteen), with ten positive statements that related to their experiences with HHS and/or the Lead Agencies. In connection with the data that was produced by the biological parent survey, we would like to highlight the following points:

- The level of satisfaction of the biological parents with the system as measured by the survey was low in several areas, specifically with regard to communication (Chart Sixteen), the timeliness of the caseworkers' responses to requests (Chart Seventeen), problem solving by caseworkers (Chart Eighteen), and the assistance provided by the caseworkers in finding community resources and services (Chart Nineteen). For example, the responses on the issue of communication showed satisfaction (agree or strongly agree) on the part of the biological parents in 48% of the responses for the Lead Agencies, and in only 44% of the cases for HHS. In addition, HHS received a satisfaction rating of less than 50% on problem solving (42%), and on the effectiveness of caseworkers in finding community resources and services (42%). However, by far the lowest rating from the biological parents were presented in the area of the timeliness of the caseworkers' responses to the parents' requests, where satisfaction was expressed by the biological parents in only 39% of the responses relating to the Lead Agencies, and in an anemic 34% of the responses for HHS.

- There were also some relatively positive responses from the biological parents. In that regard the two areas that particularly stood out in the survey results were with respect to the important areas of visits, and whether they were consistent with the court's orders, and were carried out as scheduled (Chart Twenty), and meeting the medical needs of the child (Chart Twenty-two). On the subject of visits, the Lead Agencies scored a satisfaction level of 70%, and HHS scored a satisfaction rating of 73%. On the subject of meeting medical needs, the Lead Agencies received a satisfaction rating of 70%, and HHS scored a satisfaction rating of 76%. While some might suggest that these satisfaction ratings are not necessarily "high," in the context of this survey numbers reflecting satisfaction in the 70% and 76% range for the responses is certainly "relatively high."

- More often than not, the Lead Agencies scored higher than HHS in terms of the satisfaction expressed by the biological parents responding to the survey. There were, however, three notable exceptions to this pattern. HHS scored higher than the Lead Agencies in the areas of visits (HHS 73%, Lead Agencies 70%), meeting the psychological needs of the child (HHS 60%, Lead Agencies 56% - See Chart Twenty-one), and meeting the child's medical needs (HHS 76%, Lead Agencies 70%). In all other areas, the Lead Agencies scored higher than HHS. In those cases where the Lead Agencies scored higher than HHS, the average differential was about 5.3%. In those instances where HHS was rated higher than the Lead Agencies, the average differential was about 4.3%. There was one area, having to do with how faithfully the caseworker invites the biological parents to the family team meetings to set goals, etc., where HHS and the Lead Agencies scored the same level of satisfaction, 64% (Chart Twenty-four).

- There may be reason to be concerned about the response of the biological parents to the last three questions of the survey, which are concerned with the substantive relationship of the parents with the caseworkers. In response to the statement "the

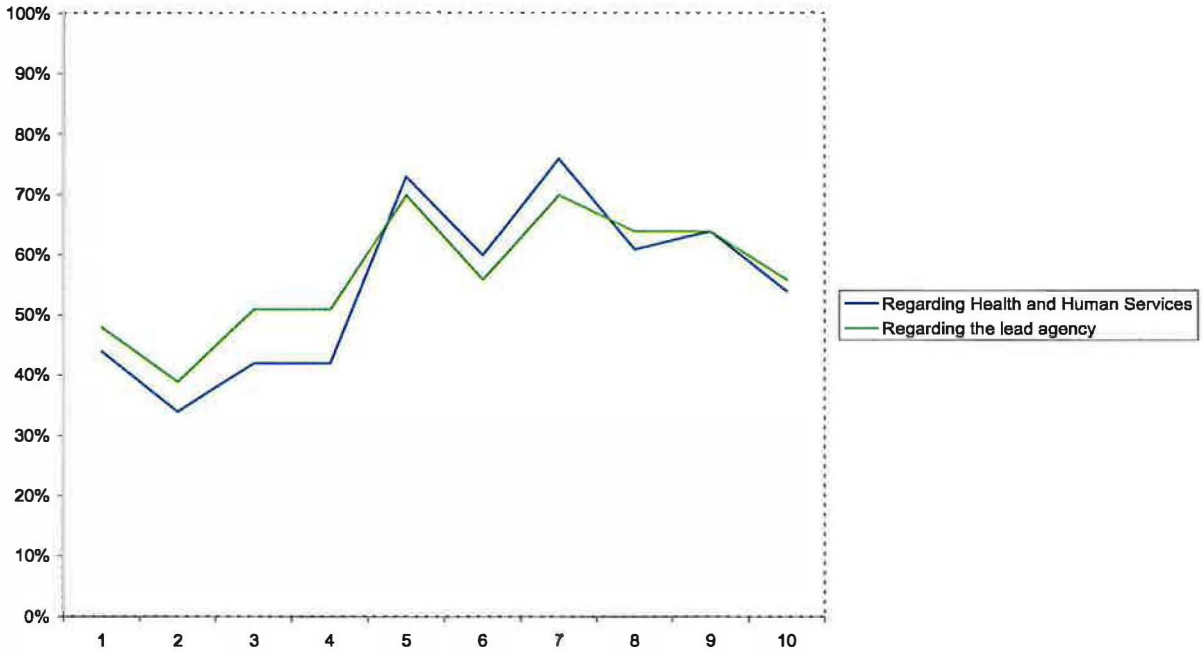
caseworker encourages me to participate in my child's school activities, etc., 64% of the responses were favorable for the Lead Agencies, and 61% were favorable for HHS (Chart Twenty-three). On the question concerned with how faithfully the caseworker invites the biological parents to the family team meetings to set goals, and create and update plans that "will lead to my child coming home," the responses were favorable at a rate of 64% for both HHS and the Lead Agencies. In response to the statement "my caseworker wants me to succeed and get my child/children back home," 56% of the responses were favorable for the Lead Agencies, and 54% were favorable for HHS (Chart Twenty-five). In effect, what we seem to be seeing here is a situation where less than two-thirds of the parents who responded to the survey felt that the caseworker was involving them in their children's lives, and in the case progress, and where barely more than half felt that the caseworker was truly hoping that the biological parent would succeed.

- One of the preliminary questions that we presented in the survey of the biological parents had to do with the number of caseworkers who had managed/handled their case "within the past twelve months." There were 130 responses to this question and the responses, expressed in percentage terms, were as follows:

One Caseworker	-	30 %
Two Caseworkers	-	25.4 %
Three Caseworkers	-	23.1 %
Four Caseworkers	-	12.3 %
5 to 7 Caseworkers	-	6.2 %
8 to 10 Caseworkers	-	3 %

Each person reading this Report will need to draw his or her own conclusions on the meaning of these figures (and HHS may also have developed its own statistics that can be compared with these results). However, we would suggest that the idea that as many as 21% of the cases might have four or more caseworkers who are assigned to the case in a year's time is something to be concerned about, if true.

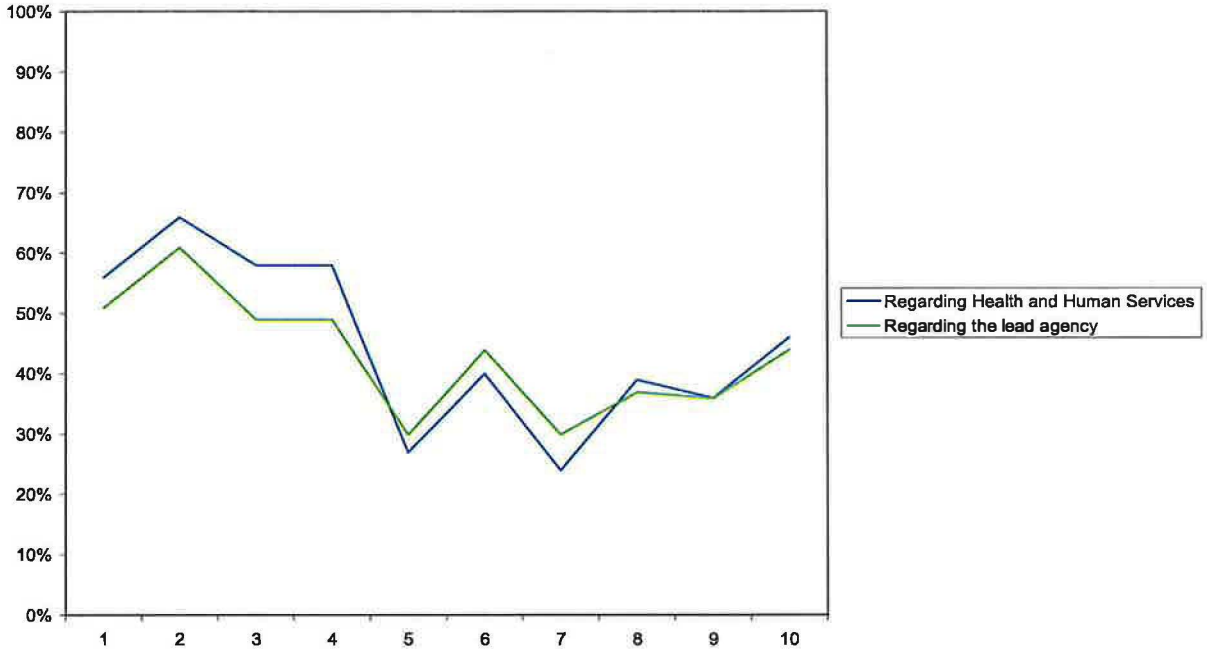
CHART 14: Percentage of biological parents who agreed or strongly agreed with 10 positive statements



My experience is that…

1. communication has been adequate.
2. caseworker responses to my requests are timely
3. when I have a problem related to my case, the caseworker was able to address it.
4. my caseworker helped me find community resources and services for my family.
5. my visits with my child are as frequent as is ordered by the court, and are consistently carried out as scheduled.
6. support services for the psychological needs of my child have been satisfactory.
7. support services for the medical needs of my child have been satisfactory.
8. the caseworker encourages me to participate in my child/children's school activities, extracurricular activities and go to their doctor's appointments.
9. the caseworker invites me to family team meetings to set goals and create and update plans that will lead to my child coming home.
10. my caseworker wants me to succeed and get my child/children back home.

CHART 15: Percentage of biological parents who disagreed or strongly disagreed with 10 positive statements



My experience is that…

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6. support services for the psychological needs of my child have been satisfactory.
7. support services for the medical needs of my child have been satisfactory.
8. the caseworker encourages me to participate in my child/children's school activities, extracurricular activities and go to their doctor's appointments.
9. the caseworker invites me to family team meetings to set goals and create and update plans that will lead to my child coming home.
10. my caseworker wants me to succeed and get my child/children back home.

CHART 16: Percentage of responses from biological parents who answered the question "My experience is that communication has been adequate" for both organizations

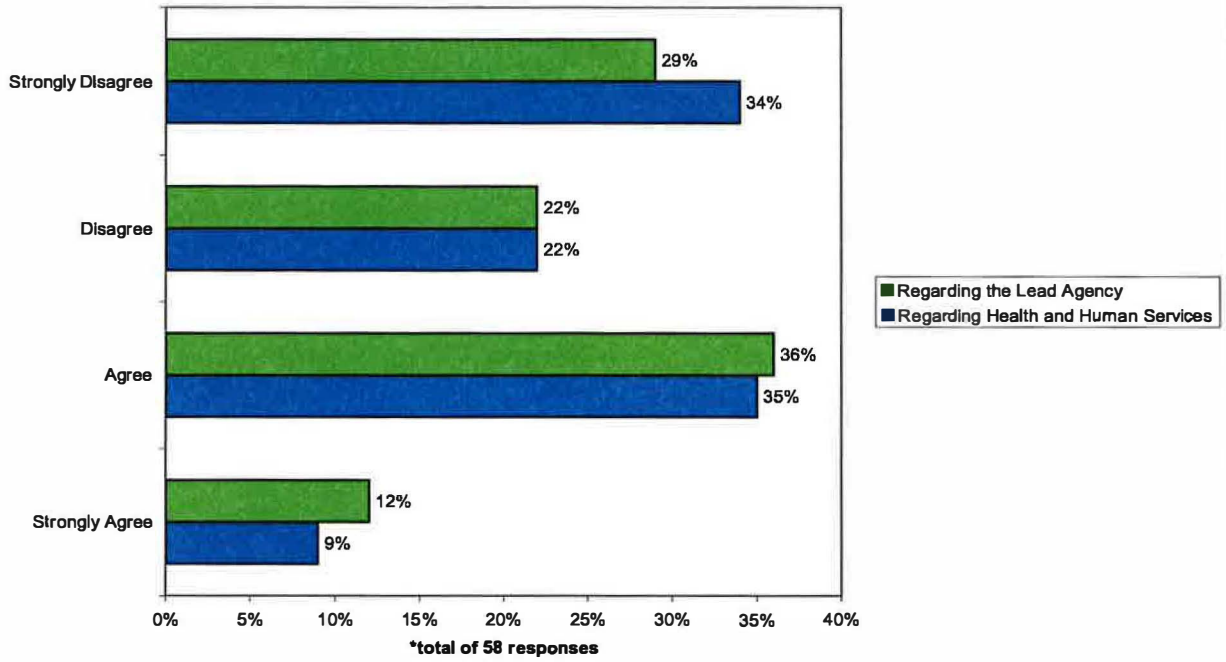


CHART 17: Percentage of responses from biological parents who answered the question "My experience is that caseworker responses to my requests are timely" for both organizations.

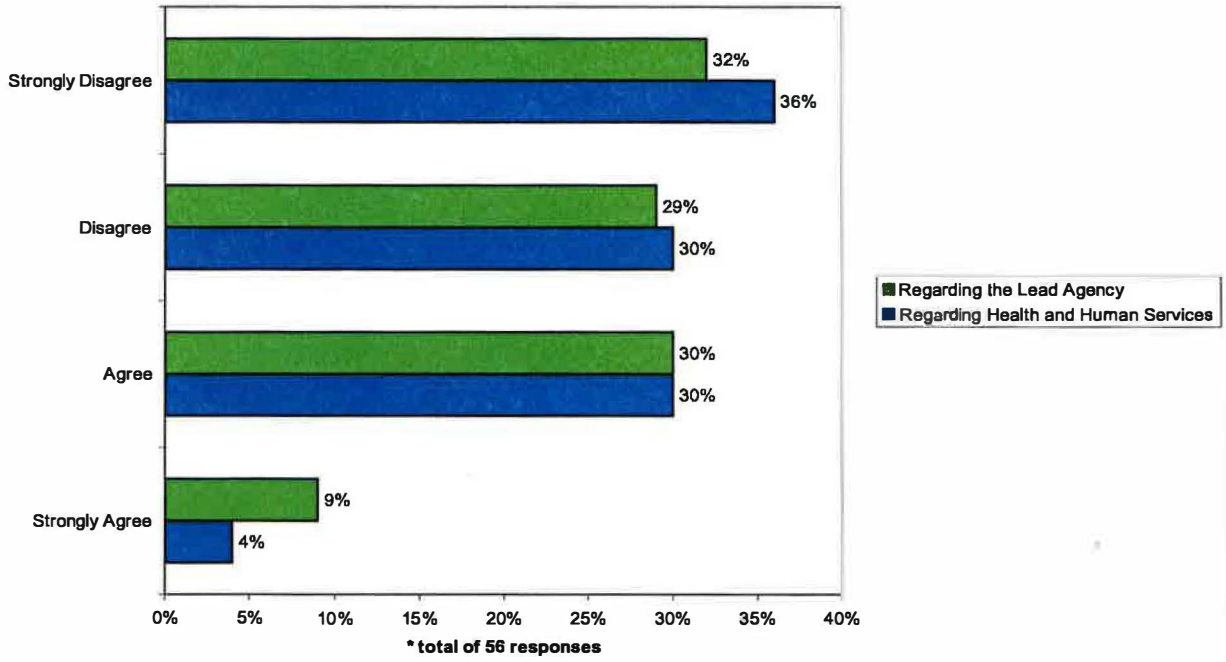
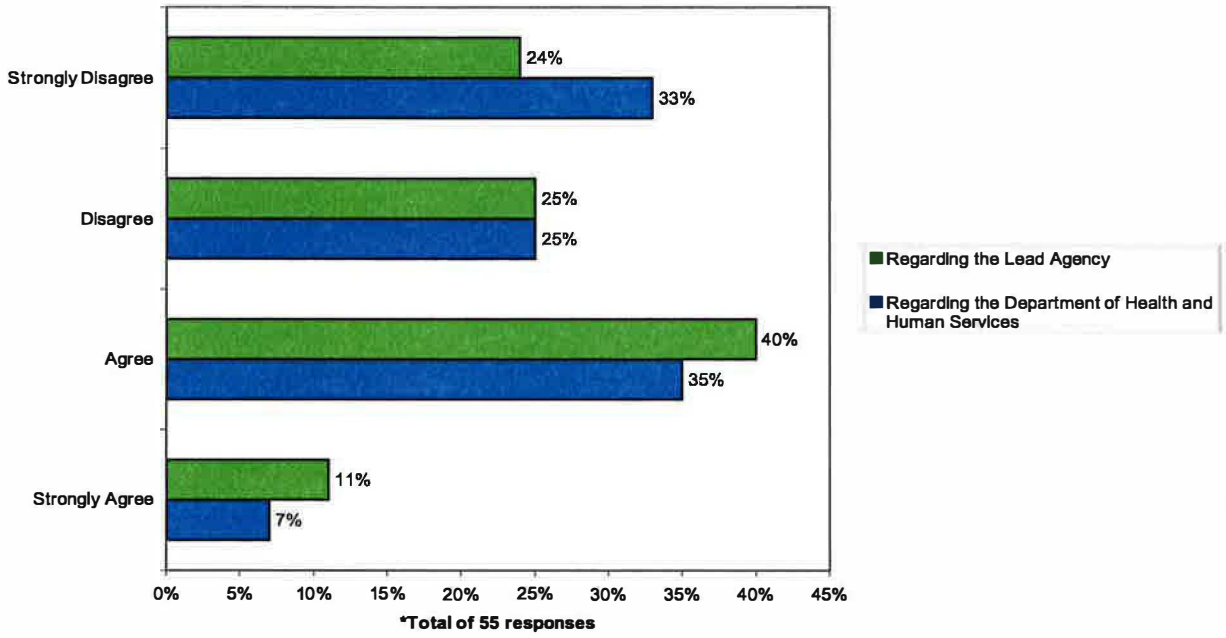
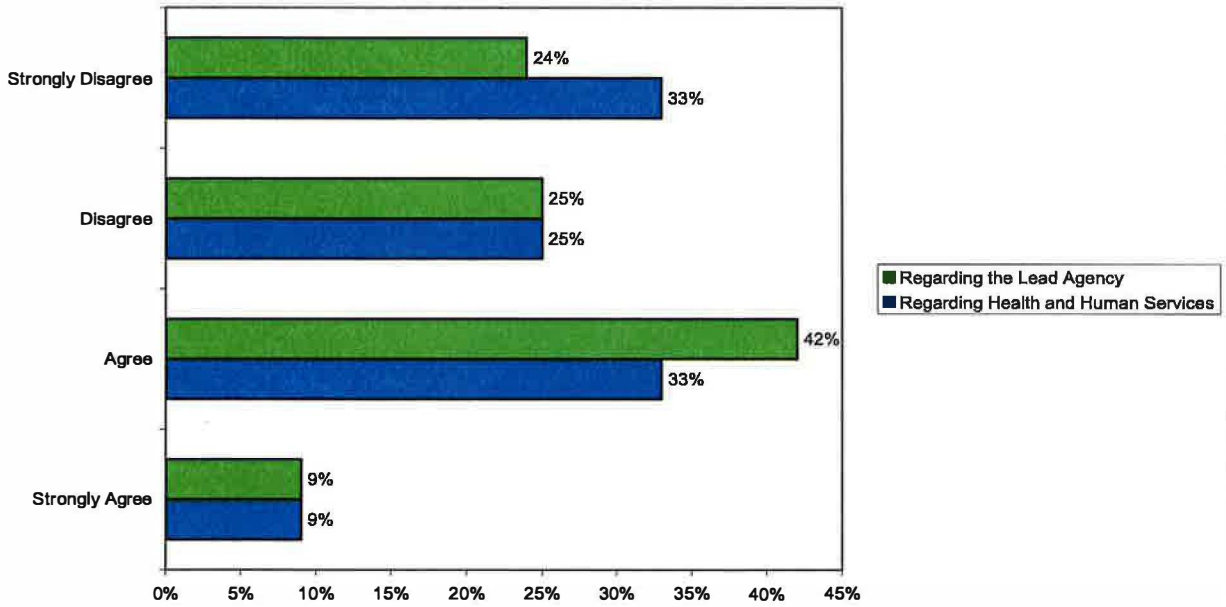


CHART 18: Percentage of biological parents who answered the question "My experience is that when I have a problem related to my case, the caseworker was able to address it" for both organizations.



*Total of 55 responses

CHART 19: Percentage of biological parents who answered the question "My experience is that my caseworker helped me find community resources and services for my family" for both organizations.



*Total of 57 responses

CHART 20: Percentage of responses from biological parents who answered the question "My experience is that my visits with my child are as frequent as is ordered by the court, and are consistently carried out as scheduled" for both organizations.

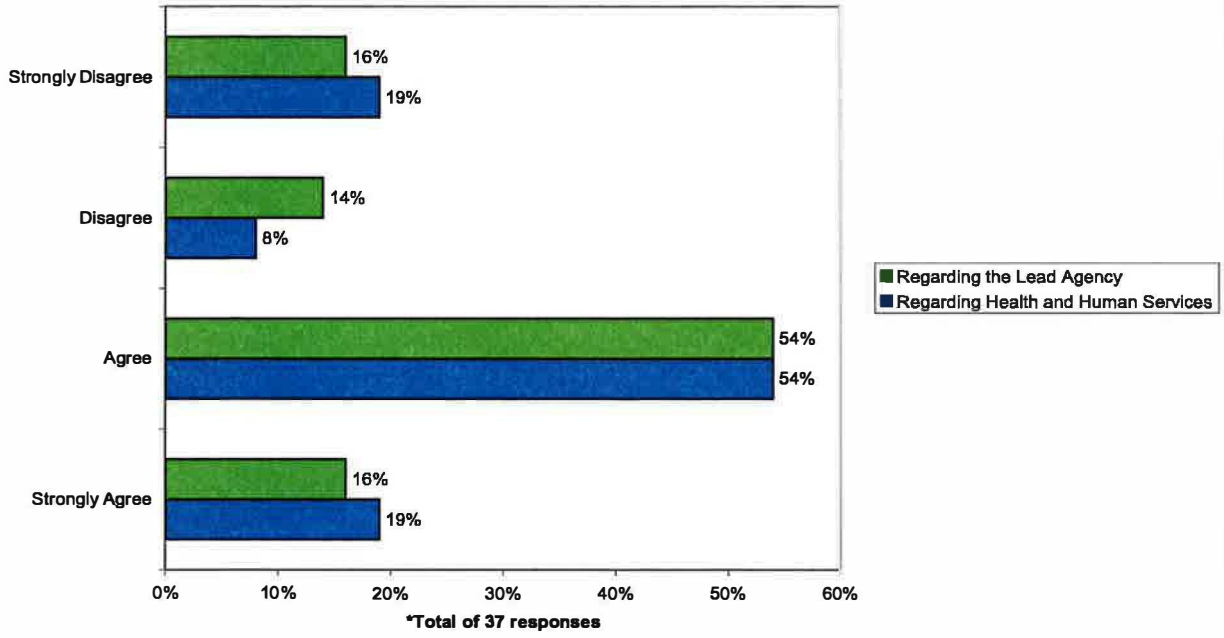


CHART 21: Percentage of responses from biological parents who answered the question "My experience is that support services for the psychological needs of my child have been satisfactory" for both organizations.

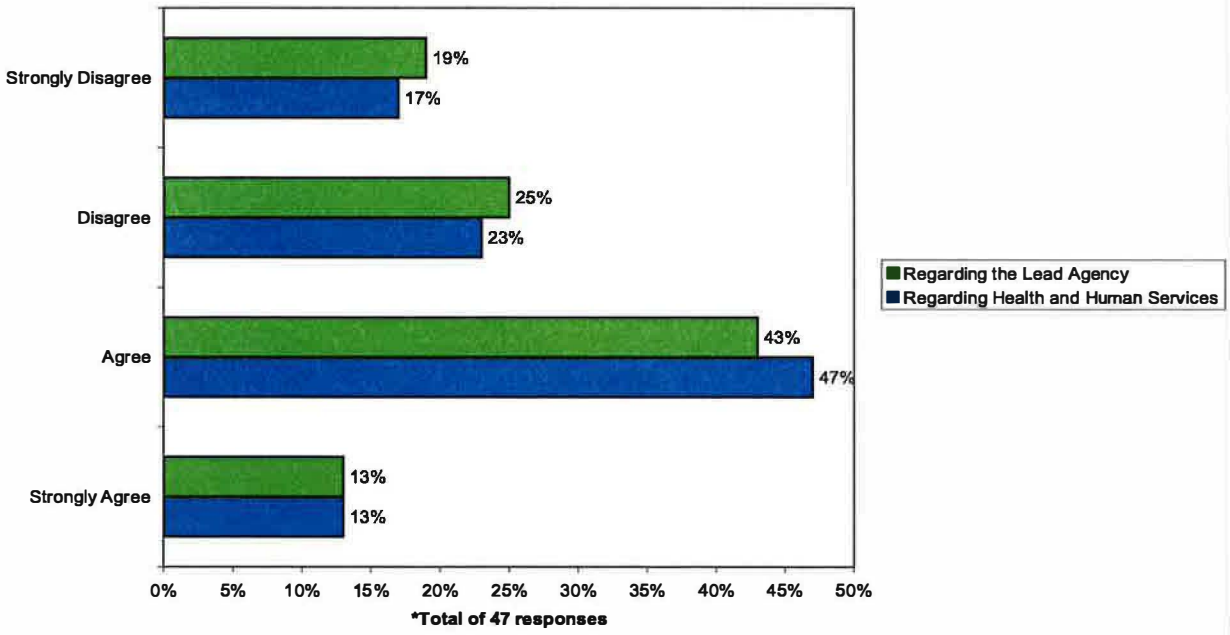


CHART 22: Percentage of responses from biological parents who answered the question "My experience is that support services for the medical needs of my child have been satisfactory" for both organizations.

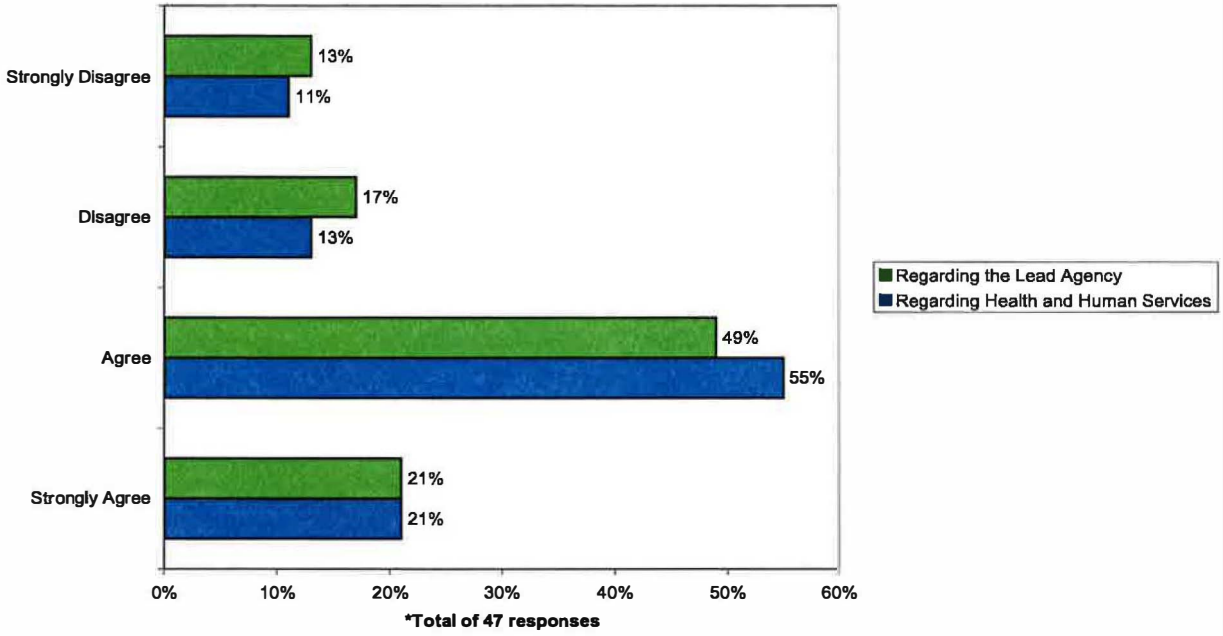


CHART 23: Percentage of biological parents who answered the question "My experience is the caseworker encourages me to participate in my children's school activities, extracurricular activities & go to their doctor's appointments" for both organizations.

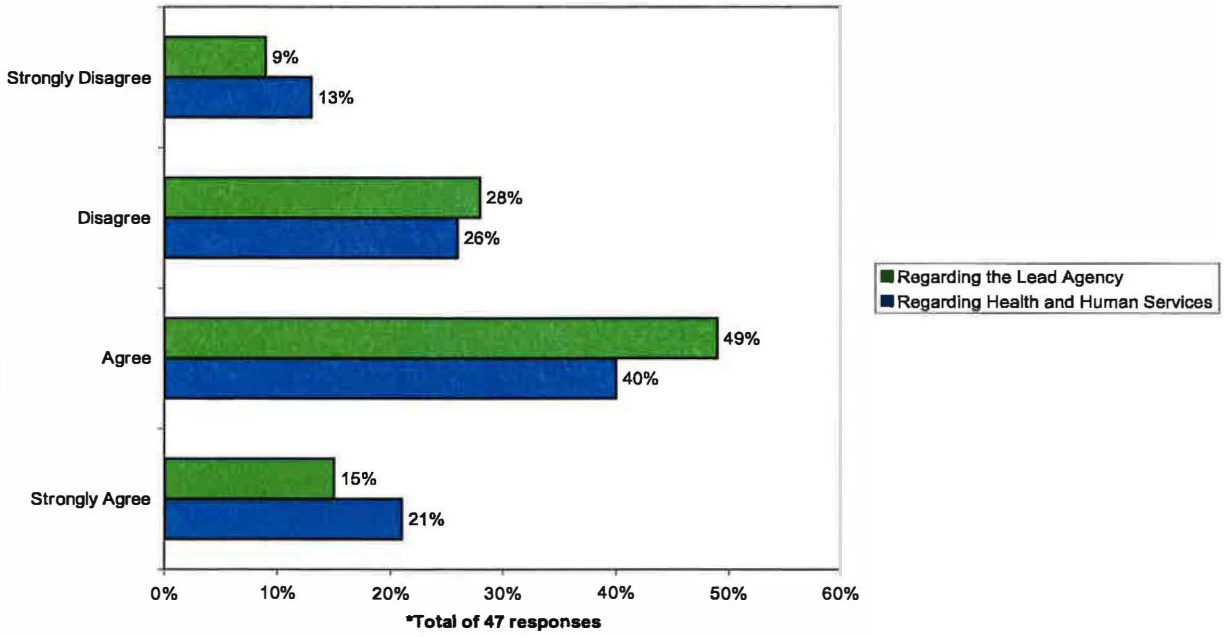


CHART 24: Percentage of responses from biological parents who answered the question "My experience is the caseworker invites me to family team meetings to set goals & create & update plans that will lead to my child coming home" for both organizations.

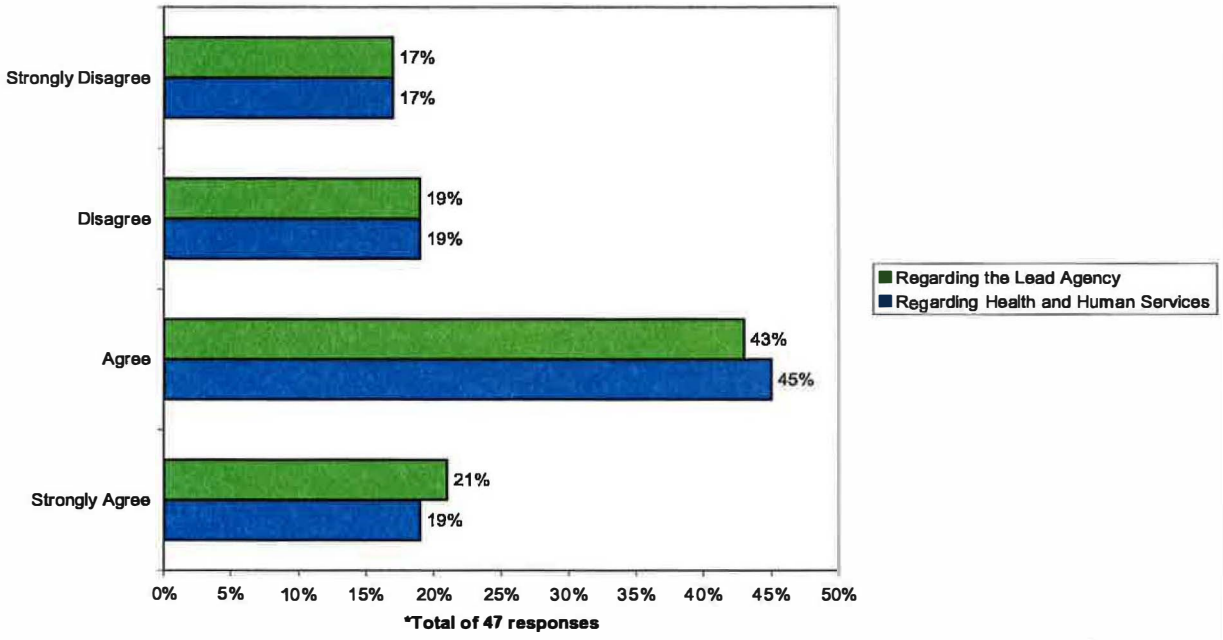
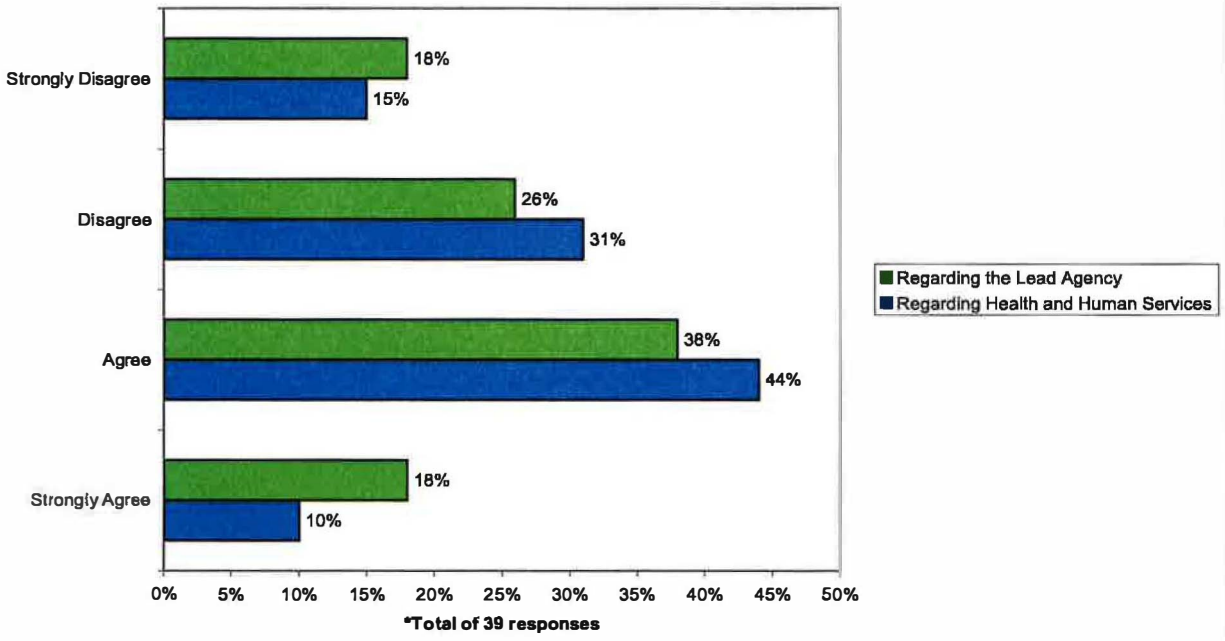


CHART 25: Percentage of responses from biological parents who answered the question "My experience is that my caseworker wants me to succeed and get my child/children back home" for both organizations.



III. Making Things Better

A. Foster Parents' Ideas

At the end of the survey's questions about HHS, the Lead Agencies, and the Foster Care Agencies, we asked the foster parents some open-ended questions about needed support services, barriers to success, and ideas for improving retention and recruitment of foster parents. The responses were very interesting, and filled seventy pages. (The full range of the responses can be found at http://goo.gl/sBAQh (URL address is case sensitive). In general, several interesting themes emerged.

- In answering the question regarding the three top support services available to foster parents, the respondents listed assistance with child care, respite care, and counseling. Roughly half of those answering this question rated these three as their top three. Peer support was a fourth choice, with references to Cedars, the Foster Care Closet, CASA, Lutheran Family Services, the Foster Care Review Board, and NFAPA. Also, 12% of the respondents said they did not know of or use supportive services.

- We also asked foster parents what they believed to be the three greatest barriers that foster parents face in the child welfare system. Failure of communication was at the top of this list, with concerns about low payment received by foster parents coming in second. Next was a conviction that foster parents' judgment is not being given due weight or respect by the system. Turnover in caseworkers, problems in arranging for transportation, and less than full disclosure about the children before placement were also seen as barriers. In addition, KVC (6%), HHS (2%), and "privatization" (2%), were stated to be barriers in a relatively small number of responses. Also about 12% of foster parents who addressed this question responded that the biological parents themselves and their rights were a barrier. Several stated that they believed that the biological parents are "treated better" than foster parents.

- In answer to the questions about how to recruit more foster families, a common response was to point out that "the best thing they can do is to take care of the foster families that they have!" In agreement with this point, one respondent said, "foster parents put a lot on the line emotionally, financially and in every other way...supporting them gets good results for word of mouth, and they help recruit foster parents." The quality that got the most endorsement from foster families was to practice good communication. They wanted the workers to give them all information about the children coming into their homes, to actively solicit their opinions, to return their telephone calls and their emails promptly, to listen to them, to recognize their importance to the team, and, at least occasionally, to express appreciation.

- The need for stability in the system was also emphasized by the foster parents responding to the survey. According to one respondent, turnover of caseworkers "is way too high, having someone new come into your case, sometimes multiple times, hinders the process." Another respondent to the survey said that, "Lead Agency has provided six workers in sixteen months for one child (three of those six never met us)." Another said, "everyone is overworked so the turnover is crazy." Yet another offered the opinion that, "although the system wasn't perfect the way it was before the reform, it worked MUCH more efficiently than it does now." Several respondents indicated that until the system stabilizes, recruitment of foster families will probably be very difficult. About ten out of 202 answering the question said they would not be willing to recruit foster families until there is greater stability in the system.

- We asked for suggestions as to how HHS, the Lead Agencies and the Foster Care Agencies might encourage existing foster parents to continue. Higher pay for the foster parents was the most popular answer, being offered by about one in five of the responses. Better listening skills and communication practices were a close second. "Be honest up front," was one way of summarizing advice to give full information about children before placing them with the foster family. Holding worker's caseloads down to manageable levels was also seen as being important to avoiding foster parent burnout and turnover. There were several proposals for giving awards to, and offering public recognition for, foster parents.

- Eleven of those who responded to the survey specifically raised the question of privatization, with two expressing a favorable view, and nine opposed. Several people said the creation of the Lead Agency concept, "adds another layer to an already over complicated system." KVC was the subject of nine comments, two positive, and seven negative. One respondent compared KVC negatively to NFC, the Nebraska Family Collaborative, but otherwise the Family Collaborative was not mentioned in answer to any of the questions.

- We asked a last question directed only at former foster parents and asking for the issues/motivations that led to their decision to end their service as foster parents. Of the forty-nine responses that were received, the most common answer, which was offered by seventeen people, was "lack of support from the Nebraska child welfare system." The second most common response to this question (from 10 respondents) was to cite "unsatisfactory interactions with workers." One way or another, slightly over half of those no longer providing foster care attributed that fact to issues with the system. Only five respondents said that the reason they had quit was due to difficult behaviors of the foster children.

B. Biological Parents' Ideas

We also welcomed comments from the biological parents regarding their experiences with the system, and concerning their perspective on the ways in which the system had been successful, and perhaps unsuccessful, in assisting their families through difficult times.

- Like the foster parents, biological parents stressed the need for improvement in communication. In response to our question about the top barriers that the parents face, more than one in four of the respondents used the words "communication" and "listen" in their answers. For instance, one biological parent wrote that an important need is to keep "an open dialogue with caseworkers," so that parents will feel "like our needs and opinions are being listened to by those who work for the system." Another biological parent complained that there was "little to no contact" with caseworkers, and that questions went unanswered. One biological parent claimed that it was necessary "to call 3 or 4 times before I get a call back," and others also cited the failure of caseworkers to return telephone calls from the biological parents as a barrier (and, in fact, this inability to get telephone calls returned is a feature which has also been a repeated theme in many complaints received by the Ombudsman's Office in recent years, indeed, much more so than had been the case in the past). On the subject of communication, there were even references to the failure of caseworkers to communicate with each other, as in a situation where a case was passed from one worker to another.

- As with foster parents, the biological parents also mentioned changes in assigned caseworkers and caseworker-overload as significant barriers to progress on their cases. One parent said that each time that the caseworker changed, "I felt (the new caseworker) did not comprehend the basics of my case...I was told several times. . .they did not read the file or reports on me and that they were NEW to the processes." One of the biological parents also observed that "privatization has not helped with issues of caseworker's turnovers."

- Instances of caseworkers withholding relevant information (the Department "only put negative things about the parent in the court report"), and even of caseworkers giving false information, were alleged by some of the biological parents. Some biological parents also claimed that their caseworkers had ignored court orders. One parent made allegations of a situation where in January the court "ordered me to start having some unsupervised visits," but the "worker told me...she did not feel I was ready for unsupervised visits and would not be allowing them at that time," with the result that the parent's unsupervised visits with the children "did not start until July." Another parent made a similar claim in connection with a delay by KVC in carrying out a judge's order to have the children in the case treated by a therapist.

- Transportation was mentioned as a problem, as it had been by foster parents. This seems to have been a concern not only in regard to the transportation needs of the

children for their visits, their medical appointments, etc., but also with regard to the transportation needs of the biological parents themselves. One parent said that due to the lack of transportation "it was hard to meet all their expectations of me they did not assist me with transportation in any way." Another biological parent said that the caseworker "would provide transportation, but forget (the) dates of appointments."

- A common theme in the responses of the biological parents was the sense that the caseworkers were "too judgmental" of the parents, and did not respect their views, or consider the parent's input on the case. One biological parent complained about "caseworkers who prejudge and predetermine their course of action and refuse to remain open minded." In another response, the parent simply said that the parents were "not being heard or believed," and that they felt they were seen as "guilty before tried." One parent said that "the KVC caseworker treated me as though I knew nothing and should be talked to as such," and another biological parent said that at the team meeting "it didn't matter what I thought of (the) case or goals," but it was "only the caseworker's opinion that counts."

Conclusion

As we have indicated earlier, it is best if each person reading this Report looks the survey results over, and draws his or her own conclusions on the meaning of the results. Clearly, it is not our place to tell the reader what he or she should conclude, and the purpose of the content of this Report is simply to highlight some of the salient points of the data, and the comments made by the foster parents and the biological parents. However, whatever the reader may conclude about the results of these surveys, we believe that the surveys were valuable because they offered the foster parents and biological parents an opportunity to "have their voices heard" over the background noise of advocates and administrators, and without being filtered by the proponents or opponents of "privatization," etc., who may have a point of their own that they want to make. Obviously, the biological parents and foster parents are people who are in a position that will allow them to see the foster care system as it truly is, from a perspective that no one else can quite replicate, and although their conclusions may have their own flaws, they definitely need to be heard.

Note: In addition to the work that the Ombudsman's Office has done in attempting to analyze the data from the survey, we have also shared that data with the University of Nebraska Public Policy Center. The Center has produced its own analysis and Report, which we are sharing with the Committee in conjunction with our own. The Center has offered some very useful points, for instance, the observation that the Lead Agencies had rated notably higher than HHS in the area of providing foster parents with information about the needs of the foster child before placement. We urge to Committee members to review the Center's Report, and we sincerely thank Dr. Mark DeKraai and the Center for their cooperation in this effort.

Nebraska Judges' Perceptions of Child Welfare Privatization

Nebraska Court Improvement Project
Vicky Weisz, Ph.D., Director
August 14, 2011

Background

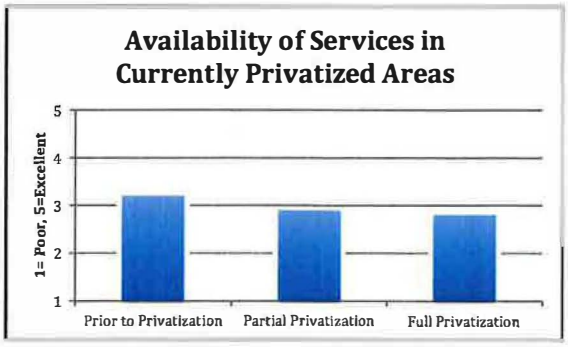
Senator Kathy Campbell requested information regarding judicial perceptions of the impact of Nebraska's recent privatization activities to assist her committee in its work required by LR 37. Senator Campbell and her staff worked with the Court Improvement Project to develop the questions. Judges were surveyed in late July and early August, 2011 through an internet based survey process. All 44 then active judges with juvenile jurisdiction were invited to participate. Thirty-eight judges completed the survey, producing an 85% response rate.

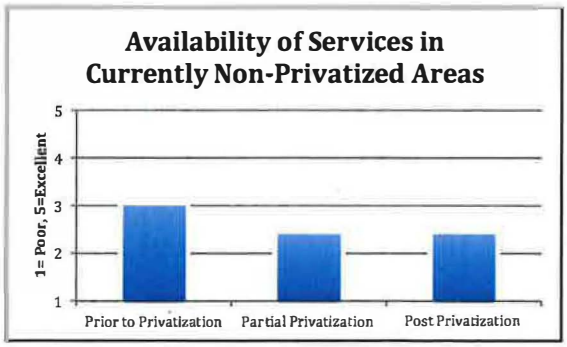
Judges were divided into two groups: those whose jurisdictions were in the Eastern and Southeastern service areas that had fully privatized case management (except for a third of the Douglas County cases) and those in the Central, Northern, and Western service areas that had gone back to HHS case management and service coordination following the failure of the single contractor in that part of the state.

Services

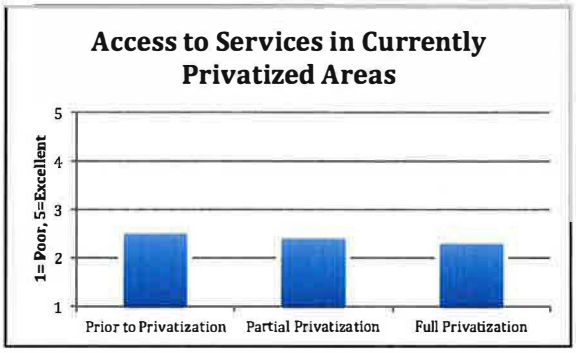
Judges were asked to compare the availability, timeliness, and quality of services at three points in time: prior to the first major privatization effort involving lead agencies, during the first effort of partial privatization, and during the current time with full privatization in the Eastern and Southeastern areas and no privatization in the rest of the state. Judges were asked to rate three factors relating to services using a five-point scale (1=poor, 2= below average, 3=average, 4=good, 5=excellent.) The following tables show the averages (means) of judges' ratings.

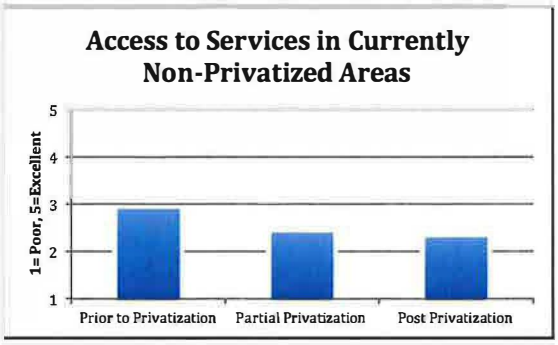
Availability of Services



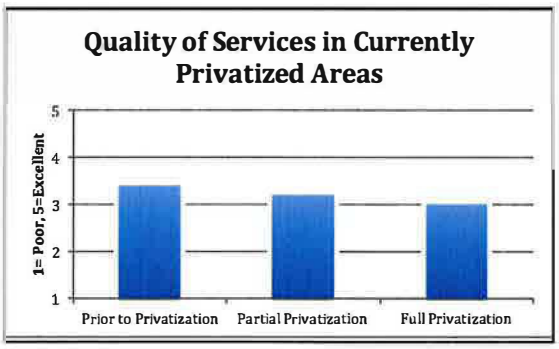


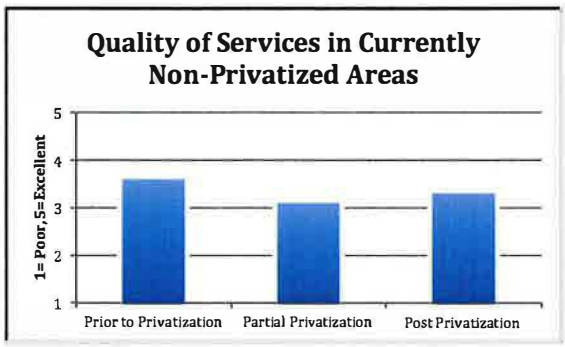
Timely Access to Services





Quality of Services

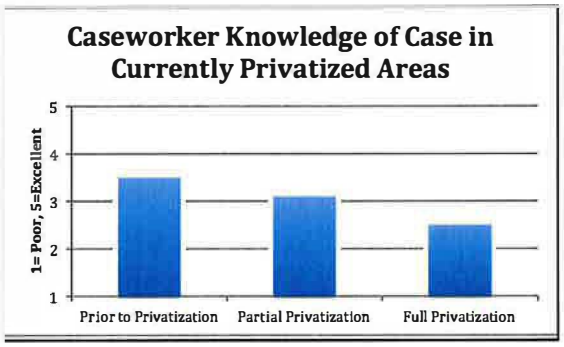


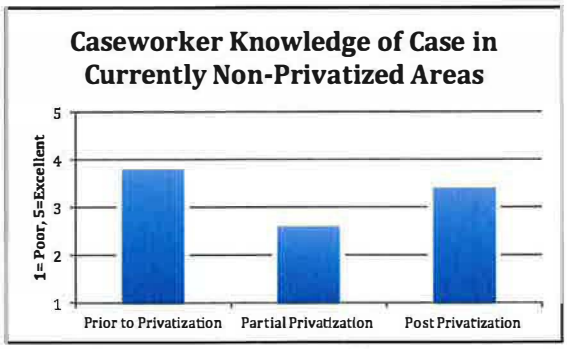


Casework

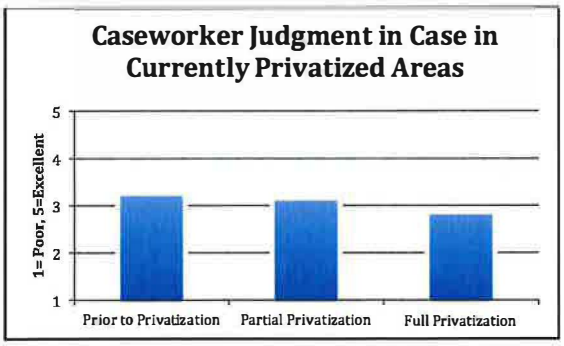
Judges were asked to compare factors about casework at the three same time periods as above. Again, judges were asked to rate these factors using a five-point scale (1=poor, 2= below average, 3=average, 4=good, 5=excellent.) The following tables show the averages of judges' ratings.

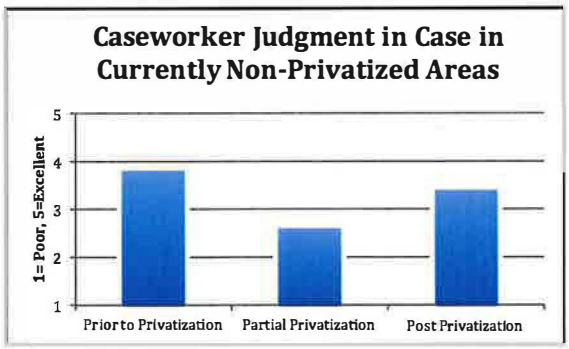
Caseworker Knowledge



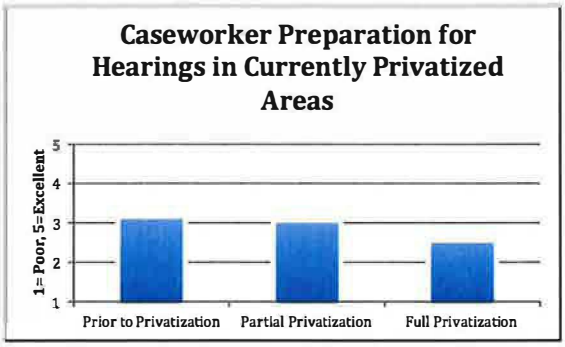


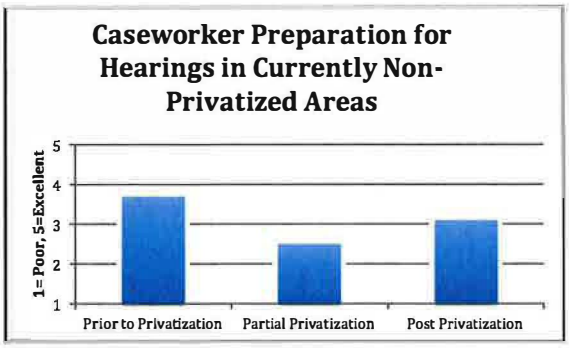
Caseworker Judgment



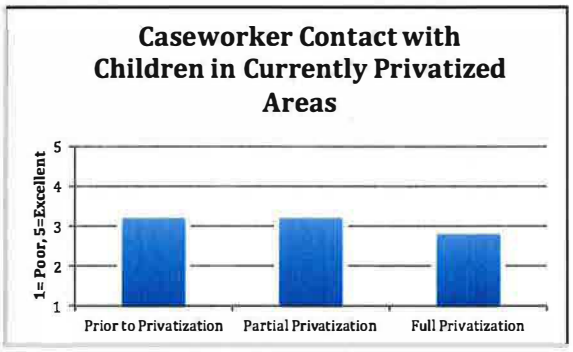


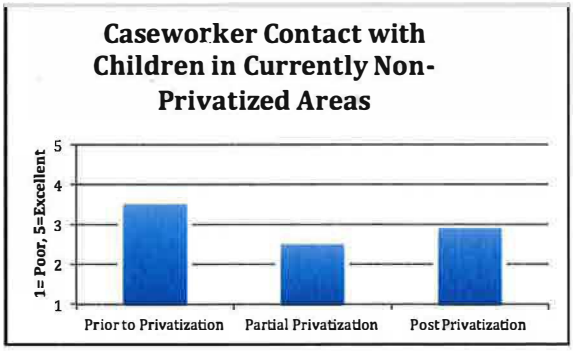
Caseworker Preparation



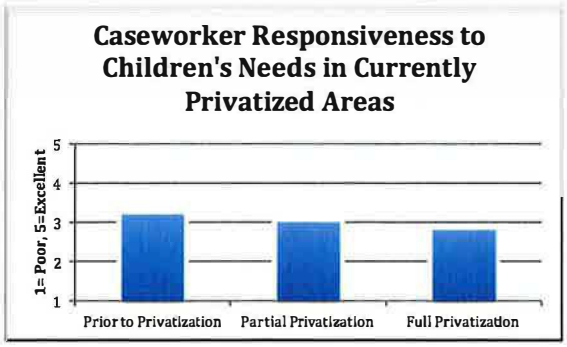


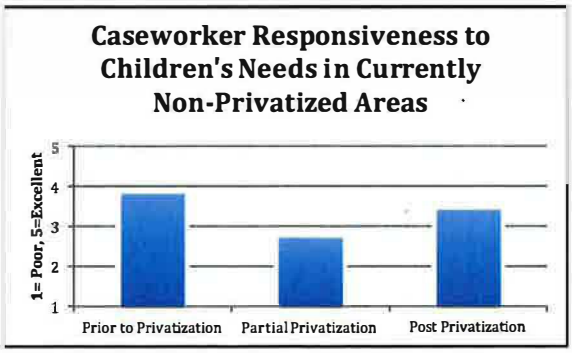
Contact with Children



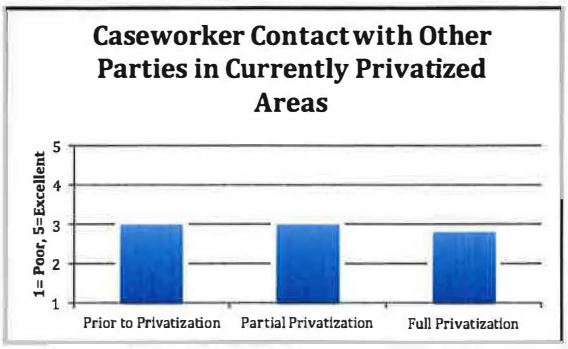


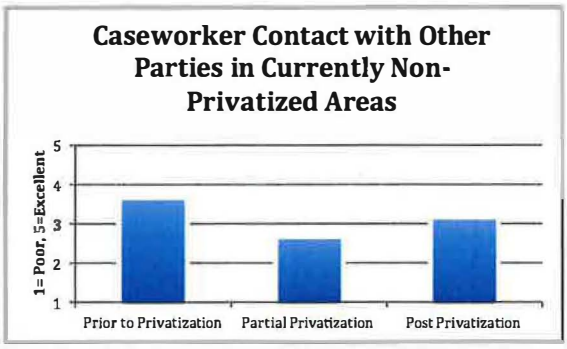
Responsiveness to Children's Needs





Contact with Other Parties

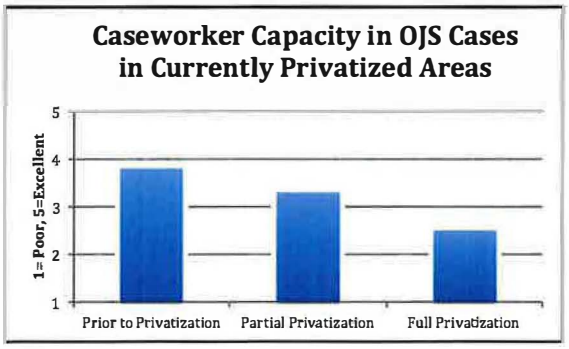


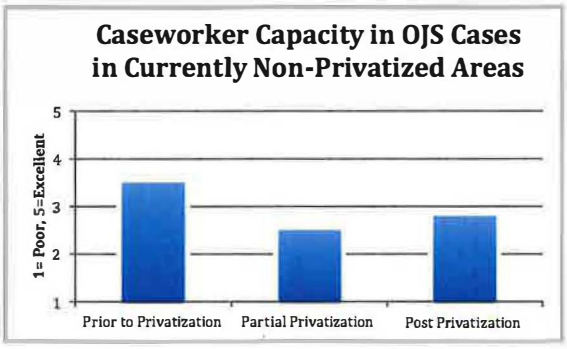


Office of Juvenile Services Cases

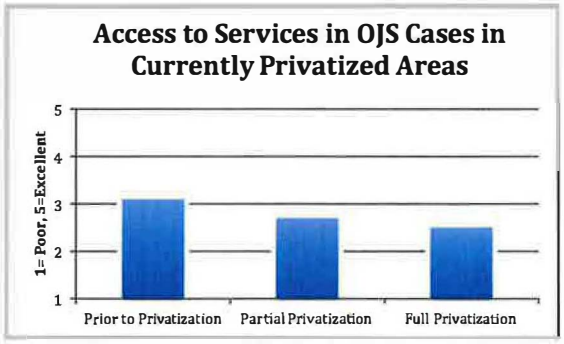
Judges were also asked to rate their perceptions of factors regarding their OJS cases during the same time periods as above and using the same 5-point rating scale.

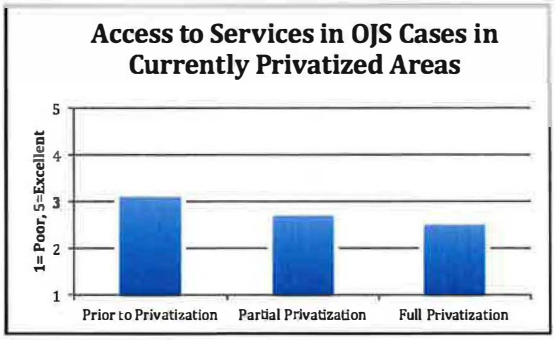
Caseworker Capacity



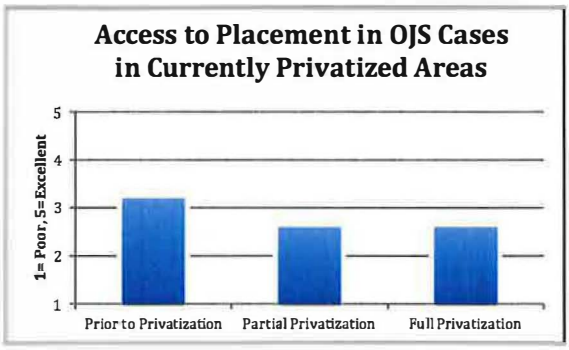


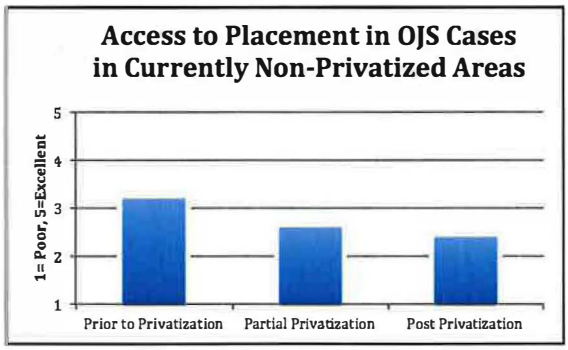
Access to Services





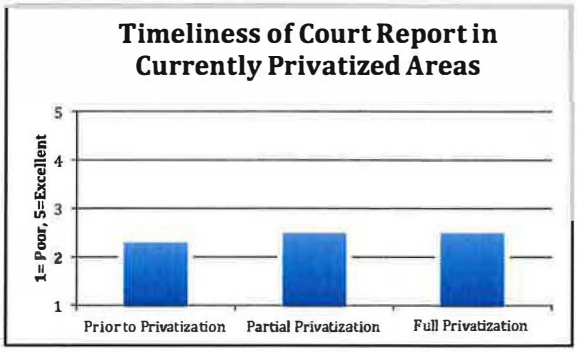
Access to Placements

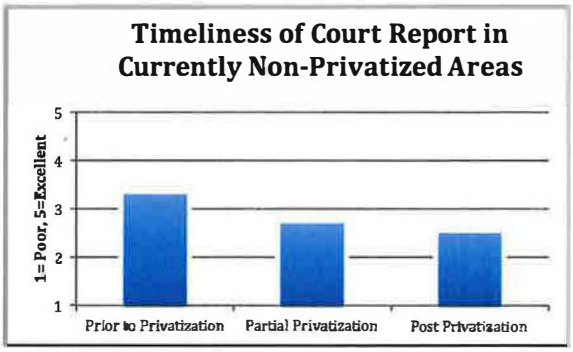




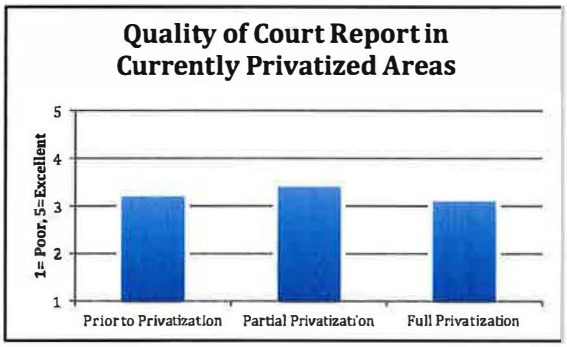
Case Plan/Court Reports and Placement Stability

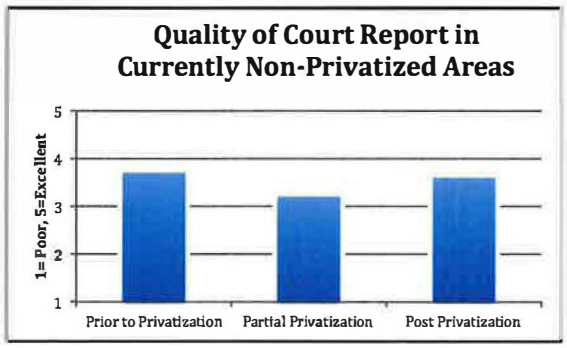
Timeliness of Court Reports (all cases)



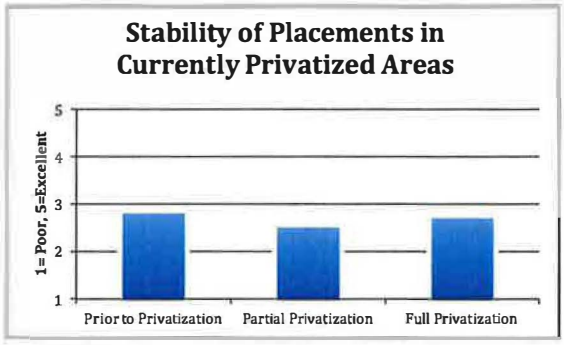


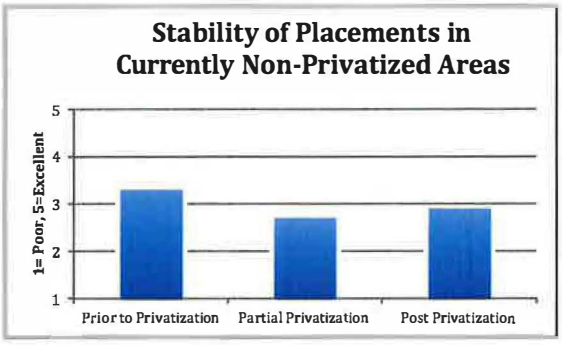
Quality of Case Plan Court Report





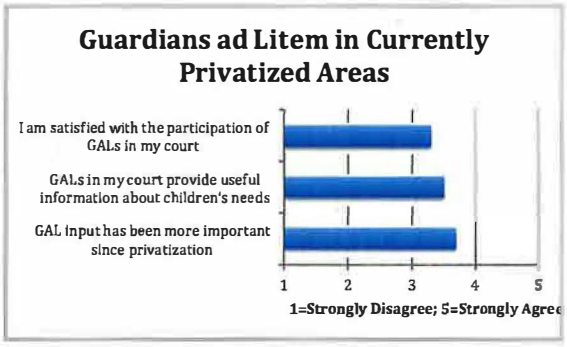
Stability of Placements

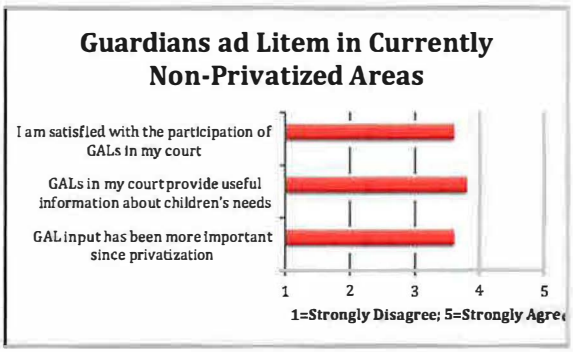




Guardians ad Litem

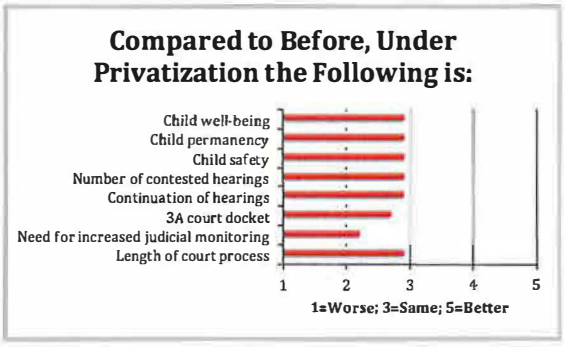
The following chart shows judges' perceptions of guardians ad litem who appear in their court rooms. Judges were asked to rate their agreement with the statements in the chart (1=strongly disagree; 2=disagree; 3=neutral; 4=agree; 5=strongly agree).

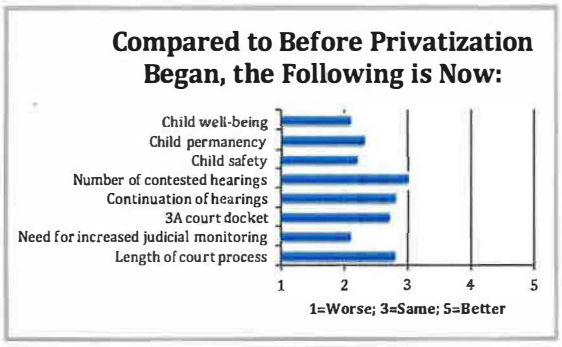




Impact of Privatization

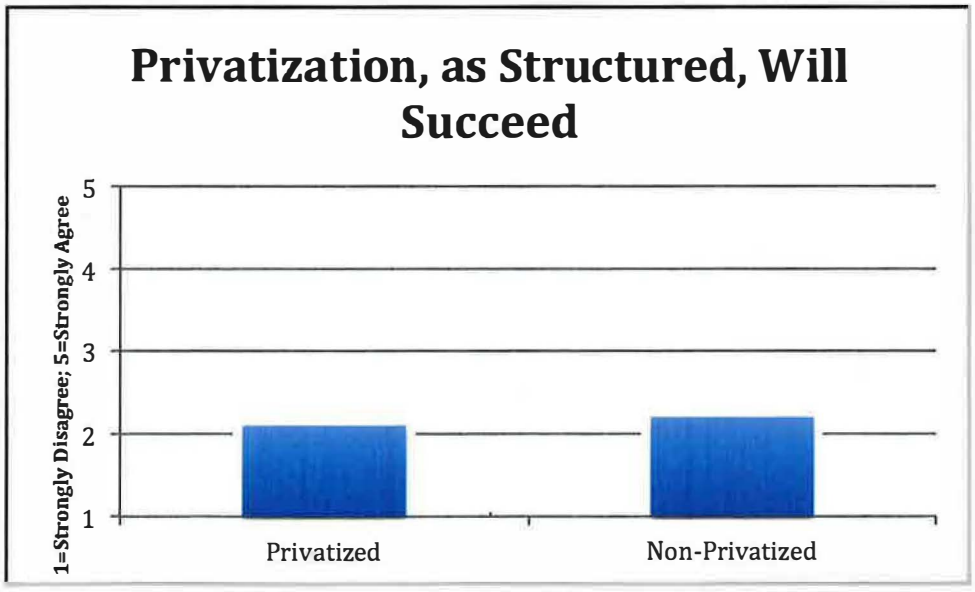
Judges were also asked for their perceptions as to whether things have gotten better or worse since the beginning of the privatization effort. They were asked to use this sentence as a stem: "Compared to the way it was before, under privatization the following is....." A 5-point rating scale was used (1=worse; 2=somewhat worse; 3=same; 4=somewhat better; 5=better). The left chart below shows the averages (means) of judges' ratings for the currently privatized areas. The right chart shows the ratings for the currently non-privatized areas.





Judges' Optimism about Nebraska's Privatization

Finally, judges were asked to rate their agreement with the statement, "Privatization, as it is currently structured, will eventually be successful." A 5-point scale was used: 1=strongly disagree; 2=disagree; 3=neutral; 4=agree; 5=strongly agree.



Through the Eyes of the Child Team Member Perceptions of Child Welfare Privatization

Nebraska Court Improvement Project
Vicky Weisz, Ph.D., Director
August 25, 2011

Background

Senator Kathy Campbell requested information regarding perceptions of the impact of Nebraska's recent privatization activities by Through the Eyes of the Child Initiative Team members to assist her committee in its work required by LR 37. Senator Campbell and her staff worked with the Court Improvement Project to develop the questions. Team members, excluding judges, were surveyed in late July and early August, 2011 through an internet based survey process. Judges were surveyed separately. One hundred forty-four individuals responded to the survey. The response rate cannot be calculated because team membership is fluid and the entire number of team members is unknown.

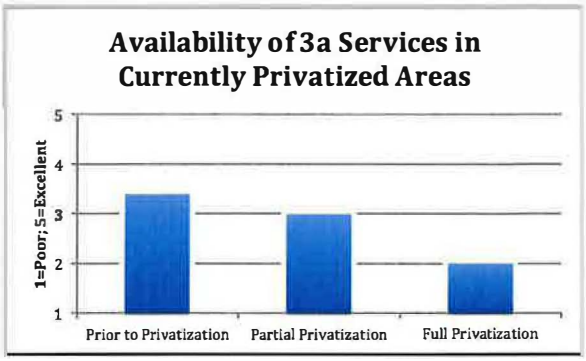
Responses were received from county attorneys, parents' attorneys, guardians ad litem, DHHS employees, private agency employees, Foster Care Review Board staff, CASA, foster parents, service providers, and court personnel.

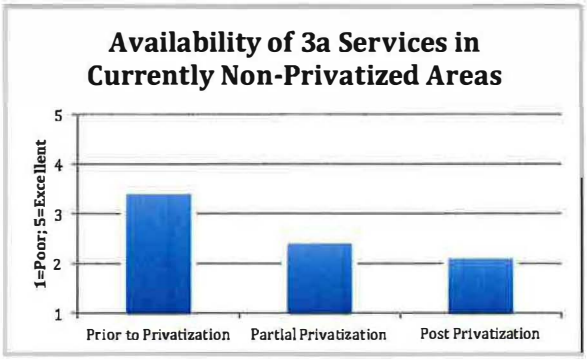
Respondents were divided into two groups: those whose jurisdictions were in the Eastern and Southeastern service areas that had fully privatized case management (except for a third of the Douglas County cases) and those in the Central, Northern, and Western service areas that had gone back to HHS case management and service coordination following the failure of the single contractor in that part of the state.

Services and Placements

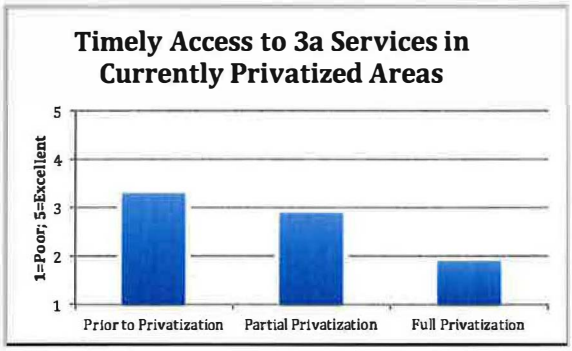
Respondents were asked to compare a variety of factors related to services and placements at three points in time: prior to the first major privatization effort involving lead agencies, during the first effort of partial privatization, and during the current time with full privatization in the Eastern and Southeastern areas and no privatization in the rest of the state. Respondents were asked to rate factors relating to services using a five-point scale (1=poor, 2= below average, 3=average, 4=good, 5=excellent.) The following tables show the averages (means) of respondents' ratings.

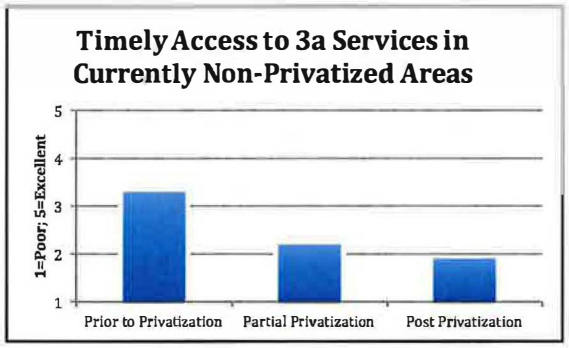
Availability of Services in 3a (Child Welfare) Cases



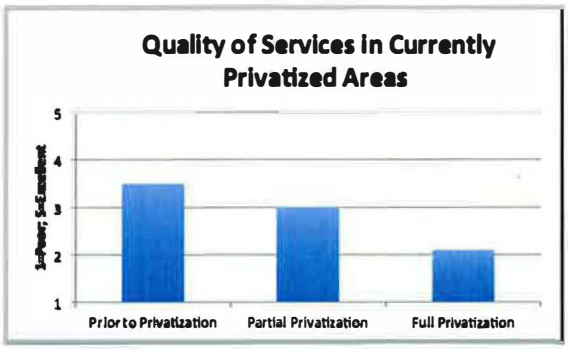


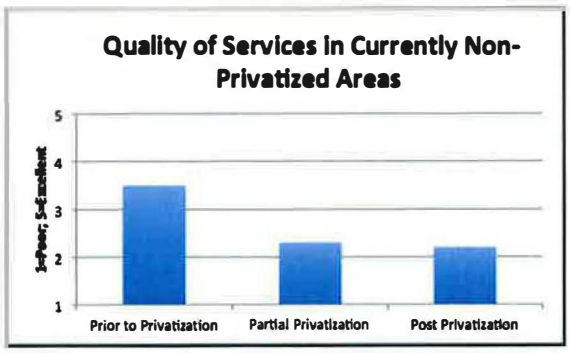
Timely Access to Services in 3a Cases



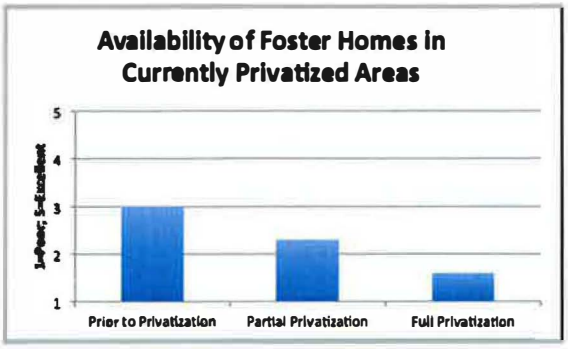


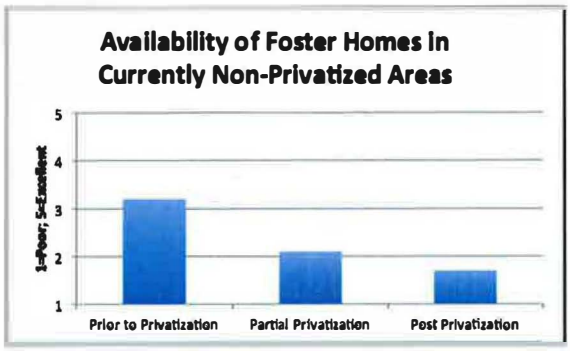
Quality of Services



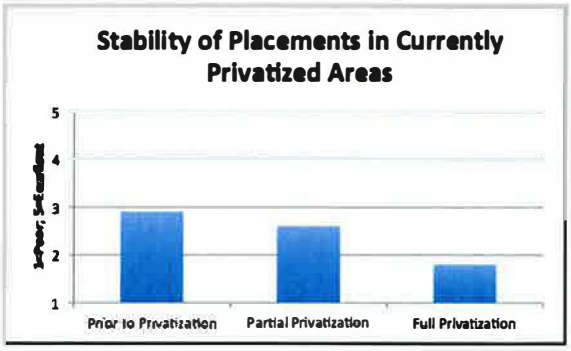


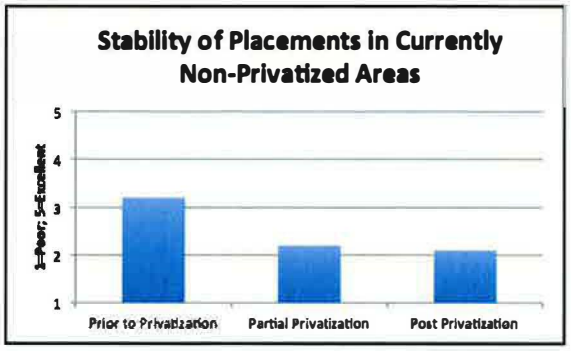
Availability of Foster Homes





Stability of Placements

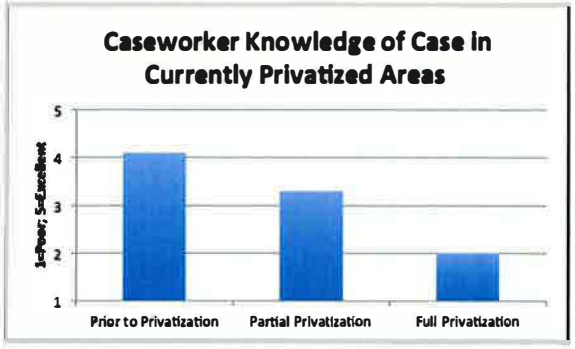


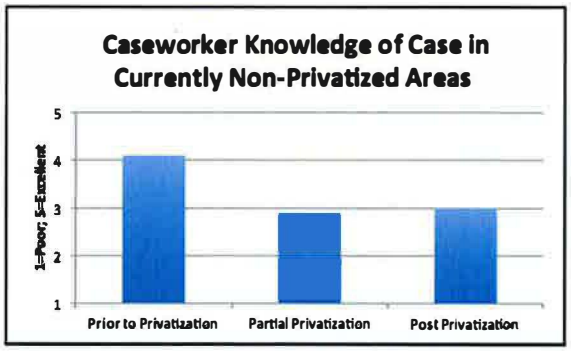


Casework

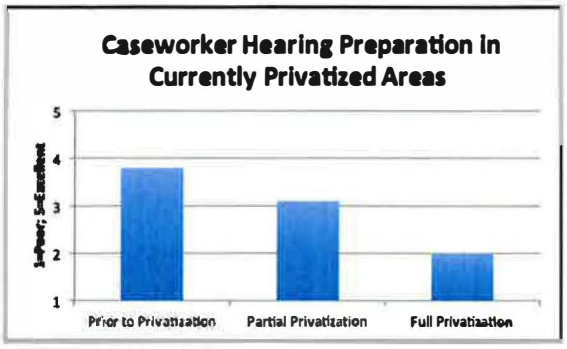
Respondents were asked to compare factors about casework at the three same time periods as above. Again, they were asked to rate these factors using a five-point scale (1=poor, 2= below average, 3=average, 4=good, 5=excellent.) The following tables show the averages of their ratings.

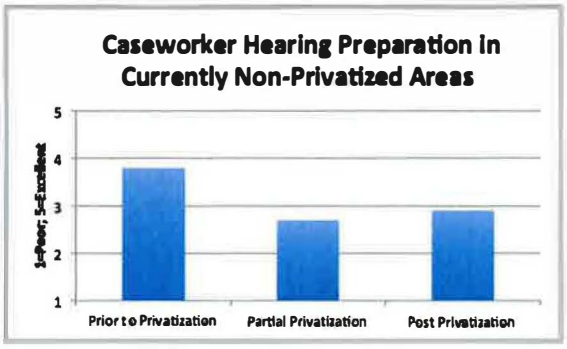
Caseworker Knowledge



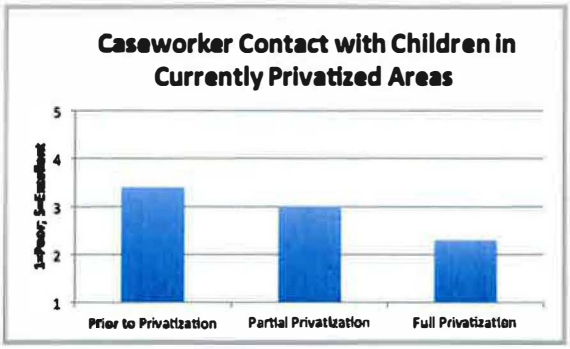


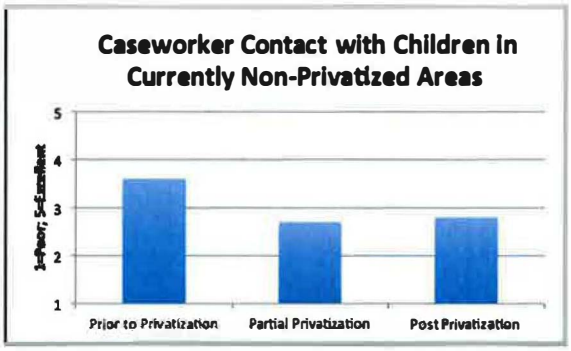
Caseworker Preparation



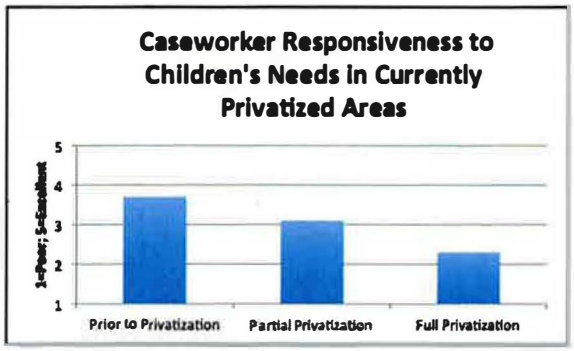


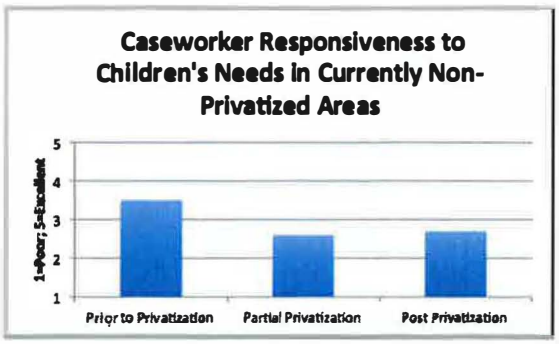
Contact with Children



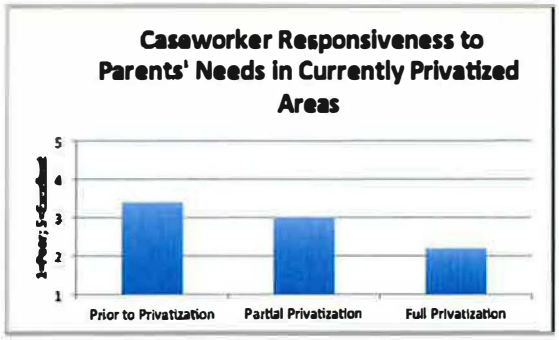


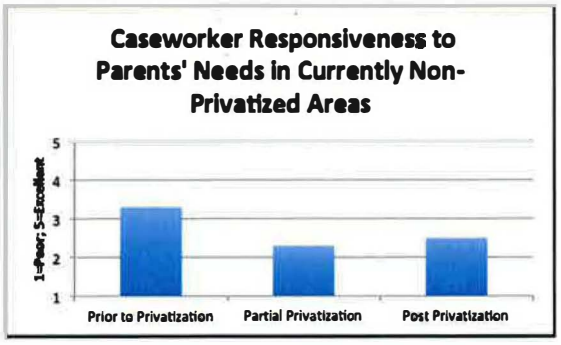
Responsiveness to Children's Needs



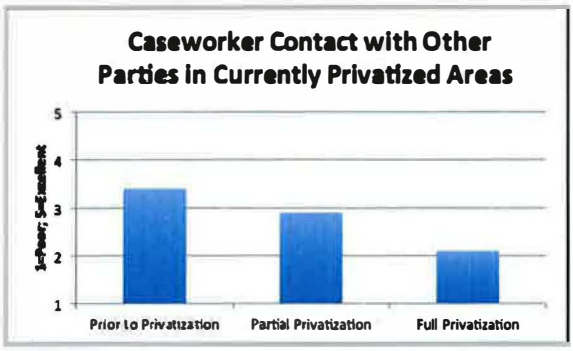


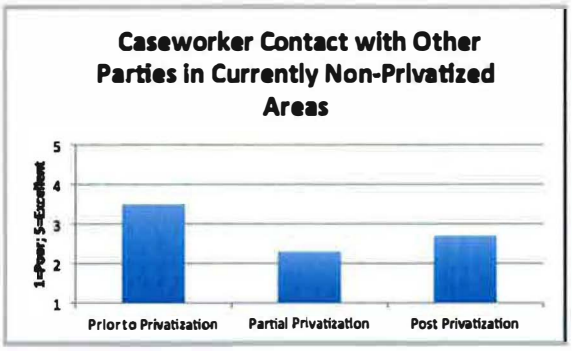
Responsiveness to Parents' Needs



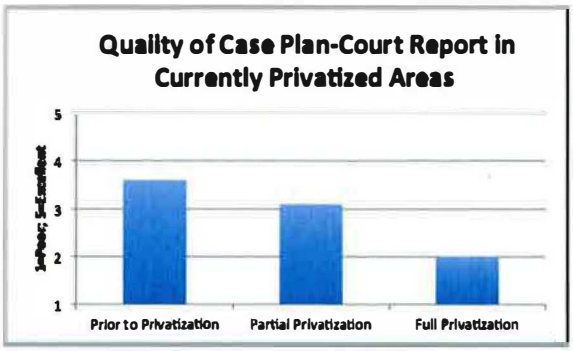


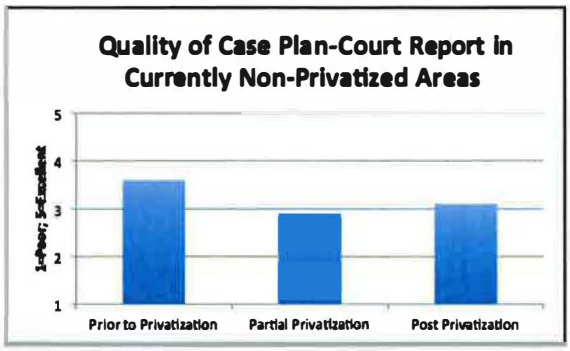
Contact with Other Parties



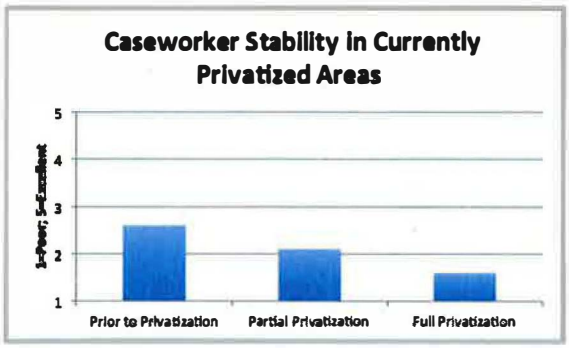


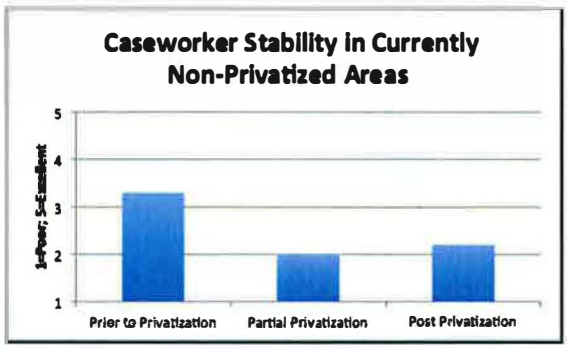
Quality of Case Plan Court Report





Stability of Caseworkers (low turnover)

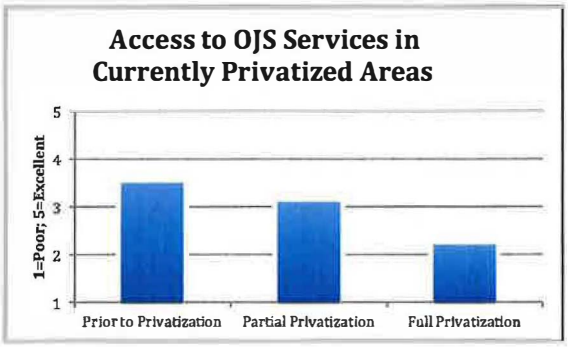


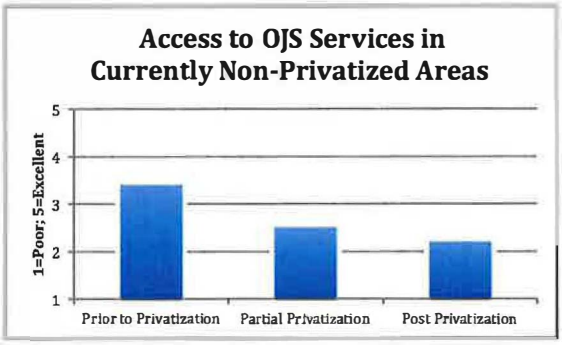


Office of Juvenile Services Cases

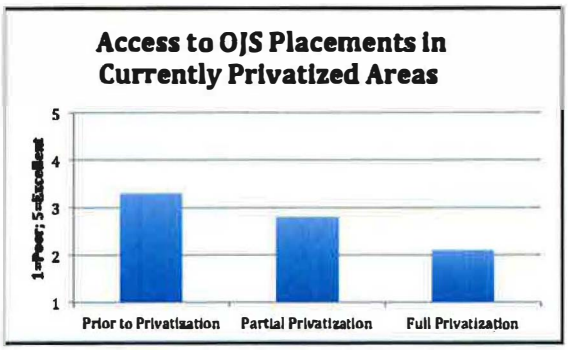
Respondents were also asked to rate their perceptions of factors regarding OJS cases during the same time periods as above and using the same 5-point rating scale.

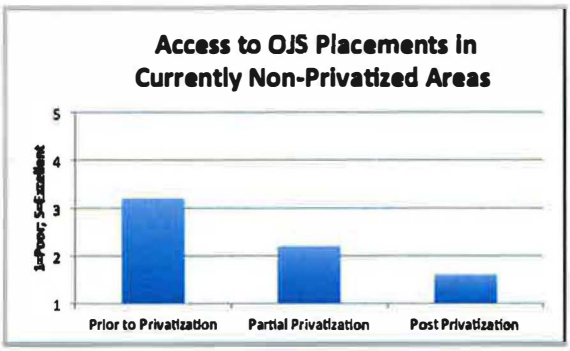
Access to OJS Services





Access to OJS Placements



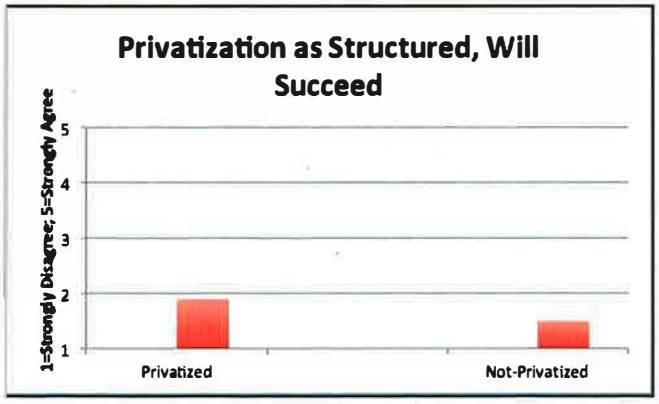


Impact of Privatization

Team members were also asked for their perceptions as to whether things have gotten better or worse since the beginning of the privatization effort. They were asked to use this sentence as a stem: "Compared to the way it was before, under privatization the following is....." A 5-point rating scale was used (1=worse; 2=somewhat worse; 3=same; 4=somewhat better; 5=better). The left chart below shows the averages (means) of respondents' ratings for the currently privatized areas. The right chart shows the ratings for the currently non-privatized areas.

Team Member Optimism about Nebraska's Privatization

Finally, team member were asked to rate their agreement with the statement, "Privatization, as it is currently structured, will eventually be successful." A 5-point scale was used: 1=strongly disagree; 2=disagree; 3=neutral; 4=agree; 5=strongly agree.



NEBRASKA
Appleseed

Fifteen years sowing the seeds of justice.

October 18, 2011

Senator Kathy Campbell
Chair, Health and Human Services Committee
Room 1402, State Capitol
Lincoln, NE 68509

RE: Survey of attorneys' perceptions of child welfare privatization

Chairwoman Campbell and members of the Health and Human Services Committee:

On behalf of the Nebraska Appleseed Center for Law in the Public Interest, thank you for the opportunity to testify today.

This fall, Appleseed developed a 24-question online survey designed to gather the perceptions of child welfare attorneys on the recent privatization of child welfare services in Nebraska. The survey was sent by email to Appleseed's listserv of approximately 275 child welfare attorneys across the state. Ninety (90) attorneys completed the survey.

- These attorneys practice as guardians ad litem, attorneys for juveniles, attorneys for birth/biological parents, attorneys for foster parents, and attorneys for grandparents/other relatives.
    - In many cases, attorneys' practices include a variety of these roles in different cases.
- One (1) county attorney and eight (8) public defenders also completed the survey.

I want to thank the Public Policy Center at the University of Nebraska-Lincoln and, in particular, Dr. Mark DeKraai, Senior Research Director, and Deadric Williams, a doctoral student in sociology, for their assistance with the data analysis. The Public Policy Center compiled a report on the data analysis, which has been provided to the Committee. The Committee has also been provided a copy of the survey.

Background

To get a sense of the respondents' experience with child welfare issues, we asked several background questions and found that:

- The majority of the respondents (29%) have practiced juvenile law for 10-20 years.
- For most of the respondents (33%), juvenile court work makes up 25-50% of their practice.

Privatized vs. Non-Privatized

In order to separately examine as well as compare attorneys who practice in areas of the state not currently privatized (the Central, Northern, and Western Service Areas) and those who practice in areas of the state that are current privatized (the Eastern and

Southeastern Service Areas), we asked respondents, as a threshold question, to indicate whether they primarily practice in a privatized or non-privatized area. Based on their response, attorneys were directed to answer a parallel set of questions.

Results

Attorneys were first asked questions about the extent to which they agree with statements that caseworker communication and adequacy of services were satisfactory on a 5-point scale from strongly disagree to strongly agree as they relate to various agencies.

Caseworker Communication

As to perceptions about caseworker communication, attorneys practicing in non-privatized areas tended to agree or be neutral in response to the statement: "*In the past year, my experience is that* ***communication with caseworkers*** *has been adequate.*" The average response for attorneys in privatized areas was between disagree and neutral. Attorneys in privatized areas also tended to believe communication with lead agency caseworkers was not adequate.

As to **timeliness of agency responses to attorneys' requests or inquiries** (responding to the statement: "*In the past year, my experience is that agency responses to my requests or inquiries have been timely*"), attorneys in privatized areas were somewhat inclined to believe that responses from DHHS caseworkers in the past year had not been timely, while attorneys in non-privatized areas were somewhat inclined to believe responses had been timely in the past year. Attorneys in privatized areas also tended to believe responses from lead agency caseworkers had not been timely over the same period.

Adequacy of Services

As to attorneys' perceptions of **behavioral health services for children**, attorneys were asked the extent to which they agree with the following statement: "*In the past year, my experience is that services for the psychological or behavioral health needs of the child (e.g., counseling) have been satisfactory*" **as to DHHS, lead agencies, Medicaid/Magellan, and when court ordered**. Attorneys tended to believe that such services were not satisfactory as arranged by DHHS and as provided by Medicaid/Magellan. Attorneys were somewhat inclined to believe that court ordered behavioral health care was satisfactory. Attorneys in privatized areas tended to believe such services arranged by lead agencies were not satisfactory. This trend was similar for attorneys' perceptions about **supportive services for parents**, such as substance abuse and mental health services (responding to the statement: "*In the past year, my experience has been that supportive services and treatment for parent/s (e.g., substance abuse, mental health) have ben satisfactory*").

Similarly, as to **support services for foster parents**, attorneys were asked the extent to which they agree with the following statement: "*In the past year, my experience has been that supportive services for foster parents (e.g., child care, respite) and payments for foster care services (i.e., maintenance payments, monthly stipend) have been satisfactory.*" Attorneys tended to believe supportive services for foster parents were not satisfactory as arranged by either DHHS or subcontracting agencies. Attorneys in privatized areas tended to believe such services arranged by the lead agencies were not satisfactory. The trend was similar for attorneys'

perceptions about **reliability of parenting time or visitation schedules** (responding to the statement: "*In the past year, my experience has been that parenting time or visitation schedules have been reliable*").

To summarize, attorneys in both privatized and non-privatized areas indicated that, in the past year, caseworker communication and adequacy of services were generally not satisfactory when working with DHHS, lead agencies (for privatized attorneys only), subcontracting agencies and as provided by Medicaid/Magellan. Attorneys were somewhat inclined to believe services were satisfactory when court-ordered.

Differences Across Agencies

Analyses were conducted as to any significant differences across agencies (DHHS, lead agencies, subcontracting agencies, Medicaid/Magellan, and court-ordered services) for behavioral health services, services for parents and foster parents, and visitation/parenting time.

- There was a significant difference for supportive services for foster parents with DHHS rated significantly higher than lead agencies (in privatized areas) or subcontracting agencies (in both privatized and non-privatized areas).
- However, as noted above, attorneys generally rated supportive services for foster parents across all agencies as unsatisfactory.

Stages of Privatization

Attorneys were then asked to rate **14 elements** of the child welfare system including aspects of services and case management, and stability of placements on a 5-point scale ranging from poor to excellent across **three phases of privatization**.

In the privatized areas of the state, the three phases included: 1) pre-privatization (pre-2010), 2) partial privatization (2010), and 3) full privatization (2011).

In the non-privatized areas of the state, the three phases included: 1) pre-privatization (pre-2010), 2) partial privatization (2010)(i.e., during Boys & Girls Home's contract) and 3) post-privatization (2011)(i.e., since termination of Boys & Girls Home's contract).

- **Attorneys in privatized areas rated each of the 14 elements significantly lower under full privatization than under pre-privatization.**
- **Attorneys in non-privatized areas rated each element significantly lower under privatization than pre-privatization except for stability of placement.**

In addition, you can see a trend in Table 1 that privatized attorneys rated the 14 elements highest before privatization, lower under partial privatization, and even lower under full privatization. (The only exception to this trend was for availability of services for which attorney's perceptions of quality increased slightly under partial privatization as compared to before privatization and then decreased significantly under full privatization.) By comparison, as seen in Table 2, non-privatized attorneys rated the 14 elements highest before privatization, lower during partial privatization, and then post-

privatization, when the state resumed control of cases, attorneys' perceptions of the quality of the 14 elements increased slightly, though not back up to pre-privatization levels.

Differences Between Attorneys in Privatized and Non-Privatized Areas

In comparing attorneys' ratings of **DHHS case management "in the past year" on caseworker communication and adequacy of services** in privatized versus non-privatized areas, there were significant differences for three (3) of the six (6) questions. Attorneys in non-privatized areas rated DHHS significantly more favorably on **communication, timely responses, and reliable visitation** than did attorneys from privatized areas.

In comparing attorneys in privatized and non-privatized areas on **14 dimensions** of the child welfare system **under full privatization**, attorneys in non-privatized areas rated **caseworker judgment, responsiveness and contact** significantly higher than did attorneys in privatized areas.

Perceptions of the Future Success of Privatization & Child Safety, Permanency, and Well-being

Attorneys were asked to rate the extent to which they agree with the statement: ***"Privatization, as it is currently structured will eventually be successful"*** on a 5-point scale from strongly agree to strongly disagree. Mean responses for both groups of attorneys (i.e., those in privatized and non-privatized areas) fell between strongly disagree and disagree.

Attorneys were also asked to rate **child safety, permanency, and well-being since privatization** "compared to the way it was before" on a 5-point scale of "better/somewhat better/same/somewhat worse/worse." Mean responses for both groups of attorneys fell between somewhat worse and the same on all three dimensions.

Open-Ended Questions

Attorneys were also asked two (2) open-ended questions about whether they had any other concerns about privatization not covered in the survey and to list three (3) things they feel would make the biggest impact and improve the system as it currently exists. Some trends that emerged were concerns about services, funding, and caseworker turnover, training, and caseloads. Attorneys also suggested reducing caseloads, improving communication, and addressing funding issues and service gaps as ways to improve the system.

Conclusion

Attorneys representing children and families in juvenile court have a frontline view of the needs and challenges in the system. Thank you for the opportunity to share their feedback with the Committee today as you work to find solutions to improve the system as part of the LR 37 process.

Sincerely,

Sarah Helvey
Program Director/Attorney
Child Welfare System Accountability Program

Encls: Attorney Survey
Analysis of Survey Data

Child Welfare Attorney Survey

Presented to the HHS Committee of the Legislature
LR37

OCTOBER 18, 2011

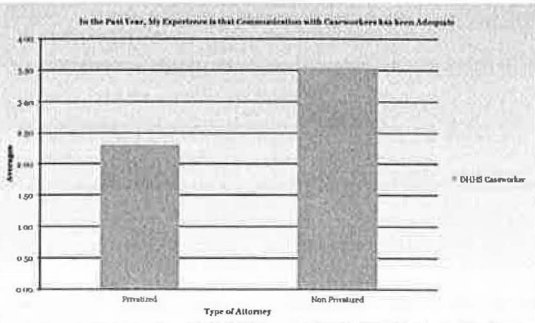
NEBRASKA APPLESEED
CENTER FOR LAW IN THE PUBLIC INTEREST

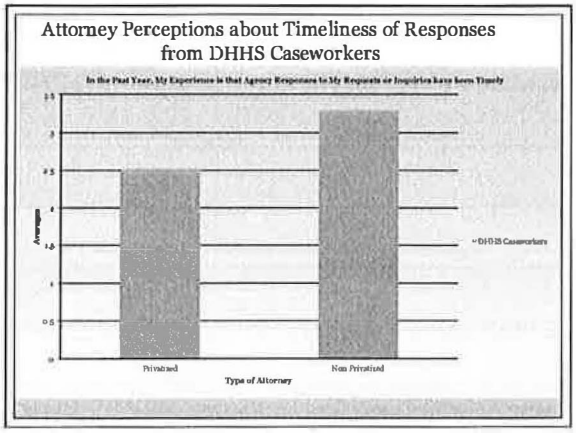
Core Values | Common Ground | Equal Justice

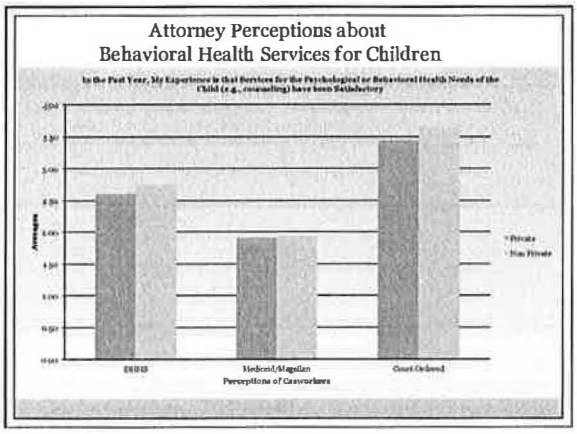
Survey Background

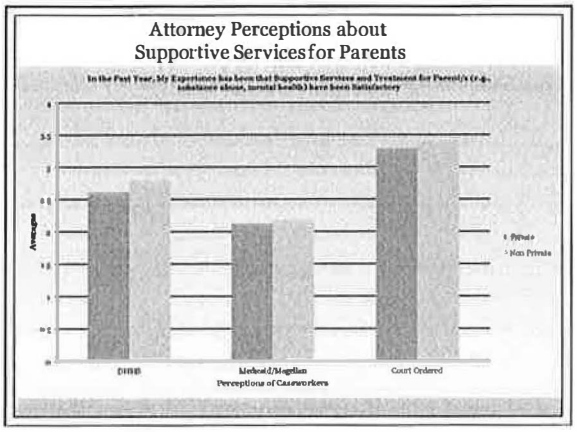
- 24 question online survey
- Sent to 275 attorneys on Appleseed's child welfare listserv (includes GALs and attorneys representing biological parents and foster parents)
- N=90 respondents
- The majority of the respondents (29%) have practiced juvenile law for 10-20 years.
- For most of the respondents (33%), juvenile court work makes up 25-50% of their practice.

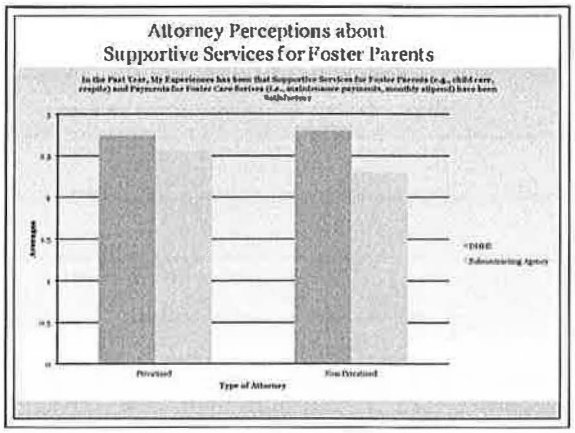
Attorney Perceptions about Communication with DHHS Caseworkers




Attorney Perceptions about Timeliness of Responses from DHHS Caseworkers
Privatized
Non Privatized
Type of Attorney


Attorney Perceptions about Behavioral Health Services for Children
Medicaid/Magellan
Court Ordered
Perceptions of Caseworkers


Attorney Perceptions about Supportive Services for Parents
Court Ordered
Perceptions of Caseworkers



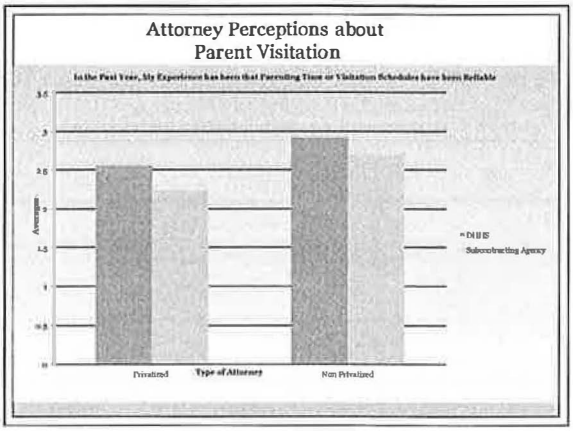


Table 1: Quality of the Elements of the Child Welfare System among Privatized Attorneys Over the Three Stages of the Reform Process

	Pre-Privatization	Partial Privatization	Full Privatization	P-Value
Availability of Services	3.13[ab]	3.16[a]	1.92[b]	0.000
Parents' Access to Services	2.90[b]	3.18[a]	1.80[b]	0.000
Quality of Services	3.33[a]	2.54[b]	2.18[b]	0.000
Stability of Services	3.08[b]	2.84[a]	1.92[c]	0.000
Caseworker Knowledge of Case	3.53[ab]	3.62[a]	3.13[b]	0.000
Caseworker Judgment Concerning Case	3.18[a]	3.45[a]	2.30[b]	0.003
Caseworker Contact With Children and Families	3.15[ab]	2.58[a]	2.33[b]	0.000
Caseworker Responsiveness to the Needs of Children and Families	3.03[ab]	2.38[b]	2.05[b]	0.008
Caseworker Contact with your Attorney	3.28[ab]	2.53[a]	2.20[b]	0.000
Caseworker Contact with Other Parties	3.13[ab]	2.61[a]	2.32[b]	0.000
Caseworker Turnover	2.28[ab]	1.65[a]	1.38[b]	0.000
Timeliness of Case Plan Court Report	2.58[ab]	2.23[a]	2.00[b]	0.026
Quality of Case Plan Court Report	3.18[ab]	2.45[a]	1.95[b]	0.000
Stability of Placement	3.08[ab]	2.69[a]	2.64[b]	0.000

Means with Unlike Letters Are Significantly Different at the Indicated Probability Level (All P<.05)

Remarks: Table (Illegible) Illegible

Table 2: Quality of the Elements of the Child Welfare System among Non-Privatized Attorneys Over the Three Stages of the Reform Process

	Pre Privatization	Partial Privatization	Post Privatization	P-Value
Availability of Services	3.00[a]	1.96[b]	2.04[b]	0.000
Timely Access to Services	2.76[a]	2.04[b]	2.12[b]	0.009
Quality of Services	3.06[a]	2.29[b]	2.54[b]	0.007
Stability of Services	3.00[a]	1.70[b]	2.00[a]	0.000
Caseworker Knowledge of Case	3.67[a]	2.33[b]	2.54[b]	0.000
Caseworker Judgment Concerning Case	3.57[a]	2.13[b]	2.70[b]	0.000
Caseworker Contact With Children and Families	3.57[a]	2.26[b]	2.65[b]	0.000
Caseworker Responsiveness to the Needs of Children and Families	3.44[a]	2.56[b]	2.52[b]	0.000
Caseworker Contact with you as Attorney	3.83[a]	2.42[b]	2.75[b]	0.000
Caseworker Contact with Other Parties	3.33[a]	2.13[b]	2.54[b]	0.000
Caseworker Turnover	2.67[a]	1.75[b]	1.63[b]	0.000
Timeliness of Case Plan Court Report	2.74[a]	2.09[b]	2.13[b]	0.010
Quality of Case Plan Court Report	3.00[a]	2.13[b]	2.38[b]	0.002
Stability of Placement	2.83[a]	2.19[b]	2.52	0.021

[illegible]
[illegible] Items range from [illegible] for to [illegible]

Table 8: Mean Differences between Private Attorneys and NonPrivate Attorneys on Perceptions of DHHS Caseworkers

Question	Private Mean	NonPrivate Mean
In the past year, My Experience is that Communication with Caseworkers has been Adequate	2.31	3.53*
In the past year, my experience is that Agency Responses to any Requests or Inquiries have been Timely	2.52	3.30*
In the past year, my experience is that services for the Psychological or Behavioral Health needs of the child (e.g., counseling) have been satisfactory	2.60	2.76
In the past year, my experience has been that supportive services and treatment for parent/s (e.g., substance abuse, mental health) have been satisfactory	2.61	2.8
In the Past Year, My Experience has been that Supportive Services for Foster Parents (e.g., child care, respite) and Payments for Foster Care Services (i.e., maintenance payments/monthly stipend) have been Satisfactory	2.74	2.80
In the Past Year, My Experience has been that Parenting Time or Visitation Schedules have been Reliable	2.56	3.33*

[illegible]

[illegible]

	Private Mean	NonPrivate Mean
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

Mean Difference between Attorney in Private vs. Non-Private Areas

"Compared to the way it was before, since privatization, the following is..." (1) Worse, (2) Somewhat worse, (3) Same, (4) Somewhat better, and (5) Better

Child Safety
Private Mean = 2.20
Non-Private Mean = 2.23
Child Permanency
Private Mean = 2.19
Non-Private Mean = 2.11
Child Well-being
Private Mean = 2.16
Non-Private Mean = 2.22

Mean Difference between Attorney in Private vs. Non-Private Areas

"Privatization, as it is currently structured, will eventually be successful" (1) Strongly Disagree, (2) Disagree, (3) Neutral, (4) Agree, and (5) Strongly Agree

Private Mean = 1.87
Non-Private Mean = 1.89

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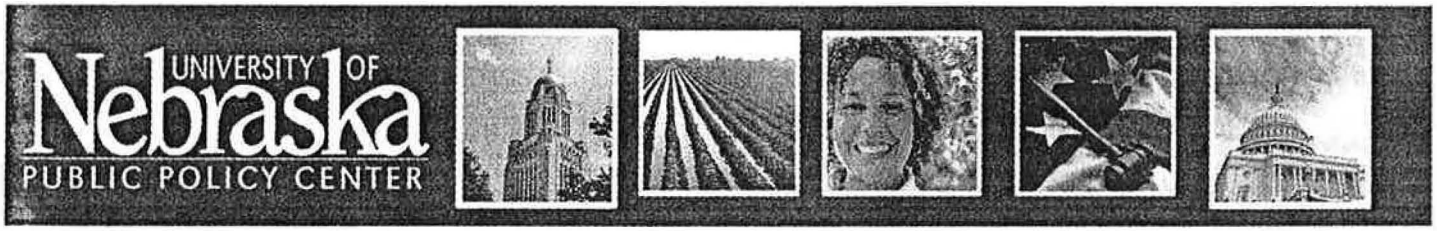

ANALYSIS OF ATTORNEY SURVEY DATA FOR THE APPLESEED CENTER

October 7, 2011

The University of Nebraska Public Policy Center provides assistance to policymakers in all three branches of government and researchers on a wide range of public policy issues. The mission of the PPC is to actively inform public policy by facilitating, developing, and making available objective research and analyses of issues for elected and appointed officials; state and local agency staff; the public at large; and others who represent policy interests.

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ANALYSIS OF ATTORNEY SURVEY DATA
FOR THE APPLESEED CENTER

The following analyses were conducted on data that were obtained through on-line and paper surveys of attorneys in Nebraska. The surveys were conducted in the autumn of 2011 in conjunction with Legislative Resolution 37 (2011). The surveys focused on respondent perceptions about Nebraska's child welfare/juvenile justice system. The survey included a series of questions about the attorney's practice in relation to the child welfare/juvenile justice system (e.g., the percent of their practice consisting of work in juvenile court, type of practice, length of practice, area where practice). Attorneys who worked in areas that are privatized were asked their perceptions about a variety of factors (e.g., communication with caseworkers, responses to requests, services for behavioral health needs, services for parents and foster parents, visitation schedules) in relation to the Department of Health and Human Services, lead agencies, Medicaid/Magellan, and when something was court ordered. Attorneys not in a privatized area were asked these questions; however, were not asked to rate lead agencies. The survey also included a series of questions related to whether the child welfare system was better or worse as the state moved toward privatization. Finally, the survey included open ended questions related to concerns about privatization and thing that would improve the system.

There were 90 respondents for the attorney survey.

The Appleseed Center requested the Public Policy Center assist with statistical analysis of some of the survey results. The questions to be answered included the following:

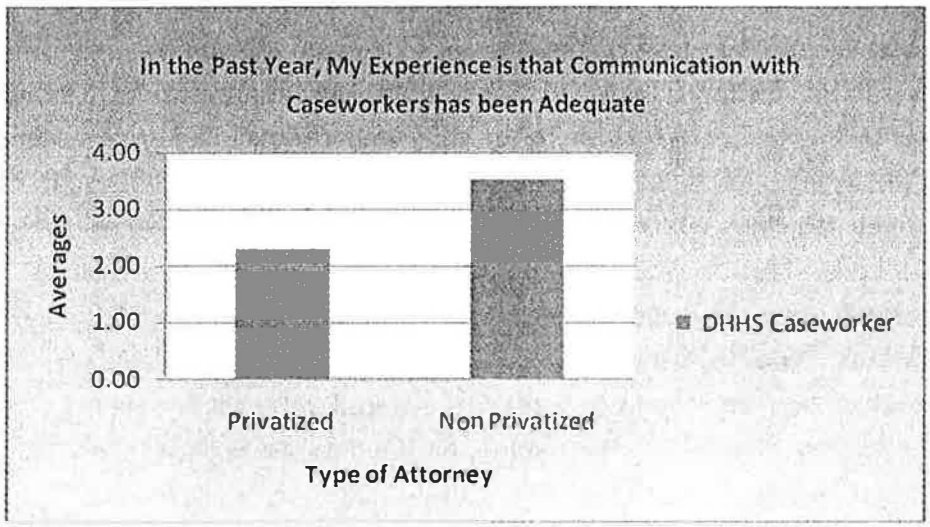
1. What are perceptions of attorneys about the child welfare system?
2. Were there significant differences in ratings for DHHS caseworkers, lead agencies, Medicaid/Magellan, and court ordered for each relevant question?
3. Are there significant differences between attorneys working in privatized versus non-privatized areas?

Attorney Perceptions

Figure 1 shows the perceptions of attorneys about communication with DHHS caseworkers. Responses ranged from 1 – strongly disagree to 5 – strongly agree. The average response for attorneys practicing in privatized areas was between disagree and neutral, while the average response for attorneys practicing in non-privatized areas was between neutral and agree. Overall, attorneys in privatized areas were somewhat inclined to believe communication with

DHHS caseworkers were not adequate, while attorneys in non-privatized areas were somewhat inclined to believe communications were adequate. Attorneys in privatized areas also tended to believe communications with lead agency caseworkers were not adequate (mean = 2.37)

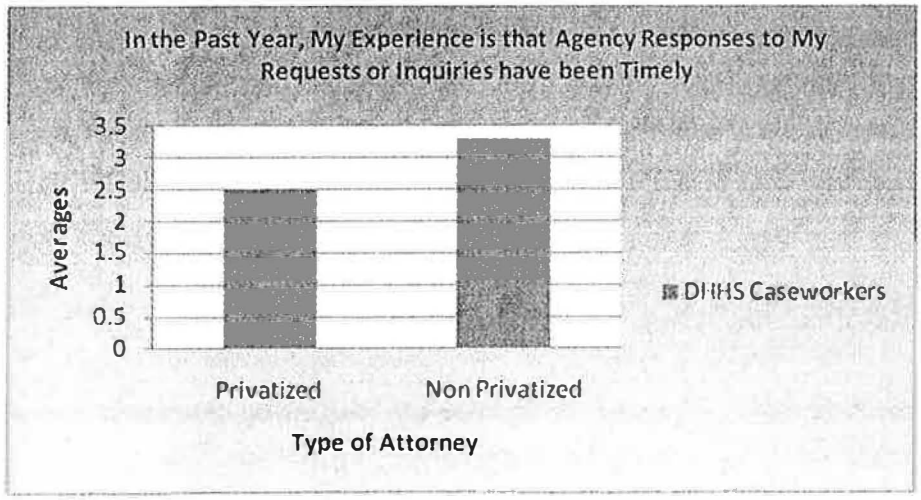
Figure 1: Attorney Perceptions about Communication with DHHS Caseworkers



1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree

Figure 2 shows the perceptions of attorneys regarding responses to requests by DHHS caseworkers. Overall, attorneys in privatized areas were somewhat inclined to believe responses from DHHS caseworkers had not been timely, while attorneys in non-privatized areas were somewhat inclined to believe responses had been timely. Attorneys in privatized areas also tended to believe responses from lead agency caseworkers had not been timely (mean = 2.25).

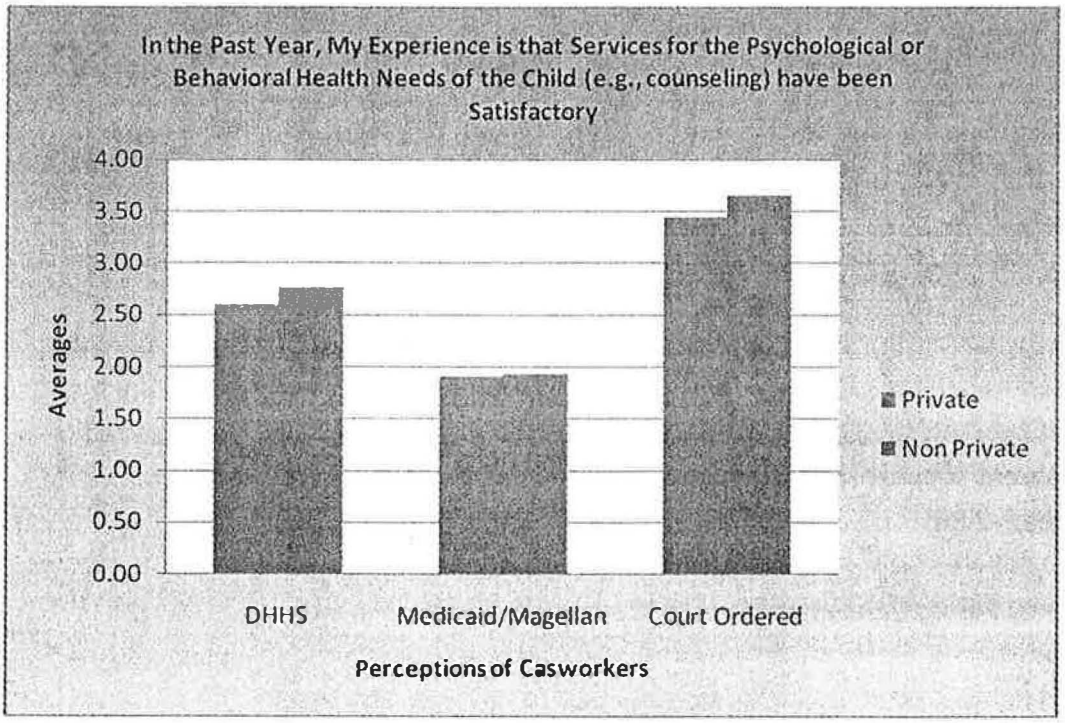
Figure 2: Attorney Perceptions about Responses from DHHS Caseworkers



1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree

Figure 3 shows the perceptions of attorneys related to services for behavioral health needs of children. Attorneys tended to believe behavioral health services were not satisfactory as arranged by DHHS caseworkers and as provided by Medicaid/Magellan. Attorneys were somewhat inclined to believe that court ordered behavioral health care was satisfactory. Attorneys in privatized areas tended to believe behavioral health services arranged by lead agency caseworkers were not satisfactory (mean=2.52).

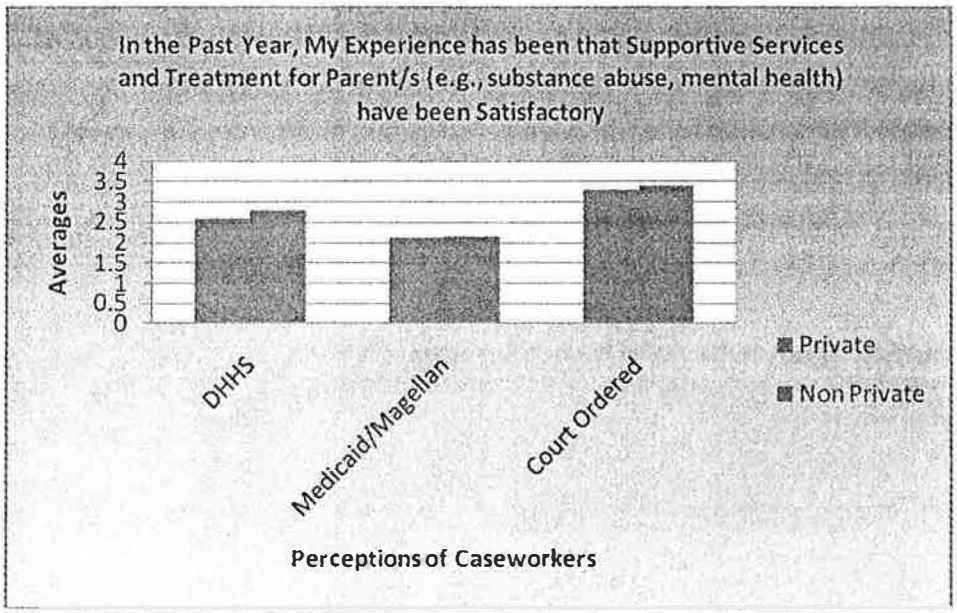
Figure 3: Attorney Perception about Behavioral Health Services



1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree

Figure 4 shows the perceptions of attorneys related to supportive services for parents. Attorneys tended to believe supportive parent services were not satisfactory as arranged by DHHS caseworkers and as provided by Medicaid/Magellan. Attorneys were somewhat inclined to believe that court ordered support services for parents were satisfactory. Attorneys in privatized areas tended to believe parent support services arranged by lead agency caseworkers were not satisfactory (mean=2.38).

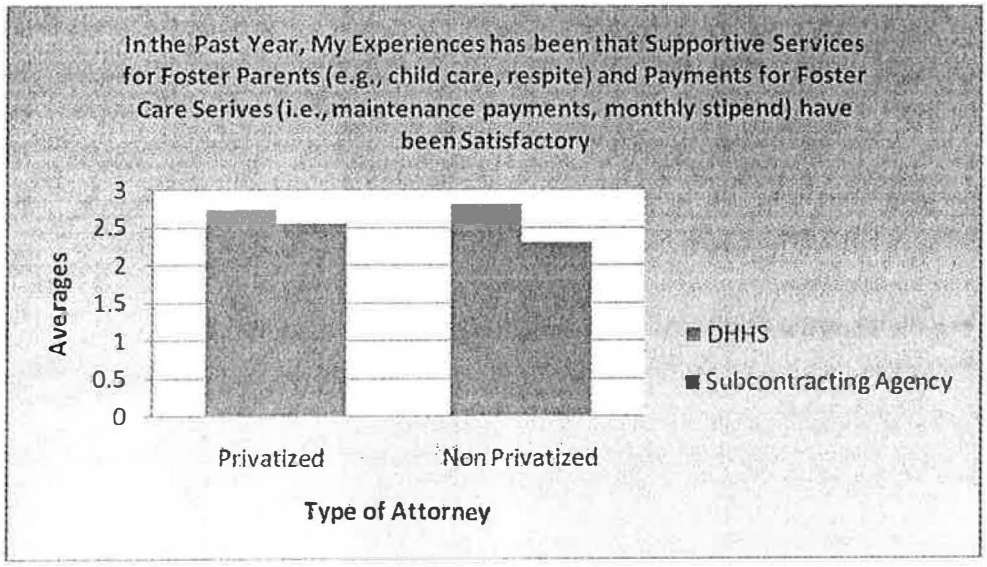
Figure 4: Attorney Perceptions about Support Services for Parents



1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree

Figure 5 shows the perceptions of attorneys related to supportive services for foster parents. Attorneys tended to believe supportive parent services were not satisfactory as arranged by either DHHS caseworkers or subcontracting agencies. Attorneys in privatized areas tended to believe foster parent support services arranged by lead agency caseworkers were not satisfactory (mean=2.38).

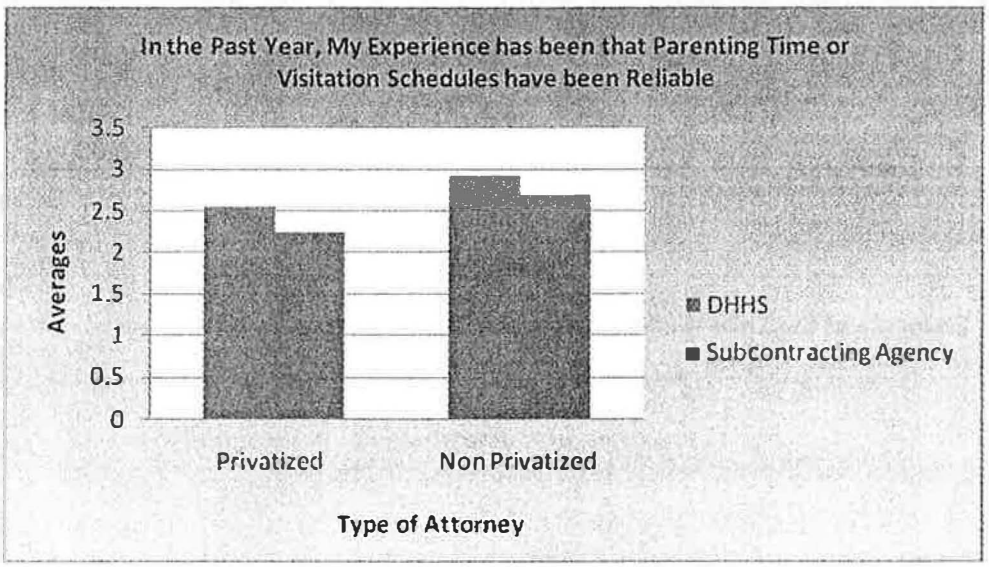
Figure 5: Attorney Perceptions about Support Services for Foster Parents



1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree

Figure 6 shows the perceptions of attorneys related to parent visitation. Attorneys tended to believe visitation schedules had not been reliable working with either DHHS caseworkers or subcontracting agencies. Attorneys in privatized areas tended to believe visitation schedules had not been reliable working with lead agency caseworkers (mean=2.29).

Figure 6: Attorney Perceptions about Parent Visitation



1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree

Table 1 shows the perceptions of attorneys working in privatized areas related to the quality of the child welfare system during three phases of the privatization process. Attorneys rated each element significantly lower under full privatization than under pre-privatization. Table 2 shows perceptions of attorneys working in non-privatized areas. These attorneys rated each element significantly lower under privatization than for pre-privatization except for stability of placement.

Table 1: Quality of the Elements of the Child Welfare System among <u>Privatized Attorneys</u> Over the Three Stages of the Reform Process

	Pre-Privatization	Partial Privatization	Full Privatization	P-Value
Availability of Services	3.13[ab]	3.36[ac]	1.92[bc]	0.000
Timely Access to Services	2.90[ab]	2.18[ac]	1.80[bc]	0.000
Quality of Services	3.33[ab]	2.56[ac]	2.33[bc]	0.000
Stability of Services	3.08[ab]	2.08[a]	1.92[b]	0.000
Caseworker Knowledge of Case	3.53[ab]	2.40[a]	2.13[b]	0.000
Caseworker Judgment Concerning Case	3.18[ab]	2.45[ac]	2.10[bc]	0.000

Caseworker Contact With Children and Families	3.15[ab]	2.58[ac]	2.33[bc]	0.000
Caseworker Responsiveness to the Needs of Children and Families	3.03[ab]	2.38[a]	2.05[b]	0.000
Caseworker Contact with you as Attorney	3.28[ab]	2.53[a]	2.20[b]	0.000
Caseworker Contact with Other Parties	3.13[ab]	2.61[a]	2.32[b]	0.000
Caseworker Turnover	2.28[ab]	1.65[ac]	1.28[bc]	0.000
Timeliness of Case Plan Court Report	2.58[ab]	2.23[a]	2.00[b]	0.026
Quality of Case Plan Court Report	3.18[ab]	2.45[ac]	1.95[bc]	0.000
Stability of Placement	3.08[ab]	2.69[a]	2.64[b]	0.000

Means with identical subscripts represents significant difference between means (ANOVA)

Items range from (1) Poor to (5) Excellent

Table 2: Quality of the Elements of the Child Welfare System among Non-Privatized Attorneys Over the Three Stages of the Reform Process

	Pre-Privatization	Partial Privatization	Full Privatization	P-Value
Availability of Services	3.00[ab]	1.96[a]	2.04[b]	0.000
Timely Access to Services	2.76[ab]	2.04[a]	2.12[b]	0.009
Quality of Services	3.08[ab]	2.29[a]	2.54[b]	0.007
Stability of Services	3.00[ab]	1.70[a]	2.00[b]	0.000
Caseworker Knowledge of Case	3.67[ab]	2.33[a]	2.54[b]	0.000
Caseworker Judgment Concerning Case	3.57[ab]	2.13[ac]	2.70[bc]	0.000
Caseworker Contact With Children and Families	3.57[ab]	2.26[a]	2.65[b]	0.000
Caseworker Responsiveness to the Needs of Children and Families	3.44[ab]	1.96[a]	2.52[b]	0.000
Caseworker Contact with you as Attorney	3.83[ab]	2.42[a]	2.75[b]	0.000
Caseworker Contact with Other Parties	3.33[ab]	2.13[a]	2.54[b]	0.000
Caseworker Turnover	2.67[ab]	1.75[a]	1.63[b]	0.000
Timeliness of Case Plan Court Report	2.74[ab]	2.09[a]	2.13[b]	0.010
Quality of Case Plan Court Report	3.00[ab]	2.13[a]	2.38[b]	0.002
Stability of Placement	2.83[a]	2.13[a]	2.52	0.021

Means with identical subscripts represents significant difference between means (ANOVA);
Items range from (1) Poor to (5) Excellent

Differences Across Agencies

Table 3 shows responses for attorneys working in privatized areas. There were no significant differences in perceptions between DHHS caseworkers and Lead Agency caseworkers for communications or timely responses.

Table 3: Mean Differences on Perceptions of Agencies among Private Attorneys

		DHHS	Lead Agency
		Mean	Mean
Q5	In the past year, My Experience is that Communication with Caseworkers has been Adequate	2.30	2.37
Q6	In the past year, my experience is that agency responses to my requests or inquiries have been timely	2.55	2.25

*p<.05 (t-tests))

Table 4 shows the responses for attorneys working in privatized areas for behavioral health needs and services for parents. There were no significant differences between DHHS and Lead Agency caseworkers; however there were differences in relation to Medicaid/Magellan and Court-Ordered care. Court ordered care received significantly higher ratings while Medicaid/Magellan received significantly lower ratings for both behavioral health services for children and services/treatment for parents.

Table 4: Mean Differences on Perceptions of Agencies among Private Attorneys

	DHHS	Lead Agency	Medicaid/ Magellan	Court Ordered	
	Mean	Mean	Mean	Mean	p-value
In the past year, my experience is that services for the Psychological or Behavioral Health needs of the child (e.g., counseling) have been satisfactory	2.56^{ab}	2.49^{cd}	1.93^{ace}	3.46^{bde}	0.000
In the past year, my experience has been that supportive services and treatment for parent/s (e.g., substance abuse, mental health) have been satisfactory	2.59^{ab}	2.39^{c}	2.13^{ad}	3.26^{bcd}	0.000

Means with identical subscripts represents significant difference between means (ANOVA)

Table 5 shows the responses for attorneys working in non-privatized areas for behavioral health needs and services for parents. There were significant differences for both questions; respondents rated court ordered the highest and Magellan/Medicaid the lowest.

Table 5: Mean Differences on Perceptions of Agencies among Non-Private Attorneys

	DHHS	Medicaid/ Magellan	Court Ordered	
	Mean	Mean	Mean	p-value
In the past year, my experience is that services for the Psychological or Behavioral Health needs of the child (e.g., counseling) have been satisfactory	2.74ab	1.96ac	3.56bc	0.000
In the past year, my experience has been that supportive services and treatment for parent/s (e.g., substance abuse, mental health) have been satisfactory	2.71ab	2.21ac	3.39bc	0.000

Means with identical subscripts represents significant difference between means (ANOVA)

Table 6 shows the responses for attorneys working in privatized areas for perceptions about supportive services for foster parents and reliable visitation schedules. There was a significant difference for supportive services for foster parents. DHHS caseworkers were rated significantly higher than lead agencies or subcontracting agencies. There were no significant differences across DHHS, Lead Agencies, and Subcontracting Agencies for reliable visitation schedules.

Table 6: Mean Differences on Perceptions of Agencies among Private Attorneys

	DHHS	Lead Agency	Sub Contracting Agency	
	Mean	Mean	Mean	p-value
In the Past Year, My Experience has been that Supportive Services for Foster Parents (e.g., child care, respite) and Payments for Foster Care Services (i.e., maintenance payments/monthly stipend) have been Satisfactory	2.81ab	2.39a	2.56b	0.001
In the Past Year, My Experience has been that Parenting Time or Visitation Schedules have been Reliable	2.58	2.33	2.33	0.113

Means with identical subscripts represents significant difference between means (ANOVA)

Table 7 shows the responses for attorneys working in non-privatized areas for perceptions about supportive services for foster parents and reliable visitation schedules. DHHS caseworkers were rated significantly higher than subcontracting agencies for supportive services for foster parents. There were no significant differences between perceptions about DHHS and Subcontracting Agencies for reliable visitation schedules.

Table 7: Mean Differences on Perceptions of Agencies among Non-Private Attorneys

	DHHS	Lead Agency	Sub Contracting Agency	
	Mean	Mean	Mean	p-value
In the Past Year, My Experience has been that Supportive Services for Foster Parents (e.g., child care, respite) and Payments for Foster Care Services (i.e., maintenance payments/monthly stipend) have been Satisfactory	2.78	2.30	.48*	2.78
In the Past Year, My Experience has been that Parenting Time or Visitation Schedules have been Reliable	3.10	2.69	0.41	3.10

***P < .05 (t-test)**

Differences between Attorneys Working in Privatized and Non-Privatized Areas

Table 8 shows differences between attorneys in privatized areas versus those in non-privatized areas in terms of rating DHHS caseworkers on different dimensions. There were significant differences for three of the six questions. Attorneys in non-privatized areas rated DHHS caseworkers significantly more favorably on communication, timely responses, and reliable visitation than did attorneys from privatized areas.

Table 8: Mean Differences between Private Attorneys and NonPrivate Attorneys on Perceptions of DHHS Caseworkers

Question	Private	NonPrivate
	Mean	Mean
In the past year, My Experience is that Communication with Caseworkers has been Adequate	2.31	3.53*
In the past year, my experience is that Agency Responses to my Requests or Inquiries have been Timely	2.52	3.30*
In the past year, my experience is that services for the Psychological or Behavioral Health needs of the child (e.g., counseling) have been satisfactory	2.60	2.76
In the past year, my experience has been that supportive services and treatment for parent/s (e.g., substance abuse, mental health) have been satisfactory	2.61	2.8
In the Past Year, My Experience has been that Supportive Services for Foster Parents (e.g., child care, respite) and Payments for Foster Care Services (i.e., maintenance payments/monthly stipend) have been Satisfactory	2.74	2.80
In the Past Year, My Experience has been that Parenting Time or Visitation Schedules have been Reliable	2.56	3.13*

* indicates significant difference p < .05 (t-test); Items range from (1) Strongly Disagree to (5) Strongly Agree

Table 9 shows differences between the perceptions of attorneys working in privatized areas versus those in non-privatized areas in terms of rating Medicaid/Magellan on different dimensions. Table 10 shows the same comparison for when treatment was court ordered. There were no significant differences between the two groups for any dimension.

Table 9: Mean Differences between Private Attorneys and NonPrivate Attorneys on Perceptions of Magellan/Medicaid

Question	Private Mean	NonPrivate Mean
In the past year, my experience is that services for the Psychological or Behavioral Health needs of the child (e.g., counseling) have been satisfactory	1.91	1.93
In the past year, my experience has been that supportive services and treatment for parent/s (e.g., substance abuse, mental health) have been satisfactory	2.12	2.17

* indicates significant difference $p < .05$ (t-test); Items range from (1) Strongly Disagree to (5) Strongly Agree

Table 10: Mean Differences between Private Attorneys and NonPrivate Attorneys on Perceptions when treatment was court ordered

Question	Private Mean	NonPrivate Mean
In the past year, my experience is that services for the Psychological or Behavioral Health needs of the child (e.g., counseling) have been satisfactory	3.44	3.56
In the past year, my experience has been that supportive services and treatment for parent/s (e.g., substance abuse, mental health) have been satisfactory	3.29	3.39

* indicates significant difference $p < .05$ (t-test); Items range from (1) Strongly Disagree to (5) Strongly Agree

Table 11 shows the differences between the perceptions of attorneys working in privatized areas versus those in non-privatized areas in terms of rating various dimensions of the child welfare system under full privatization. There were significant differences on three dimensions. Attorneys in non-privatized areas rated case worker judgment, caseworker responsiveness, and caseworker contact significantly higher than did attorneys in privatized areas.

Table 11: Mean Differences Between Private and Non-Private Attorney on Quality of the Child Welfare System Pre-Privatization, Partial Privatization, and Post Privatization

	Private Mean	NonPrivate Mean
Availability of services - Post-Privatization (i.e., since termination of B&GH's contract)	1.93	2.04
Access to services - Post-Privatization (i.e., since termination of B&GH's contract)	1.81	2.12
Quality of services - Post-Privatization (i.e., since termination of B&GH's contract)	2.32	2.54
Stability of services - Post-Privatization (i.e., since termination of B&GH's contract)	1.93	2.00
Caseworker knowledge of case - Post-Privatization (i.e., since termination of B&GH's contract)	2.10	2.54
Caseworker judgment concerning case - Post-Privatization (i.e., since termination of B&GH's contract)	2.07	2.70*
Caseworker contact with children and families - Post-Privatization (i.e., since termination of B&GH's contract)	2.29	2.65
Caseworker responsiveness to the needs of children and families - Post-Privatization (i.e., since termination of B&GH's contract)	2.02	2.52*
Caseworker contact with you as attorney - Post-Privatization (i.e., since termination of B&GH's contract)	2.17	2.75*
Caseworker contact with other parties - Post-Privatization (i.e., since termination of B&GH's contract)	2.28	2.54
Caseworker turnover - Post-Privatization (i.e., since termination of B&GH's contract)	1.31	1.63
Timeliness of case plan court report - Post-Privatization (i.e., since termination of B&GH's contract)	1.98	2.13
Quality of case plan court report - Post-Privatization (i.e., since termination of B&GH's contract)	1.95	2.38
Stability of placement - Post-Privatization (i.e., since termination of B&GH's contract)	2.61	2.52

* P < .05

Tables 12 and 13 show differences between the perceptions of attorneys working in privatized areas versus those in non-privatized areas in regarding whether privatization would eventually be successful and whether child safety, permanency, and wellbeing are better since

privatization. There were no significant differences between the two groups for either question. Mean responses for each group of attorneys fell between strongly disagree and disagree that privatization, as it is currently structured, will eventually be successful. Mean responses for each group of attorneys fell between somewhat worse and the same regarding the status of child safety, child permanency, and child wellbeing since privatization.

Table 12: Mean Difference between Attorney in Private vs. Non-Private Areas

	Private	NonPrivate
	Mean	Mean
Privatization, as it is currently structured, will eventually be successful	1.87	1.89

*p<.05 (t-test); 1 Strongly Disagree, 2 Disagree, 3 Neutral, 4 Agree, and 5 Strongly Agree

Table 13: Mean Difference between Attorney in Private vs. Non-Private Areas

	Private	NonPrivate
	Mean	Mean
Child Safety	2.20	2.23
Child Permanency	2.19	2.11
Child Well-being	2.16	2.22

*p<.05 (t-test); 1 Worse, 2 Somewhat worse, 3 Same, 4 Somewhat better, and 5 Better

Attachments 1 and 2 include the comments by attorneys to the questions, "Do you have specific concerns about privatization that have not been covered by this survey? And "What are the three things that you feel would make the biggest impact and improve the system as it currently exists?"

Attachment 1: Responses to the question:

Do you have specific concerns about the privatization that have not been covered by this survey? Please elaborate in the space provided below

- Actual coordination of services, not simply referrals
- Adequate funding to fund sufficient HHS personnel
- Appropriate training of workers
- Availability of services
- Better access to mental health and substance abuse treatment
- better qualified caseworkers
- Coordination with private, community service providers
- Decrease caseworker turnover
- DHHS contact with families
- Flexibility
- focus back on the children
- freedom of choice of providers
- Funding

- HHS needs to work collaboratively with the parties and communicate more.

- If you are going to have contractors, then they have to be reliably paid
- Improve caseworker retention
- improve services, especially counseling etc.
- increase caseworkers
- Increased availability of services
- Increased timeliness of services
- Less worry about cost of services
- Limit the number of cases per caseworker
- Lower caseloads
- Lowering caseloads so that families get the attention they need

- More adequate training of caseworkers especially regarding court system
- more direct professional involvement in case plan
- more direct, sustainable help- employment, housing

- More group homes and treatment facilities outside of metro areas.
- More money to keep our good workers (too bad they all left)
- More services (psychological, family support, medical)
- More time spent on finding family placements
- more timely court hearings
- more workers
- One central person to communicate to parties
- oversight
- personnel stability, same service providers, they change too much

- Privatization simply adds more bureaucrats to deal with.
- Provide Medicaid funded substance abuse treatment for parents.

- Providing low functioning clients with better and more appropriate services
- Reliability.
- Return case management to HHS & hire more workers
- Revamp Magellan's procedures to make it easier for the caseworker.
- Scrap Magellan; it provides ineffective service delivery.
- Smaller ratio of workers to families

- stop allowing Magellan to decide what services will be provided and paid for
- training for CFPS
- worker knowledge

Attachment 2: Responses to the question:

What are three things that you feel would make the biggest impact and improve the system as it currently is?

- Adequate Finances
- Better access to appropriate level of care
- better communication with caseworker and attorney
- Broader service availability

- Caseworker take responsibility instead of blaming someone else
- communication and timely provision of services
- Creativity
- DHHS listening to us!
- DHHS participating in case planning
- fewer layers of supervision
- focus on placement (better options; increase numbers)
- Funding
- Get more service providers

- Greater willingness by KVC as an entity to work with bio parents

- Have a separate Ombudsman to address problems with HHS and juvenile court issues.
- Have the proper facilities for all levels of care needed

- Hire a couple more caseworkers instead of spending more money on outsourcing services.
- Honesty from the very top of DHHS

- Improve mental health and substance abuse resources outside of metro areas
- Lead agency following court orders re services
- Less supervisors and more front line workers.
- Lower case load.
- More family support workers

- More local services generally, especially for independent living preparation.

- More providers/workers involved in the case - more eyes on the situations
- more services designed/provided that permit kids to stay in home
- More services in the home to maintain placement
- new subcontractors
- Providing sufficient monetary resources to the contract agencies.
- Reduce caseloads; fire the "deadwood;" intensify training
- Reduce length of reports and improve their quality.
- remove privatization
- Shorter time to permanency
- stability
- stability in the child welfare system

- stability in visitations for the children; frequent changes and poor planning impact the children
- Stop nickel and diming foster families and the children.
- Stop the micro-management
- Streamlining of financial payment for services
- uniform training for all contractors

Chapter 8

Foster Care Review Board Report

"Permanency is very important for youth aging out. If they have a lifelong relationship, they can go and call and say, you know, 'How do you change a tire?' or 'How do I bake this?' or just for any reason . . . it's very hard on your own. Positive permanency can occur when there's at least one positive connection between the child and a trusted adult or friend. It doesn't have to be a foster parent. That would be great if it was. It could be a teacher or guidance counselor, a best friend even or a best friend's parents."

~ Former foster care youth

The Hon. Dave Heineman
Governor

Carolyn K. Stitt
Executive Director

The Nebraska Foster Care Review Board 2010 Annual Report

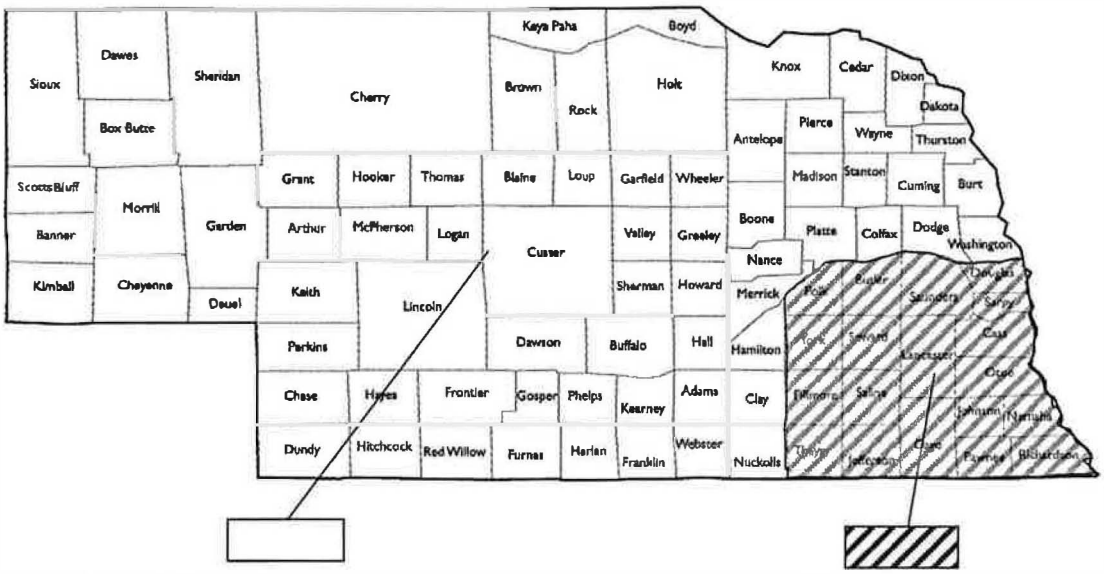
With additional information on the Child Welfare System Reform's Effects on Children and Youth January-June 2011

Statistics from Calendar Year 2010
And interim statistics from the first half of 2011

Issued December 2011

Submitted pursuant to Neb. Rev. Stat. §43-1303(4).

A description of who provides case management in Nebraska
As of June 30, 2011



DHHS provides case management for 1,719 children in 74 counties (40% of children in care)

Lead Agencies* provide case management for 2,553 children in 19 counties (60% of children in care)

*Douglas/Sarpy Counties have some children who receive case management from a Lead Agency and some children who receive case management from DHHS workers.

State FCRB Board of Directors, October 1, 2011

Georgina Scurfield, Chair, MSW, Director of Sarpy County CASA Program, Papillion;
Mario Scalora, Vice-Chair, PhD. Child Clinical Psychologist, Assoc. Professor of Psychology UNL, Lincoln
Gay McTate, LCSW, ILMHP, Therapist at Family Enrichment, Omaha
Marcia Anderson, Local board member, attorney, Omaha
Thomas Incontro, GAL, attorney, Omaha
Mary Jo Pankoke, Statewide Advocate, Dir. Nebraska Child and Families Foundation, Lincoln
Jill Reel, M.D. Pediatrician, Omaha
David Schroeder, Local board member, Reporter, host KRVN Radio, Lexington
Susan Staab, Local board member, Lincoln
Acela Turco, Business Representative, Co-owner Tuffy Auto Service in West Omaha
Mark Zimmerer, Director, Child Advocacy Center, Norfolk

Executive Staff
Carolyn K. Stitt, Executive Director
Linda M. Cox, Data Coordinator
Heidi Ore, Administrative Coordinator
Mary Furnas, Program Coordinator

Reform summarized and defined

In 2009, DHHS entered into agreements with five contractors (the "Lead Agencies"), to coordinate services for child welfare cases across the state. Children's cases began to transfer to the Lead Agencies starting in November 2009, and the FCRB began monitoring Reform.

During 2010 the Lead Agency contracts were changed multiple times, including the scope of services provided and agency responsibilities. In April 2010, two of the agencies terminated their agreements and their responsibilities reverted back to DHHS and then children's cases were transferred to the other Lead Agencies. In October 2010 a third Lead Agency withdrew, leaving two Lead Agencies which covered the Omaha and Lincoln metro areas and southeast Nebraska. Each of the three agencies cited financial concerns. In October 2010, in the Northern, Central, and Western service areas, DHHS resumed service coordination and case management.

Starting January 1, 2011, the two remaining Lead Agencies also became responsible for all case management duties for the children assigned to them. In the Northern, Central, and Western service areas, DHHS retained those duties.

On August 17, 2011, DHHS announced it would transfer 620 families to a Lead Agency for case management.

Throughout Reform the FCRB has identified issues such as:

- caseworker (both DHHS and Lead Agency) changes increasing;
- non-compliance with the Foster Care Review Act and Lead Agency contract requirements for reporting caseworker and placement changes and critical documentation in children's files; less accurate and less timely information in case files, or information missing from case files;
- a significant loss of placement options for children due to loss of or closing of foster homes, group homes, and shelters;
- fewer service providers available; and,
- inadequate oversight and accountability for Nebraska's children in foster care.

Response to recommendations in the FCRB's December 2010 Report on Reform

In December 2010 the Foster Care Review Board issued a report on Reform. Several of our recommendations have since been acted upon.

1. The Legislature's Performance Audit Committee studied Reform and issued a report.
2. The Legislature adopted LR 37, and held hearings across the state.
3. The State Auditor conducted a fiscal audit and issued a report.
4. Lead agency management increased their focus on missing documentation.
5. DHHS began development of a structure for oversight and as of this writing is in the process of developing standards, procedures, reporting, and quality control metrics.

Based on the rationale presented in this Report, the FCRB recommends the following to rebuild the child welfare infrastructure:

1. **Stabilize the system by reducing workloads for front-line workers, and increasing retention, training and supports.**

   Examples would include:

   - Weigh cases according to demands and complexity (number of siblings; level of need) and consider other duties assigned (transportation, visitation monitoring) when developing reasonable caseload size.
   - Training, supervision, and caseload size should reflect the need for timely and accurate record keeping, both for comprehensive clarity in children's files and for entry into the SACWIS system for reporting to the FCRB as required by statute.

2. **Increase the number of placements available and increase the appropriateness of those placements.**

   Examples would include:

   - Increase the resources provided to foster parents.
   - Ensure that relative placements receive adequate support and oversight.
   - Assure that reimbursement rates for relative and non-relative foster parents are adequate to provide room and board.
   - Increase the number of foster homes available, especially those willing to take older children, sibling groups, or children with difficult behaviors, and increase the capacity of group homes and shelters to meet current needs.
   - Develop a process that will allow someone placing a child in a home to have sufficient information about other children in the home so that a safety assessment can be made.

3. **Collaboratively develop a comprehensive, clearly defined, and communicated plan on how the child welfare system will be structured.**

   Such a plan must include:

   - achievable goals, with timelines for goal achievement,
   - standards for service delivery, documentation, and court participation,
   - plan for responding to safety issues,
   - clarity as to how children are counted in the system so that comparisons with other states can be more accurately made, and
   - adequate and clear evaluation and oversight processes.

   Place a moratorium on additional structural changes until a plan is developed.

4. **Improve access for mental health and substance abuse services for children and parents, including services to address children's behavioral issues.**

   Examine what managed mental health care will and will not fund. Examine the appeals process to ensure it is realistic.

Description of children and families who rely on the child welfare system

On June 30, 2011, there were 4,272 children in out-of-home care, all of whom had experienced a significant level of trauma and abuse prior to their removal from the parental home.

Through reviews of individual children's cases the FCRB is aware that the reasons for children being removed from the home are varied, with many children having multiple reasons.

The following are the top reasons children enter care:

1. Neglect, defined as the failure to provide for a child's basic physical, medical, educational, and/or emotional needs (58%).
2. Parental substance abuse (30%).
3. Substandard housing (25%).
4. Children's behavioral issues, which are often a symptom of the child's mental health issues (24%).
5. Physical abuse (19%).
6. Domestic violence (13%).
7. Parental incarceration (10%).
8. Sexual abuse (7%).
9. Abandonment by the parent (7%).

What these statistics do not adequately communicate is that children enter the system already wounded with increased vulnerability for further injury because of their family's pervasive alcohol and drug issues, a lack of adequate food and shelter (extreme poverty), domestic violence, serious and often untreated mental health issues, parental intellectual limitations, and/or their own serious physical or mental conditions.

In cases where ongoing safety issues exist and/or the parents are unwilling or unable to voluntarily participate in services to prevent removal, the children are placed in a foster home, group home, or specialized facility as a temporary measure to ensure the children's health and safety.

It is the statutory charge and duty of DHHS and the other key players of the child welfare system to reduce the impact of abuse whenever possible, and to minimize the trauma of the child's removal. This is accomplished by providing appropriate services to the family in a timely manner, obtaining written documentation of their participation and progress (or lack of progress as the case may be), and then providing those reports to the court and legal parties so that informed decisions regarding a child's permanency and future can be timely. The goal is to minimize a child's time in out-of-home care.

Basis for the data and information cited in this report

The Foster Care Review Board's (FCRB) role under the Foster Care Review Act (Neb. Rev. Stat. §43-1301-4318) is to independently track children in out-of-home care, review children's cases, collect and analyze data related to the children, and make recommendations on conditions and outcomes for Nebraska's children in out-of-home care, including any needed corrective actions. FCRB reports are to be distributed to the judiciary, public and private agencies, the Department of Health and Human Services (DHHS), and the public.

Per Neb. Rev. Statute §43-1303 DHHS (whether by direct staff or contractors), courts, and child-placing agencies are required to report to the FCRB any child's foster care placement, as well as changes in the child's status (for example, placement changes and worker changes). By comparing information from many sources, the FCRB determines discrepancies.

When case files of children are reviewed, previously received information is verified and updated, and additional information is gathered. Prior to reports being issued, additional quality control steps are taken.

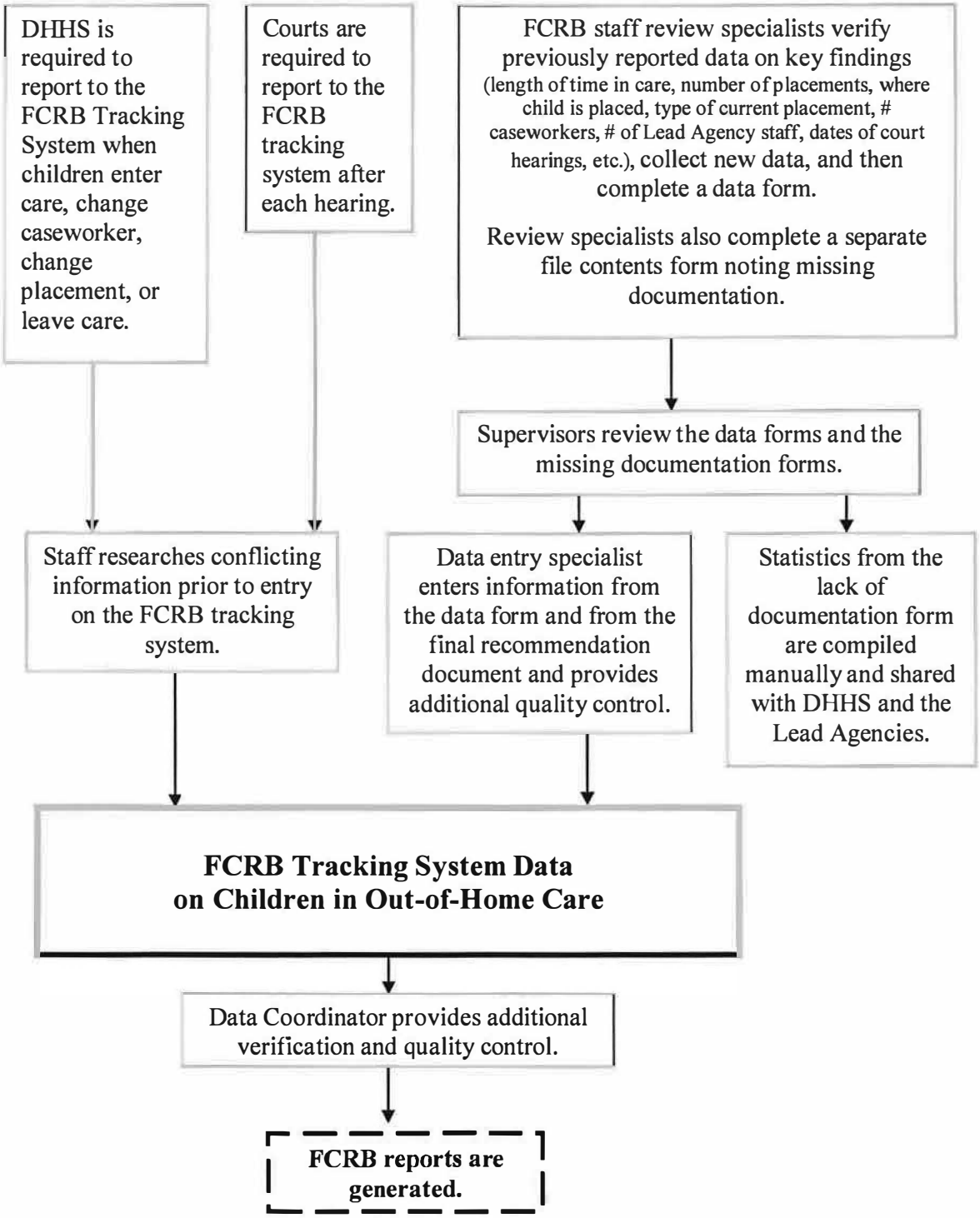
Per the Family Policy Act (Neb. Rev. Stat. §43-533), it is the state's policy that the health and safety of the child are of paramount concern; therefore, children's health and safety are the focus of the FCRB's recommendations and this report.

The FCRB's recommendations in this report are based on the following:

- An analysis of the data for the 8,258 children who were in out-of-home care for some or all of 2010 as input on the FCRB's tracking system, as well as tracking children in out-of-home care in 2011.
- Information staff collected from the 4,730 reviews conducted in 2010, as well as 2,383 reviews conducted January-June 2011.
    - Data collected during the review process, including the local volunteer board's findings on key indicators, are recorded on the FCRB's independent tracking system, along with basic information about each child who enters or leaves foster care.
    - Data is also updated each time there is a change for the child while in foster care, such as if there is a change of placement or caseworker.

<u>DHHS/Lead Agency non-compliance with reporting requirements</u>. Through the above quality control steps the FCRB is aware that there are some worker and placement changes that are not reported as mandated under §43-1303, and the number of such changes is most likely under-reported. This is non-compliance with the FCRB statute and with the Lead Agencies contractual requirements, as DHHS and Lead Agencies are both subject to state law regarding the FCRB. The FCRB continues to report these instances to DHHS for correction.

The FCRB Tracking Process



Pre- and post child welfare reform data comparison

The data below was collected by the FCRB from information provided by the Courts, DHHS, the FCRB staff who complete data forms at the point of review, and from the findings made by the local volunteer FCRB boards.

Board Finding	Children reviewed in 2008 (pre-Reform)	Children reviewed in 2010 (when most had contracted service coordination)	Children reviewed Jan-June 2011 (when some had contracted case management)
No documentation of placement safety or appropriateness	**19%** (831 of 4,457)	**32%** (1,496 of 4,730)	**37%** (871 of 2,383)
Lack of a complete case plan	**26%** (1,162 of 4,457)	**38%** (1,816 of 4,730)	**43%** (1,028 of 2,383)
Lack of progress towards permanency	**32%** (1,424 of 4,457)	**33%** (1,537 of 4,730)	**33%** (797 of 2,383)
Unclear progress towards permanency	**22%** (961 of 4,457)	**20%** (931 of 4,730)	**24%** (579 of 2,383)
Permanency needs to be finalized	**11%** (471 of 4,457)	**11%** (504 of 4,730)	**14%** (342 of 2,383)
	Children in care on December 31, 2008	**Children in care on December 31, 2010**	**Children in care on June 30, 2011**
Children in out-of-home care	**4,620** children	**4,301** children	**4,272** children
4 or more DHHS case managers[1]	**35%** (1,659 of 4,630)	**49%** (2,067 of 4,301)	**51%** (2,193 of 4,272)
4 or more Lead Agency staff	Not applicable	**11%** (469 of 4,301)	**21%** (536) of the 2,553 assigned to a Lead Agency
Children previously in out-of-home care	**41%** (1,846 of 4,620)	**39%** (1,676 of 4,301)	**39%** (1,660 of 4,272)
4 or more placement while in foster care	**55%** (2,551 of 4,620)	**51%** (2,181 of 4,301) [may be underreported, see page 12]	**49%** (2,083 of 4,272) [may be underreported, see page 12]
	Jan-June 2008	**Jan-June 2010**	**Jan-June 2011**
Adoptions completed	**218**	**175**	**155**

[1] Research shows an increased probability that a child will be successfully reunified with the parents or otherwise achieve permanency when there are fewer caseworker changes. [*Placement Instability in Child Welfare*... Seattle, WA: Casey Family Programs found children who had only one worker achieved permanency in 74.5% of the cases. As the number of case managers increased the percentage of children achieving permanency substantially dropped, ranging from 17.5% for children who had two case managers to a low of 0.1% for those who had six or seven case managers.] Case worker continuity can affect placement stability. Placement stability is beneficial for children's overall well-being and sense of safety [e.g., American Academy of Pediatrics statement], and research finds it is more cost-effective. Caseworker stability increases children's well-being and decreases costs.

New issues identified since implementing Child Welfare Reform

Since cases began to transfer to Lead Agencies in November 2009, the following issues have been identified through the FCRB's reviews of children's cases and tracking indicators:

Safety issues

Safety plans may not fit the circumstances, because the Lead Agency staff developing the plan lacks sufficient background on the case.

Lack of access to needed information. Some foster parents directly reported that multiple agencies were seeking to place children with them. Due to confidentiality, these agencies cannot ask about the other children already in the placement, and thus cannot assure the mixture of children would be appropriate.

Children may be inappropriately returned home (39% of the children in care have been in care before).

Increased numbers of **voluntary cases, without clear criteria for which cases qualify for voluntary status**

Worker changes and workload issues
(51% of the children have had 4 or more DHHS workers, and 21% of those assigned a Lead Agency had 4 or more Lead Agency staff)

Case knowledge has been lost due to the number of worker changes and the amount of missing documentation.

Case stability has been negatively affected by the number of staff changes and the number of changes in the roles of DHHS and the Lead Agencies.

Workloads have become a larger issue.

Issues with placements and services

Loss of infrastructure, including therapists, placements (group and foster homes), and other service providers who have quit or soon will be no longer providing their services due to slow or no payment, payment reductions, communication, and coordination issues.

Inadequate foster parent reimbursement. Both non-familial and relative foster parents have anecdotally reported reductions in their reimbursement. Relatives report receiving half the non-relative rate in order to provide for the children's food, clothing, and shelter – and many times this presents a real hardship.

Courts, county attorneys, guardians ad litem, counties, the FCRB, and others report that they are incurring additional expenses due to efforts needed to cope with recent changes *(loss of documentation, subpoenaing additional parties, loss of case knowledge).* This was cited by several parties in testimony before the Legislature's LR 37 hearings, and in other public meetings.

Siblings may not be placed together due to the lack of available foster homes. (8% of those not placed with siblings have no visits with siblings, another 21% have no documentation of whether visits occurred)

Foster parents report increased delays or difficulties in reaching workers assigned to their cases.

All parts of the system coping with the stresses of multiple, significant changes in personnel, roles, and functions occurring in a short period of time – change fatigue

Supporting documentation follows...

Reform's impact on safety, documentation, placements, sibling connections, visitation, service capacity, planning, collaboration, and oversight

LEAD AGENCY FRONT-LINE STAFF AND SAFETY:

(Lead agency staff persons who provide case management
are called Family Preservation Specialists or FPS.
Lead agency staff were formerly known as service coordinators)

The FCRB recognizes the dedication and efforts of Lead Agency staff who have and are serving across the state. The following observations in no way minimize their efforts.

Retention of Lead Agency Family Preservation Specialists (FPS) is a significant issue. One of the issues affecting FPS retention is workloads. Worker changes can create situations where workers do not have physical contact with the children on their caseload and cannot ensure safety, where there are gaps in the information transfer and/or documentation, where workers lack knowledge of a case history needed to determine service provision or make recommendations on case direction, and can affect worker's knowledge on the quality and availability of services. FPS turnover is also costly, creating a need to continuously recruit and train new FPS personnel.

The following shows the FPS changes reported on the 2,553 children whose cases had been assigned to a Lead Agency and who were in out-of-home care on June 30, 2011. None of the children in the chart had been with a Lead Agency over 18 months.

# of FPS while in out-of-home care	Children	Lincoln/SE	Omaha Agency 1	Omaha Agency 2
1 FPS	968	346	321	301
2 FPS	637	283	153	201
3 FPS	412	215	122	75
4 FPS	249	148	69	32
5 FPS	157	107	45	5
6 FPS	76	53	19	4
7 FPS	35	31	4	0
8 FPS	12	11	1	0
9 FPS	5	5	0	0
10 FPS	2	2	0	0
Total	**2,553**	**1,201**	**734**	**618**

The chart may under represent the number of FPS changes due to data not being reported to the FCRB as required.

These children most likely also experienced changes in the DHHS staff person assigned to provide oversight to their cases, with 1,604 (63%) also experiencing four or more

DHHS persons assigned to their case while they were in out-of-home care over their lifetime.

MISSING DOCUMENTATION

Documentation is vital as it is the evidence needed in order to facilitate prudent decisions by the judiciary and others on case direction and is used to determine that children are safe. It also forms the basis for future decisions. Missing documentation has always been an issue, and since Reform has become an even larger issue. For example, in 2008, 19% of the files reviewed were missing home study information; in 2011 36% of the files were lacking home study information. A home study is documentation which contains critical information about the foster family's history, parenting practices, social issues (drug/alcohol use), and the physical condition of the home.

FCRB staff identified an increasing issue with DHHS file problems in early 2010, shortly after Reform began. DHHS and Lead Agencies were notified. In a collaborative process led by the FCRB Director, DHHS and the Lead Agencies agreed that FCRB staff would collect data on missing documentation while the FCRB staff prepared for their reviews. In July 2010 FCRB staff began tracking statistics regarding the number of children's files reviewed that did not contain essential case documentation to quantify the issue, report to DHHS and the Lead Agencies and measure improvements. If any file problems exist, they are reported to DHHS and the Lead Agency. Monthly statistics are distributed to DHHS and Lead Agencies.

The FCRB collected data on DHHS/Lead Agency file contents in the following categories for 2,281 children's files statewide reviewed January-June 2011 (this included cases not assigned to a Lead Agency as well as cases assigned to a Lead Agency). Some children's files lacked more than one type of documentation.

Type of document not found	Total	Casework provided by Lead Agency 1	Casework provided by Lead Agency 2	Casework provided by DHHS
Educational records[2]	934 children's files (41%)	41%	51%	37%
Therapy records	853 children's files (38%)	35%	40%	33%
Home study/update [caregiver characteristics and strengths, and type of children the placement could best serve]	816 children's files (38%)	38%	51%	28%
Immunization	728 children's files (32%)	32%	53%	24%
Health records other than immunization [checkups, dental]	663 children's files (24%)	28%	41%	26%
Placement reports (safety in placement)*	547 children's files (24)%	22%	38%	21%
Visitation reports	515 children's files (23%)	22%	20%	21%
Assessments/evaluations	466 children's files (20%)	18%	27%	21%

[2] As required per the federal Fostering Connections to Success and Increasing Adoptions Act of 2008.

Paternity	427 children's files (19%)	20%	27%	18%

*Lead agencies are to maintain accurate documentation of information from or about placements as it is received. This information has consistently been missing from the case files. Consequently, for 43% of the children reviewed whose case was assigned to a contractor the FCRB cannot determine if they are safe in their placements and if appropriate services are being provided.

In addition, DHHS is required per Neb. Rev. Stat. §43-1303 to report placement changes to the FCRB within three days. It does so via the N-FOCUS computer system. Lead agencies are to put placement information on N-FOCUS; however, through reviews the FCRB continues to find cases where placement information was not current on the N-FOCUS system.[3] The FCRB reports these instances to DHHS and the Lead Agency involved for correction.

As a result of missing documentation, there can be evidentiary or reasonable efforts issues when documentation regarding parental compliance and progress is missing or not available, and permanency may be delayed. There may also be difficulty in completing some termination of parental rights trials due to a lack of documentation.

FEWER PLACEMENTS AVAILABLE

Prior to Reform the FCRB reported the need to develop more placements for children with specific needs (see list below). DHHS awarded significant funding ($7 million[4]) to the Lead Agencies to defray start-up expenditures to build capacity. Some two years later, there are fewer placements available than before Reform started.

Data below is from the DHHS website.[5] During November 2009 the first cases began to transfer to a Lead Agency for service provision.

Type	November 2009 Statewide Total	January 2011 Statewide Total	% Change
Licensed homes	2,025*	1,690*	-17%
Approved homes	1,895	1,892	none
Child Caring	62	53	-15%
DHHS # children placed out-of-home	4,373	4,118	-6%

*The number of licensed foster homes in the chart above may not reflect the number of foster homes that are still in operation. For example, foster parents who have recently quit or will soon quit foster parenting have reported to the FCRB that they plan to take no additional children and let their license expire rather than renew it when it comes due. Consequently, the number of licensed foster homes may not reflect the number of available foster homes.

[3] Lead agency contracts state "The contractor agrees they are subject to and will comply with state law regarding the FCRB."
[4] Attestation Report of the DHHS Child Welfare Reform Contract Expenditures, State Auditor of Public Accounts, September 2011, page 99.
[5] Found on http://www.dhhs.ne.gov/Children_Family_Services/.

In January 2011 in Douglas County the number of licensed foster homes was 21% less than in 2009. While there was an increase in approved foster homes (9%) that did not compensate for those that were lost.

In addition to decreased numbers of placements, there remain issues with the number of available homes that are willing to take in children with specific needs, such as severe behavioral and mental health conditions, older children and teens, or large sibling groups. This adds to the impact of fewer homes being available.

Between 2009 and 2011, 19 group homes and 2 shelters closed due to issues with late/non-receipt of payments, Medicaid payment changes, or other reasons.

PLACEMENT SAFETY AND APPROPRIATENESS

Pursuant to Nebraska statute, the FCRB is required to make a finding on the safety and appropriateness of children's placements during each review regardless of how long the child has been in the placement. Most children enter care due to abuse or neglect. **The system has a statutory obligation to place children in a safe placement and provide needed services.**

The FCRB cannot assume safety in the absence of documentation. Many files (37%, or 871 of 2,383 reviews) do not contain essential safety and other information about the child's placement. The mix of children in the placement is often not considered prior to placement, and there is no one point of oversight for children's placements.

Regarding appropriateness, consideration is given as to whether this is the least restrictive placement possible for the child, and whether there is documentation that the placement is able to meet this particular child's needs.

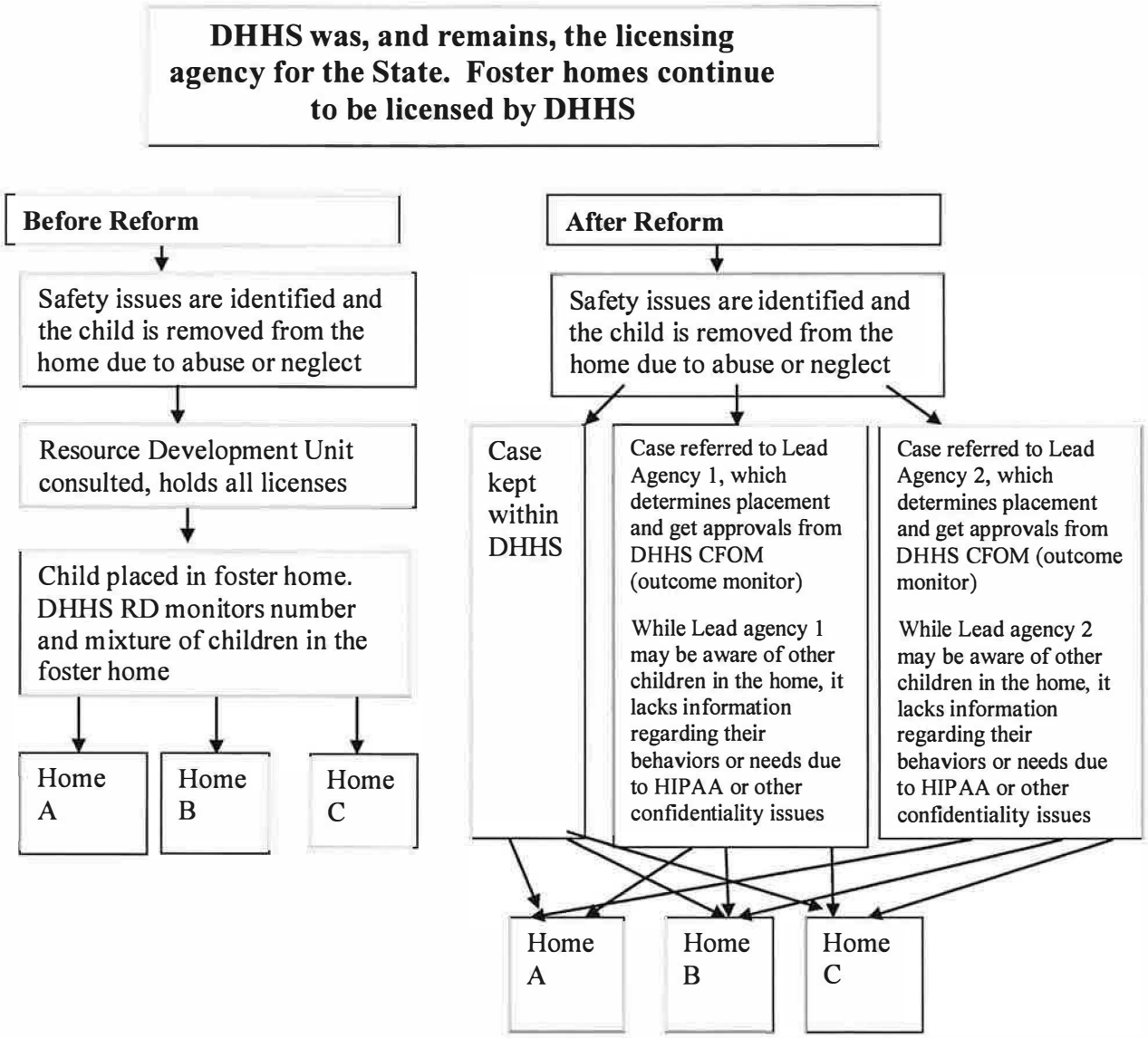
After carefully considering the available information, the FCRB found for 2,383 children reviewed January-June 2011:

- **871 children's files statewide (37%) did not contain the documentation needed to make a determination of the safety and appropriateness.** The percent of files lacking this varied by region. For example 54% of the files in the Omaha area did not contain this documentation, while 25% of the files in Lincoln did not have this documentation.
- 67 children were in inappropriate placements as designated by the FCRB at the time of the review. The placement was found to be safe, but not able to meet the individual child's needs. One common example is where a teen is placed in a placement best suited for young children.
- 3 children were found to be in unsafe placements as designated by the FCRB (in need of immediate removal) at the time of the review. In making this finding the FCRB considers the type of placement, the mixture of children in the placement, the individual needs of the children, and whether or not a safety plan is in place.

Further impacting safety, Lead Agencies and their subcontractors are using the same foster homes without knowing who else is placed there and what the other children's backgrounds are. This is illustrated in the following chart.

How placing children has become more complicated In the Eastern Service Area

(Douglas & Sarpy Counties)



MAINTAINING CONNECTIONS WITH SIBLINGS

Children who have experienced abuse or neglect may form their strongest bonds with siblings. If such bonds exist it is important to keep them intact, or children can grow up without essential family.

It can be difficult for the State to find placements willing to take large sibling groups, especially if the children also pose some significant behavioral issues. In the absence of being placed together, sibling bonds can be kept intact through sibling visitation.

Therefore, local volunteer board members are required to make a finding during reviews regarding sibling contacts. In reviewing cases from January-June 2011, the FCRB found that for 1,151 children sibling visitation was not applicable because either the child had no siblings or the siblings were placed together. For the remaining 1,232 children:

- For 806 children (65%) sibling visitation was occurring.
- For 160 children (13%) sibling visitation was not occurring.
- For 256 children (21%) information on sibling visitation was not available.
- For 10 children (1%) sibling visitation was not occurring due to court order (such as in cases where one sibling had sexual contact with another).

SAFETY AND SUPERVISION OF PARENTAL VISITATION

The FCRB collected data on Lead Agency file contents/documentation regarding parental visitation for 1,373 children's files reviewed January-June 2011, and found that 282 (21%) of the files lacked visitation documentation.

Courts order supervision of parental visitation when there is evidence that the child could be at significant risk if the parents were allowed unsupervised contact. The purpose of supervising parent/child contact is to ensure safety as the system:

- Meets the child's developmental and attachment needs;
- Assesses and improves the parent's ability to safely parent their child;
- Assists in determining permanency.

Best practice is to document parental interactions during visits with the children because that is the biggest indicator of whether reunification can be successful. Without visitation reports, it is not possible to determine the appropriateness of contact, if parent/child contact should increase, and if progress is occurring.

Visitation reports also allow an assessment of consistency of the personnel providing supervision, and assist in determining if there are scheduling barriers (i.e., visitation scheduled when the parent is at work, or the child is in school, or no visit occurring

because there was no visitation supervisor or transportation driver available.) Further, visitation reports are evidence needed by the courts to assure reasonable efforts are being made, to determine parental compliance and progress, and to ensure timely permanency.

DECREASED SERVICE CAPACITY

Service capacity includes placements (discussed previously), and other services such as therapy services and transportation. Existing service providers have been lost as a result of the way the changes have been implemented, including issues with receiving payments, late or non-payment, and some services now being done in-house by the Lead Agencies. For example, as this was written there is pending litigation for back payments of services totaling $1,002,835 with one of the former Lead Agencies.[6] Across the state there are issues with access to services.

MANAGED CARE CONTRACT ISSUES

The FCRB found that 19% of the children reviewed in 2010 had a DSM IV (psychiatric) Diagnosis, which indicates that a significant number of children are impacted by the managed care system. Through reviews it appears that getting needed services, especially for behavioral issues, has become more difficult.

Nebraska uses a managed care provider, Magellan Behavioral Health, to determine what Medicaid will pay for mental health treatment. Significant to children are Magellan's new policies that change what it will pay for treatment placements, effectively restricting access to treatment placements. Other funding streams are apparently not available to fill this gap. If a child is to receive a needed service for which Magellan denies payment, then either DHHS or the Lead Agency would need to pay for that service.

Behavioral issues can be an anticipated consequence of a child's abuse and neglect, and/or removal from his or her home and family. For example, in 2010, 38% of the children reviewed entered care due to parental substance abuse, 22% entered care due to physical abuse, 12% entered care due to abandonment.[7] Other children enter the system with behavioral issues.

Much of the treatment for children with mental health needs is paid for through a managed care contractor as a means to control the costs of treatment and psychiatric placements. This system was in place prior to the acquisition of contracts with Lead Agencies, and has been problematic since its inception.[8]

[6] Attestation Report of the DHHS Child Welfare Reform Contract Expenditures, State Auditor of Public Accounts, September 2011, page 100.
[7] See FCRB 2010 Annual Report.
[8] Refer to past FCRB annual reports for yearly descriptions of issues with managed care.

Children in the child welfare system who need mental health services include:

Children who enter foster care because they have existing mental health issues.
24% of the children reviewed in 2010 entered care due to their own behaviors. These children need mental health or therapeutic placements, reliable visitation monitoring, and therapeutic respite care. The contract with managed care should be examined so that behavioral health issues are covered and the appeals process is made more manageable.

Children who experience abuse or neglect in their homes and need help recovering.
54% of the children reviewed in 2010 who were under age thirteen entered care due to parental substance abuse. 7% of the children reviewed in 2010 had been abandoned.
Timely access is needed to substance abuse, domestic violence, and mental health treatment for the parents. Continued improvement is needed for the system, with assurance that all children in out-of-home care receive needed treatments and services.

Children who need help coping with the many adjustments experienced in the child welfare system. Children may be further impacted by multiple changes in workers and placement changes.
Caseloads need to be addressed to give caseworkers more time to help these children in out-of-home care cope with the changes in their lives, such as multiple placements, separation from siblings and parents, educational disruptions causing them to fall behind their peers, and disappointments if parents fail to appear for visitation or comply with services.

Children who had been in foster care and were adopted or placed into guardianship.
The majority of children adopted may need mental health services, especially in the years of adolescence. Access to post-adoptive services needs to be made readily available.

The FCRB through its reviews has identified the following issues with the current managed care system, and the lack of infrastructure for these youth:

1. Children's behavioral disorders do not routinely receive needed treatment because they are not deemed by the managed care contractor to meet the Medicaid criteria for "medically necessary" services that it requires before it will pay for services.
2. When found to not be "medically necessary" by the managed care provider, there appears to be little or no alternative source of payment for these much-needed services. The service, if provided, must be paid for by DHHS or the Lead Agencies.
3. Per DHHS Lead Agency contract amendment 5, "*when non-medically necessary treatment is ordered by the court, the parties will work together to identify alternatives for the court's consideration.*"[9] Consequently, children are denied the appropriate services to meet their behavioral problems based on financial grounds. This appears to be contrary to the September 2011 Nebraska Supreme

[9] Attestation Report of the DHHS Child Welfare Reform Contract Expenditures, State Auditor of Public Accounts, September 2011, page 19.

Court ruling in *In Re Thomas M.* that finds that DHHS is accountable for complying with court orders and DHHS may be subject to contempt for failure to comply.

4. Children may be prematurely moved from treatment placements based on whether the managed care contractor will continue to approve payments, rather than based on the children's needs. Therapeutic services are frequently limited to a specific number of sessions. Delays to therapy can occur while appealing for additional sessions, if needed.
5. The contracts with Lead Agencies did not cover services paid by Medicaid. If Medicaid denies the service, it then falls on the Lead Agency to provide the needed services. There can be a fiscal incentive for private agencies contracted for children's placements to not treat or to treat children at a lesser level than professionals have determined are needed for the children's treatment to be successful if they are not reimbursed for providing a placement at the level recommended.

Treatment not accessible to some specific populations

Some children have additional issues that make finding treatment for behavioral/mental health needs even more complicated, even when funding was not a factor (some examples: physical conditions, pregnant teens, language barriers, developmental delays).

Sometimes the only treatment facility available to meet a particular child's needs is out of state, which makes maintaining the family bonds during treatment very difficult. Waiting lists can also be problematic. The situation is compounded by the number of treatment facilities recently lost in our State. Oversight of the children's care and ability of parents to maintain contact or participate in family therapy would be enhanced if children remained in Nebraska at a facility that could meet their needs.

Treatment reports not available

While the Magellan contract states that there are to be therapy or assessment reports from the provider prior to Magellan paying for the therapy or assessments, in practice in 38% of the cases reviewed January-June 2011, therapy reports were not found in the children's files, and during file reviews FCRB staff often find that workers had made multiple requests for these documents, but apparently had not received them.

CHILD's CASE PLANNING and PERMANENCY

CONCERNS:

The FCRB conducted 2,383 reviews statewide between January-June 2011. A required finding made with each review is whether or not there was a written permanency plan with services, timeframes, and tasks specified.

From the reviews the FCRB found that:

- 1,355 children (57%) had a written permanency plan with services, timeframes, and tasks specified.
- 867 children (36%) had an incomplete plan (lacking one or more essential element).
- 50 children (2%) had no written plan.
- 111 children (5%) had an outdated plan (over six months old).

The FCRB must indicate if it agrees with the permanency objective in the plan (reunification, adoption, etc.). From the reviews:

- The FCRB agreed with the objective for 1,372 children (58%).
- The FCRB did not agree with the objective for 641 children (27%).
- The FCRB could not make a finding for 370 children (16%) because there was no written plan, or there were conflicting plans, etc.

Paternity identification delays. Paternity was not established for 516 (22%) of the 2,383 children reviewed in the first half of 2011. Lack of paternity identification has been linked to excessive lengths of time in care for children. Often paternity is not addressed until after the mother's rights are relinquished or terminated instead of addressing the suitability of the father as placement earlier in the case. This can cause serious delays in children achieving permanency because the case must start from the beginning with reasonable efforts to reunify with the father.

Adoption requires specialized support services. To successfully complete an adoption of a child from foster care, there needs to be one or more workers who understand all the legal implications to facilitate the completion of adoption paperwork, including subsidies, who can support the on-going worker. Formerly DHHS had a unit that specialized in this complex field, but it was disbanded. This disbandment contributed to the following statistics:

- 218 adoptions were completed in the months of January-June 2008.
    - 76 were from Douglas County
- 155 adoptions were completed in the months of January-June 2011.
    - 48 were from Douglas County

SYSTEM PLANNING AND COLLABORATION ISSUES

The planning process can be invaluable. Therefore the State FCRB is recommending a collaboratively developed, comprehensive, clearly defined and communicated plan on how the child welfare system will be developed and structured. Clarify how DHHS counts children in care in comparison to other states, as this rate has been cited as a reason for implementing Reform.

OVERSIGHT

Oversight is critical in order to stabilize the system. As described earlier, children who had been in care for two years or longer averaged the following significant changes while in out-of-home care:

- 7 DHHS worker changes,
- 3 Lead Agency worker changes, and
- 8 placement changes.

In addition to Judicial and FCRB oversight, there are three types of oversight that need to be developed and strengthened: 1) DHHS must provide vigorous oversight of its own performance and that of its contractors and their subcontractors, 2) the Lead Agencies need to provide oversight of their own and their subcontractors' services and placements, and 3) DHHS must strengthen its fiscal oversight of contracts. And, the Executive, Legislative, and Judicial branch's oversight and leadership needs to continue.

Children and Family Outcome Monitors (CFOMs) are DHHS staff designated to provide case level oversight. This is problematic because:

- these individuals do not have personal knowledge of the cases they oversee,
- they monitor based on information provided by the Lead Agencies rather than through case knowledge,
- they do not see the children and cannot monitor their safety, and
- they are unable to address the larger issues with any particular contractor or subcontractor.

In Douglas and Sarpy Counties there are four CFOM to oversee about 1,755 children in out-of-home care.

Conclusion

Nebraska statute is clear, and the federal Department of Health and Human Services concurs, NDHHS retains responsibility for children's safety, well-being, and permanency regardless of whether or not it chooses to contract for placements, services, service coordination, or case management. Therefore, it is imperative that DHHS stabilize the system overseeing Nebraska's children in out-of-home care and put in place measures to monitor contracted services and correct identified issues.

The Foster Care Review Board will continue to track, analyze, and report on conditions for children in out-of-home care, and as part of its statutory mission will continue to point out deficits in the child welfare system and make recommendations for improvement.

Appendix A – Child Welfare Change Timeline

Governor Heineman Announces Directives

June 21, 2006: Governor Heineman announced new child welfare directives. At that time Nebraska had an all-time high number of children in out-of-home care (over 6,200). The Governor ordered DHHS to prioritize cases of children age five and younger and work to resolve cases more quickly. He asked for all professionals involved with children in out-of-home care to collaborate on resolving children's issues.

September 2006: The Supreme Court held the first Through the Eyes of a Child Summit, and regional teams formed for collaboration.

Dec. 31, 2006: The number of children in out-of-home care had been reduced from 6,204 at the beginning of the year to 5,186.

Dec. 31, 2007: The number of children in out-of-home care was reduced to 5,043.

July 2008: The federal Child and Family Services Review (CFSR) indicated that Nebraska was not meeting seven standards of child safety, permanency, and well-being.

July 10, 2008: Governor Heineman, Chief Justice Heavican, and the FCRB Chair Georgina Scurfield, held a press conference to announce that the FCRB and DHHS would be conducting a joint study of children who had been in out-of-home care 2 years or longer. As a result, both agencies instituted routine joint meetings on cases of concern.

September 2008: DHHS unveiled its plan for child welfare and juvenile services reform, including contracting for in-home services.

Dec. 31, 2008: The number of children in out-of-home care was reduced to 4,620.

Through 2008, adoptions were at an all-time high – 572 children were adopted in 2008.

Private Agencies Assume Service Coordination

July 2009: Current child welfare change efforts began.

July 2009: State and Federal funds totaling $7 million were given to the Lead Agencies for recruitment of staff, locating work sites, leasing of equipment, and any other purposes reasonably necessary to prepare for full implementation.

August 2009: Training of Service Coordinators began. 25 days of initial case manager training was provided to Service Coordinators, with additional training to be provided by the Department and Lead Agency.

Summer 2009: Concerted effort made by DHHS to train case managers and Service Coordinators regarding Roles and Responsibilities; licensed foster parents

contacted by DHHS regarding the impending change and the need to be licensed under a Lead Agency or sub-contractor.

October 2009: Contracts amended for service delivery to begin on November 1, 2009 with full statewide implementation by April 1, 2010.

October 2009: FCRB began planning on child welfare change data to be collected.

November 2009: Service contracts are signed by DHHS and the Lead Agencies totaling $149,515,887 for services through June 30, 2011.

November 2009: FCRB began training staff on the additional data collection.

November 1, 2009: Weekly transfer of child welfare cases began in Douglas and Sarpy County. Individual case staffing occurred and one year's worth (not the entire file) of the families' case file documentation was copied and given to the Contractor.

December 31, 2009: Contracts are amended, increasing payments by $9,677,246.

December 31, 2009: There were 4,448 children in out-of-home care.

Jan. 1, 2010: FCRB began collecting data on child welfare changes.

April 2010: Transfer of child welfare cases to Lead Agencies complete.

April 2, 2010: CEDARS announced its intention to withdraw from their contract by June. The cases of 300 children reverted to DHHS for case management.

April 16, 2010: Visinet declared bankruptcy. The cases of 1,000 children reverted to DHHS for case management. (The court later overturns this bankruptcy).

April 2010: FCRB began working with DHHS on documentation deficits and how best to report them to DHHS for correction.

May 2010: DHHS and Visinet sign an agreement that DHHS will directly pay Visinet foster parents and subcontracts, and pay Visinet $627,270 to pay its former employees.

June 2010: The process for recording documentation deficits was in place, and the FCRB began reporting individual cases to DHHS and the Lead Agencies.

July 2010: Change of contracts. Sets monthly amounts. DHHS agrees to make payments for independent living and former wards instead of contracts. KVC contract increased as Cedars and Visinet are no longer providing services. Contract revised to front load July through September payments.

September 2010: DHHS and Boys and Girls announce they have mutually ended the contract. BGH is to be responsible for services prior to October 1.

October 15, 2010: Boys and Girls ceased operations. The cases of 1,400 reverted to DHHS for case management.

October 15, 2010: DHHS issued a press release titled *DHHS Announces Next Steps to Strengthen Child Welfare/Juvenile Services Reform.* In this announcement it

stated that $9.86 million in emergency federal funding for TANF (formerly aid to dependent children) and $6 million dollars of state general funds was received. DHHS also announced a reduction of staff and transfer of more responsibilities to the remaining service agencies by January 1, 2011, further accelerating the Reform effort. Contracts changed that when non-medically necessary treatment is ordered by the court, the parties will work together to identify alternatives.

October 2010: Caseworkers reported they are seeking alternative employment in response to the announcement of reductions in staff.

November 8, 2010: There were 4,508 children in out-of-home care.

November 15, 2010: Governor Heineman weighed in, noting that both state and Lead Agencies have to do a better job in the future.

November 17, 2010: Seven Lincoln area State Senators hold a town hall meeting on child welfare changes.

December 2010: Contracts add case management services effective January 2011. Payment to NFC increased by $7 million and KVC by $12 million.

December 2010: FCRB releases a report on child welfare changes to date.

December 2010: DHHS brings in the Casey Foundation to assist with improvements to the child welfare system. DHHS and Casey met with stakeholders who identified a wide range of issues with the child welfare changes.

December 31, 2010: There were 4,301 children in out-of-home care.

Private Agencies Assume Case Management

January 1, 2011: The two remaining Lead Agencies (Nebraska Family Collaborative-NFC and KVC) assume case management duties for the children already assigned to their agencies. Lead Agency Service Coordinators become Family Permanency Specialists (FPS). DHHS caseworkers become DHHS Children and Family Outcome Monitors (CFOM's).

January 2011: The Legislature introduces a number of bills and resolutions designed to improve the child welfare system and to address the systems issues brought to the members by constituents. Proposals included:

- LB 80, which would remove section requiring another party to object to the department's plan and prove not in best interests for the court to disapprove the plan, (amended into LB 648 and passed.)
- LB 177, which would require a transition plan for youth age 16 and older, require reasonable efforts to accomplish sibling visitations, and adopt other provisions of the federal Fostering Connections Act, (passed).
- LB 199, which would require DHHS to develop a method to determine reimbursement rates, (hearing held, no further action pending LR 37).

- LB 433, which would require oversight of child welfare contracts, (held after the Governor announced a voluntary moratorium on new contracts).
- LB 598, which would reduce the length of time to permanency hearings, (hearing held, no further action).
- LB 651, which would require the FCRB to study foster parents, (hearing held, no further action).
- LR 37, which would require a legislative study of child welfare changes. (passed)

June 2011: DHHS announces KVC will get $5.5 million more in fiscal year 2011 and $7 million in fiscal year 2012. NFC will receive $14.2 million in fiscal 2012 up from $13.8 million.

June 2011: KVC announces layoffs of 75 workers.

June 17, 2011: DHHS announces Vicki Maca has been appointed as administrator of Families Matter.

June 2011: The DHHS Southeast Area Administrator resigned effective June 3, 2011, and the DHHS Eastern Service Area Administrator resigned effective July 26, 2011. These are the two areas with Lead Agencies.

June 30, 2011: There are 4,272 children in out-of-home care.

July 2011: Providers due payments from Boys and Girls receive letters from DHHS with an offer to payout 35% of what is owed to each by Boys and Girl

August 17, 2011: DHHS issued a news release that case management for an additional 620 families would be assigned to NFC by October 15, 2011. The contract increases by $53,366,735.

All children in out-of-home care have been impacted by child welfare changes and related system challenges such as the number of changes in the Lead Agency staff and DHHS workers assigned to individual children's cases, interruptions in services, services not being documented, and professionals in the system needing to interact with more than one Lead Agency each with different safety models.

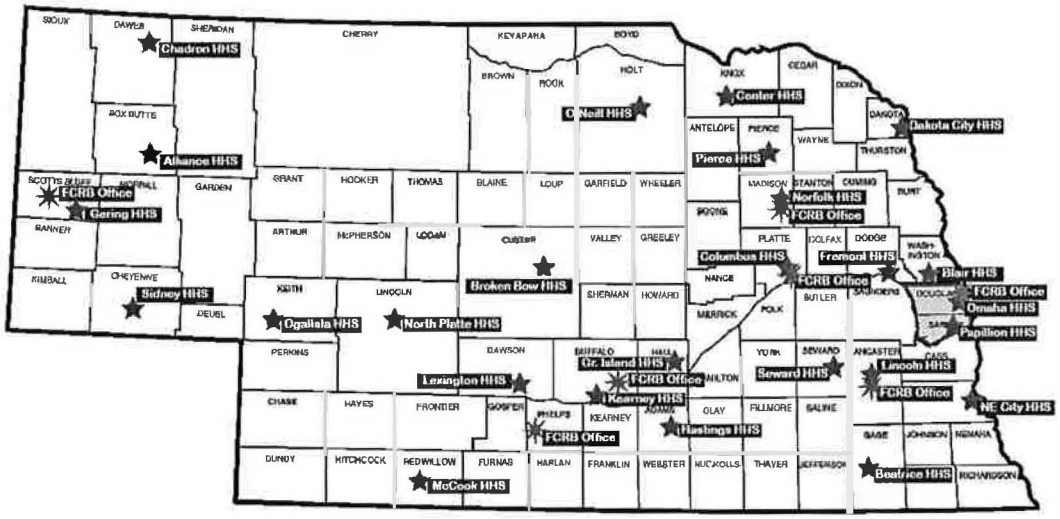
Appendix B - Area Maps

OMAHA/SARPY: Lead Agency Provides Case Management - 1,352 Total Children

701 Children have had 4 or More Placements
512 Children in Care More Than One Time
902 Children have had 4 or More DHHS Workers
179 Children have had 4 or More Lead Agency Workers

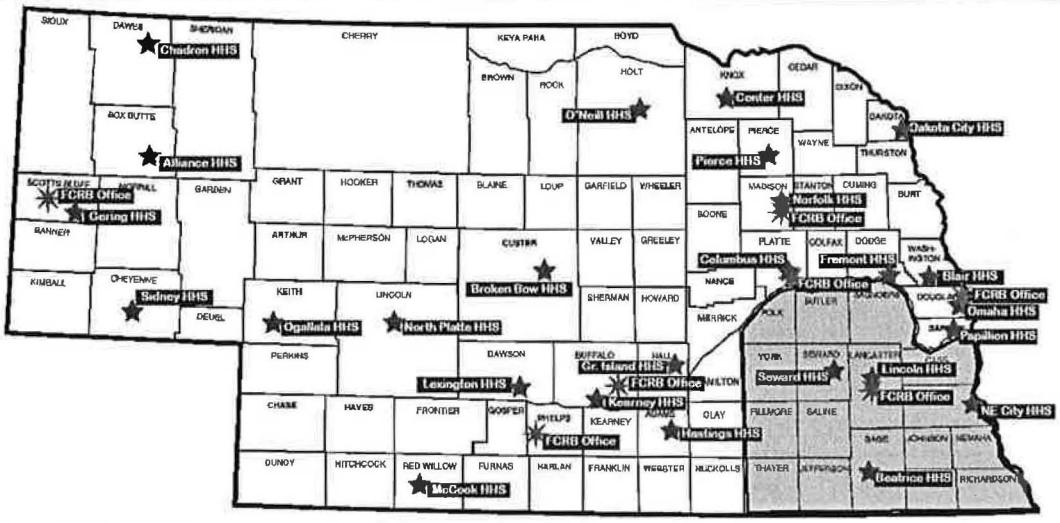
OMAHA/SARPY: DHHS Provides Case Management - 532 Total Children

236 Children have had 4 or More Placements
180 Children in Care More Than One Time
229 Children have had 4 or More DHHS Workers
0 Children have had 4 or More Lead Agency Workers



Southeast Service Area: Lead Agency Provides Case Management

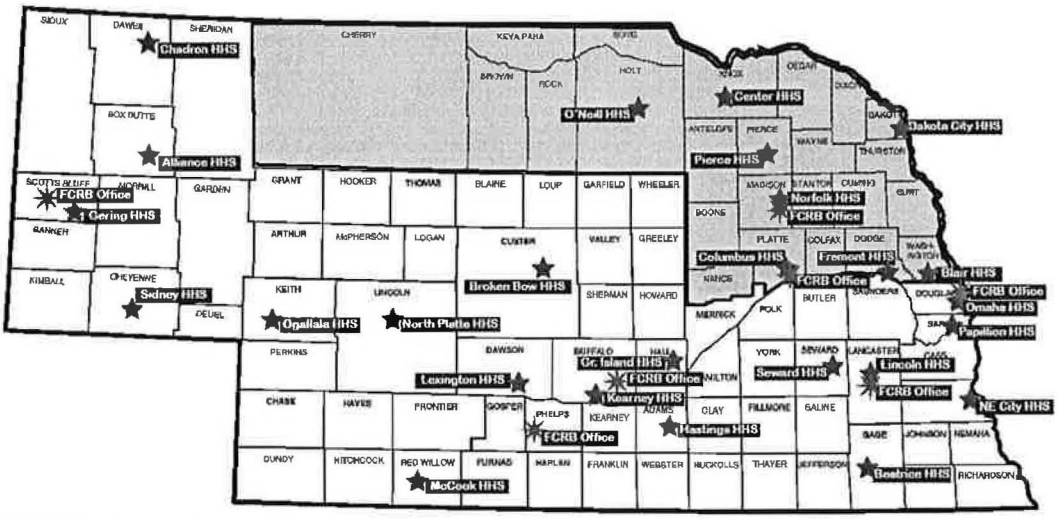
1,201 Total Children
466 Children in Care More Than One Time
590 Children have had 4 or more Placements
676 Children have had 4 or More DHHS Workers
357 Children have had 4 or more Lead Agency Workers
*All assigned to a Lead Agency



FCRB Tracking System 6-30-2011

Northeast Service Area: DHHS Provides Case Management

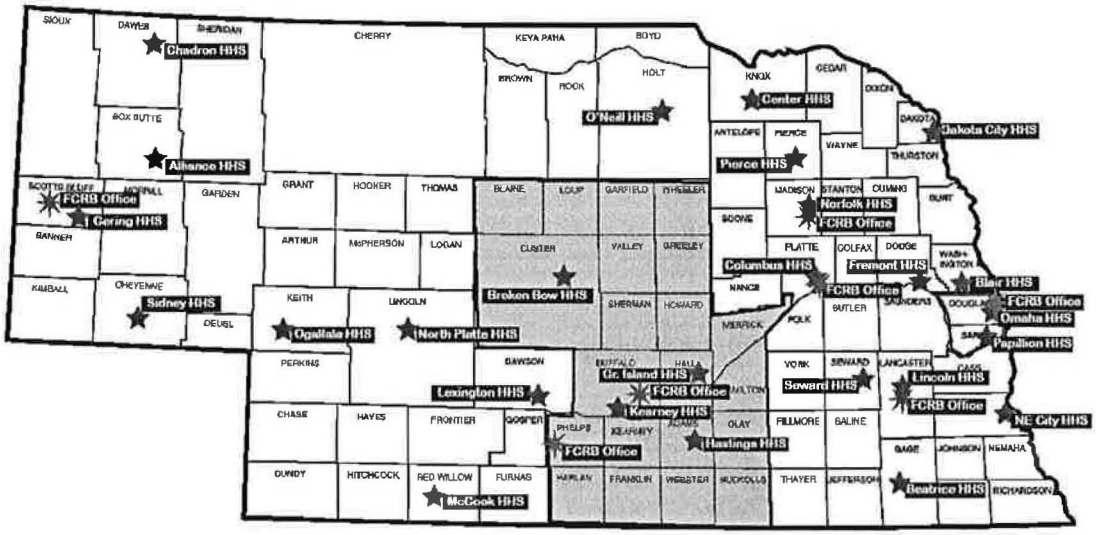
407 Total Children
150 Children in Care More Than One Time
133 Children have had 4 or More DHHS Workers
172 Children have had 4 or More Placements



FCRB Tracking System 6-30-2011

Central Service Area: DHHS Provides Case Management

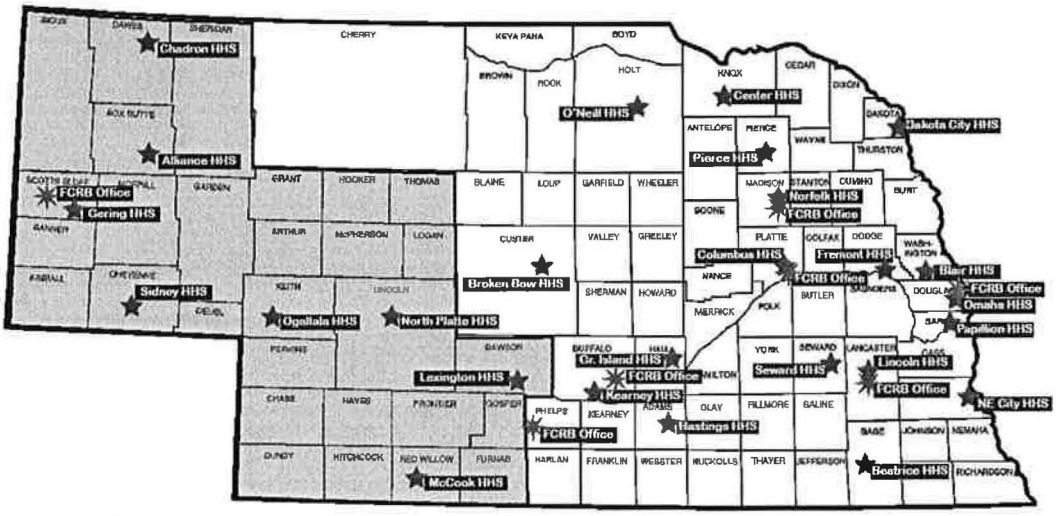
364 Total Children
172 Children in Care More Than One Time
129 Children have had 4 or More DHHS Workers
192 Children have had 4 or More Placements



FCRB Tracking System 6-30-2011

Western Service Area: DHHS Provides Case Management

416 Total Children
180 Children in Care More Than One Time
124 Children have had 4 or More DHHS Workers
192 Children have had 4 or More Placements



FCRB Tracking System 6-30-2011

Appendix C – Pertinent Regional Statistics

	Children reviewed Jan-June 2011		
Review Findings	**Omaha Metro Children reviewed assigned to Lead Agency**	**Omaha Metro Children reviewed NOT assigned to Lead Agency[10]**	**Lincoln/Southeast Neb. assigned to Lead Agency**
# of children reviewed	771 children reviewed (100%)	356 children reviewed (100%)	602 children (100%)
No documentation of placement safety or appropriateness	435 children (56%)	176 children (49%)	151 children (25%)
Lack of a complete case plan	478 children (62%)	202 children (57%)	132 children (22%)
No progress towards permanency	243 children (32%)	118 children (33%)	198 children (33%)
Permanency should be finalized	86 children (11%)	49 children (14%)	108 children (18%)
	Children in out-of-home care on June 30, 2011		
	Omaha Metro assigned to a Lead Agency	**Omaha Metro NOT assigned to Lead Agency[11]**	**Lincoln/Southeast Nebr. Assigned to Lead Agency**
# of children in out-of-home care	1,352 children (100%)	532 children (100%)	1,201 children (100%)
4 or more HHS staff person assigned to case while in out-of-home care	902 children (67%)	229 children (43%)	676 children (56%)
3 or more Lead Agency staff assigned to the case while in out-of-home care	376 children (28%)	14 children (3%) [this when assigned to a Lead Agency that later closed]	572 children (48%)
4 or more Lead Agency staff assigned to the case while in out-of-home care	179 children (13%)	none	357 children (30%)
Children who had previously been in out-of-home care	512 children (38%)	180 children (34%)	466 children (39%)
4 or more placements over lifetime	701 children (52%)	236 children (44%)	590 children (49%)

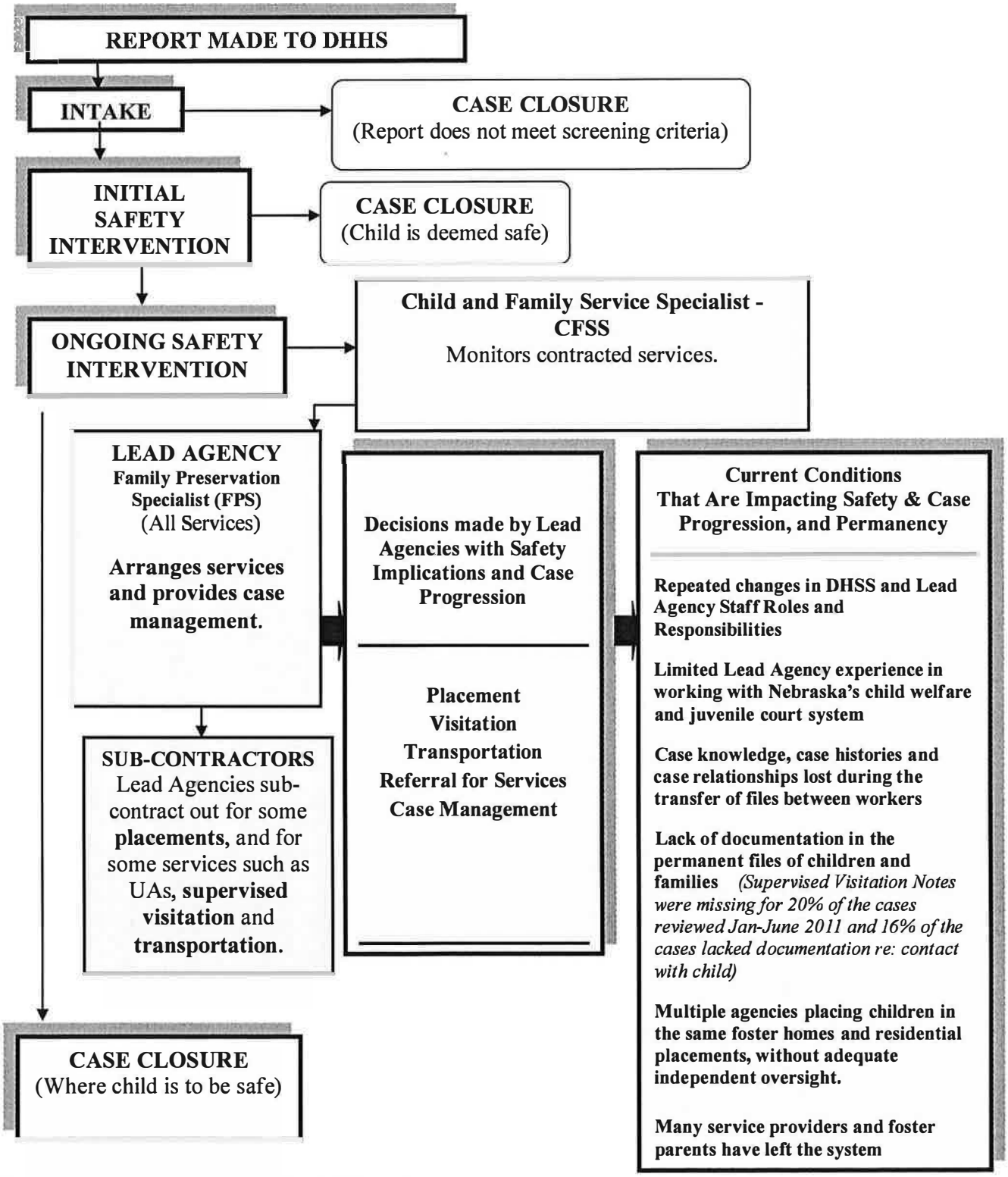
[10] This was prior to NFC being named the Lead agency for the remainder of the Omaha area cases that were not assigned to a contractor.
[11] Ibid.

Pertinent Regional Statistics continued…

	Children reviewed Jan-June 2011		
	Northeast Area not assigned to Lead Agency	**Central Area not assigned to Lead Agency**	**Western Area not assigned to Lead Agency**
# of children reviewed	185 children	230 children	233 children
No documentation of placement safety or appropriateness	44 children (24%)	37 children (16%)	26 children (11%)
Lack of a complete case plan	33 children (18%)	58 children (25%)	27 children (12%)
No progress towards permanency	69 children (37%)	80 children (37%)	90 children (39%)
Permanency should be finalized	5 children (3%)	6 children (3%)	7 children (3%)
	Children in out-of-home care on June 30, 2011		
	Northeast Area not assigned to Lead Agency	**Central Area not assigned to Lead Agency**	**Western Area not assigned to Lead Agency**
# of children in out-of-home care	407 children (100%)	364 children (100%)	416 children (100%)
4 or more HHS staff person assigned to case while in out-of-home care	133 children (33%)	129 children (35%)	124 children (30%)
3 or more Lead Agency staff assigned to the case while in out-of-home care	41 children [this when assigned to a Lead Agency that since has closed]	49 children [this when assigned to a Lead Agency that since has closed]	43 children [this when assigned to a Lead Agency that since has closed]
4 or more Lead Agency staff assigned to the case while in out-of-home care	16 children [this when assigned to a Lead Agency that since has closed]	14 children [this when assigned to a Lead Agency that since has closed]	16 children [this when assigned to a Lead Agency that since has closed]
Children who had previously been in out-of-home care	150 children (37%)	172 children (47%)	180 children (43%)
4 or more placements over lifetime	172 children (42%)	192 children (53%)	192 children (46%)

APPENDIX D

DHHS INTERVENTION AND SAFETY SYSTEM



The Lead Agency FPS are responsible for case management including securing placements, monitoring safety, contact with family, child, placement, updating N-FOCUS narratives and placement changes, and developing the case plan and court report.

Lead Agencies sub-contract out for some placements, and for some services such as tracking and monitoring juvenile offenders, drug use testing, visitation and transportation.

COMMUNICATION AND DOCUMENTATION AFFECTS SAFETY DECISIONS MADE BY LEAD AGENCIES

Lead Agency staff training, child welfare and juvenile court experience or expertise: Many Lead Agency staff do not have the necessary skill sets or case work knowledge necessary to understand the needs of the child and their family.

Communication: Bio-parents, foster parents, guardians ad litem, sub-contractor agencies, therapists and other professionals consistently report a lack of communication regarding cases and regarding the roles and responsibilities of DHHS, Lead Agencies and Sub-Contractors. Foster parents get mixed messages from the various service providers.

Documentation and missing evidence: Documentation in both the hard file and on N-FOCUS is chronically lacking. UAs, evaluations, assessments, visitation reports, & contact notes are all examples of documentation and evidence used to provide proof in court that progress is or is not occurring.

Delays / Lack of Progress: (e.g., slow referrals and services, delays in adoptions). Lack of follow through to ensure services are provided.

Placement issues: 41% of the cases reviewed by the FCRB did not have home study documentation. Foster parents have directly reported their intent to cease foster parenting citing payment, communication and logistical issues.

Visitation: Out of 1,323 reviews 21% of the cases reviewed did not have supervised visitation reports. Visitation workers fail to show up to supervise the visit, or cancel visits due to the visitation worker's personal commitments.

Transportation: Issues continue to be reported regarding transportation including not arriving when scheduled, unprofessional drivers, multiple drivers assigned to a young child, and safety concerns.

Appendix E – Diminished Resources

The following services either ceased or significantly decreased services to parents, youth or families during the time span of the implementation of Reform. The FCRB recognizes that a range of reasons for such decreased services exist. However, given the diverse needs of families within the child welfare system, the loss of such services is still noteworthy.

Diminished Service Capacity 2009-June 2011

A number of foster parents in areas with Lead Agencies report that they will not be taking in new children and will be "done" as foster parents when the children currently in their home reach permanency. Others will not renew their licenses when their current license (3-year) expires.

The following statistics on foster home/placement capacity are from the Department of Health and Human Services:

Douglas County

- Licensed homes (homes that have completed training)
  - 11/2009 there were 793 licensed foster homes in Douglas County
  - 1/2011 there were 628 licensed foster homes in Douglas County – a decrease of 165 homes.
- Approved foster homes (homes that can only accept children from a family they know. Being in these types of homes disqualifies children who meet other criteria from being eligible for federal reimbursement for foster care).
  - 11/2009 there were 746 approved foster homes in Douglas County
  - 1/2011 there were 812 approved foster homes in Douglas County – an increase of 66 homes.
- Child caring bed (treatment and non-treatment)
  - 11/2009 there were 1015 beds.
  - 1/2011 there were 989 beds.

The following is a partial list of closures of other types of facilities with reasons, where known:

Eastern Area (Douglas and Sarpy Counties)

Cooper Village - Omaha[12]*
Closed an Enhanced Treatment Group Homes for boys in May 2010.

[12] *Notes closures learned through reviews conducted by the Foster Care Review Board.

Douglas Co. CMHC - Omaha[13]**
Due to Douglas County budget reductions, Douglas Co. CMHC eliminated 2 therapists (of their total of 4) from their staff in June. They also eliminated 12 inpatient beds (they now have a total of 18) in July partly because of Douglas County budget reductions and partly because their average census for the past 2 years has been 14.

Uta Halee – Omaha*
Closed an Enhanced Treatment Group Home in early September due to lack of referrals. They had 24 beds and now have 12 beds for ETGH. Those beds will close on Dec. 16, 2011.

Youth Emergency Services – Omaha*
Shelter stopped accepting state wards in 2010.

Southeast Area

Cedars Turning Point Residential Treatment Center– Lincoln*
Closed in June 2010.

Cedars Youth Services – Lincoln[14]
Cedars ended its contract as a Lead Agency with the State of Nebraska and Nebraska Department of Health and Human services on June 30, 2010.

CenterPointe, Inc. – Lincoln**
A 31-year old residential treatment program for youth with substance abuse and mental health issues closed in 2010 due to funding issues.

Lancaster Co. CMHC – Lincoln**
This budget cycle the County of Lancaster cut $400,000 from CHMC's budget, they lost 2 Community Support positions, 1 Jail Diversion Case Manager, 1 clerical support position plus other cuts in staff development & training, equipment, food and supplies.

St. Monica's – Lincoln**
Due to a continued reduction in referrals to their adolescent treatment group home, St. Monica's closed their 8 bed TGH for girls. They will provide IOP and Day TX services for adolescent girls. They also moved as many staff as possible to open positions within the agency, but still reduced their staff by 4.

[13] ** Notes closures learned through print and/or broadcast media.
[14] Stated in an April 23, 2010, op-ed by NE Appleseed, an estimated 500 people lost their jobs when Cedars ended their contract and Visinet filed for bankruptcy.

Samaritan Counseling Center – Lincoln**
Samaritan Counseling Center closed on September 30, 2010. This brought to an end the Center's 23 years of service to Lincoln and surrounding communities.

Visinet, Inc. – Lincoln*
Visinet declared bankruptcy, therefore ending its contract with the state and closing its doors in April 2010. This included foster homes and its emergency shelter.

Central Area

Cedars Youth Services – Richard House Emergency Shelter– Broken Bow*
Cedars closed their Shelter/Staff Secure program in Broken Bow September 2009.

I Believe in Me Ranch – Kearney*
I Believe in Me Ranch closed in October 2009.

Richard Young – Kearney*
RY closed a 19 bed RTC on June 30, 2009.

South Central BH Services – Kearney*
SCBS closed a men's halfway house for substance abuse in October 2008 due to the rate not matching the service definition and inability to recruit staff to meet the service definition.

Northeast Area

Behavioral Health Specialists – Norfolk*
Sunrise Place Treatment Group Home closed in December 2009; authorizations/referrals to that program came to an abrupt stop in June 2009.

Boys and Girls Home – Sioux City, IA*
Boys and Girls Home ended its contract as a Lead Agency with the State of Nebraska and Nebraska Department of Health and Human services on October 15, 2010.

Shelter in Columbus*
The shelter in Columbus ceased operations in early 2011.

Western Area

Reach-Out Foster Care*
Reach Out, the last provider of foster homes and foster home support in the Panhandle, has ceased providing its services and working with regional mental health agencies in June 2011. This was a provider that had a good reputation amongst professionals in the area for providing quality services, including

parenting classes, respite care, independent living skills training, foster parent support, supervised visitation, and agency-based foster care. It has been reported that payment issues from the time that Boys and Girls was a Lead Agency was a major factor in their decision to cease operations.

Nebraska Boy's Ranch – Alliance**
NBR temporarily suspended services in July 2009 due to lack of referrals and lack of control between HHS and BGH which left NBR in a position of not knowing which services it would be able to provide for families. The NBR website stated that it is NOT closing, but is taking time to restructure.

Shelter in North Platte*
Date of closure not available.

Wilcox House – North Platte*
Wilcox House, a Salvation Army Group Home, closed early in 2010.

The FCRB thanks Amy Richardson of Lutheran Family Services, Sarah Helvey at the Appleseed Center, and Vicki Weisz at the Court Improvement Project for their assistance in developing the above list.

Appendix F –County Level Data, on June 30, 2011

County	Total No of Children	By age group: Age birth to five	By age group: Age six to twelve	By age group: Age 13-18	Removed from home more than once	4 or more caseworkers	4 or more placements	In Care 2 yrs or more
Adams	62	15	10	37	26	26	34	18
Antelope	8	0	0	8	6	2	6	0
Arthur	1	0	0	1	0	1	1	1
Banner	0	0	0	0	0	0	0	0
Blaine	0	0	0	0	0	0	0	0
Boone	6	2	1	3	0	1	2	0
Box Butte	3	0	0	3	1	0	1	1
Boyd	5	2	0	3	2	2	2	0
Brown	5	2	3	0	1	3	2	0
Buffalo	70	14	18	38	30	28	34	14
Burt	3	1	1	1	1	1	1	0
Butler	27	2	11	14	14	18	13	13
Cass	41	7	10	24	24	28	28	9
Cedar	0	0	0	0	0	0	0	0
Chase	8	4	1	3	2	0	2	0
Cherry	10	1	4	5	1	2	2	1
Cheyenne	12	1	1	10	6	4	7	2
Clay	7	0	1	6	5	4	6	0
Colfax	17	8	4	5	4	4	4	4
Cuming	15	3	5	7	4	8	8	7
Custer	12	4	2	6	1	1	1	0
Dakota	40	9	12	19	4	6	9	3
Dawes	8	2	3	3	5	1	5	1
Dawson	62	13	14	35	29	20	31	1
Deuel	1	0	1	0	1	1	1	0
Dixon	2	1		1	1	1	1	0
Dodge	85	20	17	48	37	40	41	25
Douglas	1689	456	438	795	620	1024	840	447
Dundy	1	0	0	1	1	0	0	0
Fillmore	7	1	1	5	3	3	4	2
Franklin	1	0	0	1	1	1	1	0
Frontier	1	0	0	1	1	0	1	0
Furnas	18	1	10	7	11	8	10	8

County	Total No of Children	By age group: Age birth to five	Age six to twelve	Age 13-18	Removed from home more than once	4 or more caseworkers	4 or more placements	In Care 2 yrs or more
Gage	32	9	4	19	13	25	19	4
Garden	0	0	0	0	0	0	0	0
Garfield	2	1	0	1	1	1	1	2
Gosper	3	0	2	1	1	0	1	0
Grant	0	0	0	0	0	0	0	0
Greeley	2	0	0	2	0	0	0	0
Hall	127	33	25	69	70	44	68	27
Hamilton	7	0	0	7	4	2	5	1
Harlan	6	0	0	6	3	1	3	0
Hayes	0	0	0	0	0	0	0	0
Hitchcock	4	0	0	4	1	1	1	1
Holt	9	2	0	7	4	5	5	2
Hooker	0	0	0	0	0	0	0	0
Howard	8	0	1	7	3	3	4	2
Jefferson	7	1	0	6	2	3	3	3
Johnson	4	1	0	3	1	3	3	2
Kearney	13	1	3	9	3	3	7	0
Keith	8	0	1	7	4	3	4	2
Keya Paha	0	0	0	0	0	0	0	0
Kimball	6	2	1	3	2	1	1	0
Knox	3	0	0	3	1	2	2	1
Lancaster	957	277	237	443	359	523	458	195
Lincoln	142	37	32	73	55	41	65	28
Logan	0	0	0	0	0	0	0	0
Loup	0	0	0	0	0	0	0	0
McPherson	0	0	0	0	0	0	0	0
Madison	86	19	23	44	42	22	48	9
Merrick	12	2	1	9	3	3	4	2
Morrill	4	0	0	4	4	2	2	0
Nance	5	1	0	4	2	3	3	3
Nemaha	9	0	4	5	1	6	1	2
Nuckolls	5	2	0	3	2	1	2	0
Otoe	30	8	9	13	17	18	16	8
Pawnee	3	1	1	1	0	2	0	0
Perkins	2	0	0	2	2	2	2	1
Phelps	12	1	1	10	7	3	6	2

County	Total No of Children	By age group: Age birth to five	Age six to twelve	Age 13-18	Removed from home more than once	4 or more caseworkers	4 or more placements	In Care 2 yrs or more
Pierce	8	1	4	3	0	0	0	0
Platte	50	8	14	28	22	19	17	2
Polk	5	4	0	1	1	0	1	0
Red Willow	20	0	2	18	9	2	11	1
Richardson	7	1	0	6	3	6	3	0
Rock	0	0	0	0	0	0	0	0
Saline	10	1	1	8	6	8	6	2
Sarpy	195	30	35	130	76	108	102	35
Saunders	16	8	4	4	9	12	8	0
Scotts Bluff	114	40	38	36	45	38	47	20
Seward	21	2	5	14	6	5	9	5
Sheridan	2	0	1	1	1	0	1	0
Sherman	9	2	4	3	4	3	4	0
Sioux	0	0	0	0	0	0	0	0
Stanton	2	0	0	2	0	0	0	0
Thayer	2	0	0	2	1	1	1	0
Thomas	1	0	0	1	1	1	1	0
Thurston	7	2	3	2	4	3	5	3
Valley	6	1	0	5	4	4	5	3
Washington	28	5	8	15	9	9	12	2
Wayne	6	1	1	4	1	1	3	3
Webster	1	0	0	1	1	1	1	0
Wheeler	0	0	0	0	0	0	0	0
York	27	10	6	11	8	11	14	0
	4272	1083	1039	2150	1660	2193	2083	930

Appendix G – Foster Parent Payments

Most states fall short of researchers' recommendations

Minimum monthly foster care payment, by state, for children ages 2, 9 and 16, and what the minimum rate should be to cover actual costs, according to a study released today (recommended rates do not include travel and child care expenses but include extra costs particular to children in foster care):

	Current rate			Recommended rate				Current rate			Recommended rate		
Age	**2**	**9**	**16**	**2**	**9**	**16**	**Age**	**2**	**9**	**16**	**2**	**9**	**16**
Ala.	$410	$434	$446	$567	$650	$712	Mont.	$515	$475	$572	$598	$685	$751
Alaska*	$652	$580	$688	$629	$721	$790	Neb.	$226	$359	$359	$636	$729	$799
Ariz.	$793	$782	$879	$606	$695	$762	Nev.	$683	$683	$773	$638	$731	$801
Ark.	$400	$425	$475	$558	$639	$701	N.H.	$403	$439	$518	$724	$830	$910
Calif.	$425	$494	$597	$685	$785	$861	N.J.	$553	$595	$667	$751	$860	$943
Colo.	$348	$392	$423	$659	$755	$828	N.M.	$483	$516	$542	$600	$688	$754
Conn.	$756	$767	$834	$756	$866	$950	N.Y.*	$504	$594	$687	$721	$826	$906
Del.	$517	$517	$517	$625	$716	$785	N.C.	$390	$440	$490	$630	$722	$792
D.C.	$869	$869	$940	$629	$721	$790	N.D.	$370	$418	$545	$584	$669	$734
Fla.	$429	$440	$515	$579	$664	$728	Ohio	$275	$275	$275	$635	$727	$797
Ga.	$416	$471	$540	$588	$674	$738	Okla.	$365	$430	$498	$557	$639	$700
Hawaii	$529	$529	$529	$629	$721	$790	Ore.	$387	$402	$497	$642	$735	$806
Idaho	$274	$300	$431	$602	$689	$756	Pa.*	$640	$640	$640	$671	$770	$844
Ill.	$380	$422	$458	$661	$757	$830	R.I.	$438	$416	$480	$723	$828	$908
Ind.	$760	$760	$760	$630	$722	$791	S.C.	$332	$359	$425	$576	$660	$723
Iowa	$454	$474	$525	$626	$717	$786	S.D.	$451	$451	$542	$633	$726	$795
Kan.	$603	$603	$603	$628	$720	$789	Tenn.	$627	$627	$737	$574	$658	$722
Ky.	$599	$599	$660	$569	$652	$715	Texas	$652	$652	$652	$557	$638	$700
La.	$380	$365	$399	$567	$649	$712	Utah	$426	$426	$487	$634	$726	$796
Maine	$548	$577	$614	$686	$786	$862	Vt.	$475	$528	$584	$705	$808	$886
Md.	$735	$735	$750	$628	$720	$789	Va.	$368	$431	$546	$605	$694	$760
Mass.	$490	$531	$616	$766	$878	$962	Wash.	$374	$451	$525	$657	$753	$826
Mich.	$433	$433	$535	$646	$740	$812	W.Va.	$600	$600	$600	$561	$643	$705
Minn.	$585	$585	$699	$661	$758	$830	Wis.	$317	$346	$411	$648	$743	$814
Miss.	$325	$355	$400	$555	$636	$697	Wyo.	$645	$664	$732	$608	$696	$763
Mo.	$271	$322	$358	$627	$719	$788	U.S. avg.	$488	$509	$568	$629	$721	$790

* — Alaska, New York and Pennsylvania do not have state-established minimum rates. For these states, the current rate is for each state's most populous region.

Source: Foster care study by the University of Maryland School of Social Work, National Foster Parent Association and Children's Rights

Appendix H – CFSR Result Comparison

Federal reviews of individual State's child welfare systems started in 2001 and continue on an alternating schedule. These reviews measure outcomes for children in a systematic manner. The following States compared with Nebraska's CFSR review results were chosen because Kansas, Tennessee and Florida have initiated privatization prior to Nebraska's efforts.

Systemic Factors and Items	**Nebraska**		**Kansas**		**Tennessee**		**Florida**	
	Percent Achieved/Strength		Percent Achieved/Strength		Percent Achieved/Strength		Percent Achieved/Strength	
	2002	2009	2001	2008	2002	2008	2001	2008
Safety Outcome 1: Children are, first and foremost, protected from abuse and neglect	**77.4×**	**37.5×**	**87×**	**93.8×**	**84.6×**	**53.3×**	**85.7×**	**70.0×**
Item 1: Timeliness of investigations	58×	37 ×	Not Reported	97*	71×	52×	85.7×	90*
Item 2: Repeat maltreatment	100*	92*	Not Reported	93*	97*	82×	91.8×	64×
Safety Outcome 2: Children are safely maintained in their homes when possible and appropriate	**88.6×**	**52.3×**	**90***	**75.0×**	**68.4×**	**50.8×**	**78.0×**	**61.5×**
Item 3: Services to prevent removal	88*	68×	Not Reported	95*	78×	72×	90×	74×
Item 4: Risk of harm	91*	52×	Not Reported	77×	71×	51×	78×	65×

Federal findings – Area Needing Improvement ×
Strength*

All numbers are from CFS CFSR reports found at
http://library.childwelfare.gov/swig/ws/cwmd/docs/cb_web/SearchForm

Systemic Factors and Items	Nebraska		Kansas		Tennessee		Florida	
	Percent Achieved/Strength		Percent Achieved/Strength		Percent Achieved/Strength		Percent Achieved/Strength	
	2002	2009	2001	2008	2002	2008	2001	2008
Permanency Outcome 1: Children have permanency and stability in their living situations	**45.7×**	**25.0×**	**68×**	**52.5×**	**31×**	**27.5×**	**75.9×**	**34.1×**
Item 5: Foster care reentry	85*	100*	Not Reported	91*	75×	85×	96.4*	100*
Item 6: Stability of foster care placements	77×	67×	Not Reported	67×	66×	67.5×	89.7*	59×
Item 7: Permanency goal for child	54×	43×	Not Reported	74×	59×	42.5×	58.6×	59×
Item 8: Reunification, guardianship, and placement with relatives	57×	41×	Not Reported	82×	69×	43×	50×	70×
Item 9: Adoption	0×	23×	Not Reported	47×	10×	37×	70*	44×
Item 10: Other planned living arrangement	50×	17×	Not Reported	80×	44×	N/A	33.3×	64×

Federal findings – Area Needing Improvement × Strength*

All numbers are from CFS CFSR reports found at http://library.childwelfare.gov/swig/ws/cwmd/docs/cb_web/SearchForm

Systemic Factors and Items	Nebraska		Kansas		Tennessee		Florida	
	Percent Achieved/Strength		Percent Achieved/Strength		Percent Achieved/Strength		Percent Achieved/Strength	
	2002	2009	2001	2008	2002	2008	2001	2008
Permanency Outcome 2: The continuity of family relationships and connections is preserved	**65.7×**	**67.5×**	**80×**	**90.0×**	**37.9×**	**57.5×**	**89.7***	**47.5×**
Item 11: Proximity of placement	97*	97*	Not Reported	93*	85*	97*	96.6*	93*
Item 12: Placement with siblings	87*	91*	Not Reported	100*	67×	91*	95.5*	87×
Item 13: Visiting with parents and siblings in foster care	71×	73×	Not Reported	97*	70×	68×	80×	53×
Item 14: Preserving connections	71×	80×	Not Reported	84×	64×	85×	96.2*	77×
Item 15: Relative Placement	67×	64×	Not Reported	91*	38×	61×	96.6*	61×
Item 16: Relationship of child in foster care with parents	55×	59×	Not Reported	90*	61×	43×	87×	28×

Federal findings – Area Needing Improvement ×
Strength*

All numbers are from CFS CFSR reports found at
http://library.childwelfare.gov/swig/ws/cwmd/docs/cb_web/SearchForm

Systemic Factors and Items	Nebraska		Kansas		Tennessee		Florida	
	Percent Achieved/Strength		Percent Achieved/Strength		Percent Achieved/Strength		Percent Achieved/Strength	
	2002	2009	2001	2008	2002	2008	2001	2008
Well Being Outcome 1: Families have enhanced capacity to provide for children's needs	**32.0×**	**32.3×**	**76.0×**	**65.6×**	**52×**	**35.4×**	**62×**	**24.6×**
Item 17: Needs/services of child, parents, and foster parents	56×	40×	Not Reported	69×	56×	38.5×	72×	29×
Item 18: Child/family involvement in case planning	26×	39×	Not Reported	75×	65×	39×	53.1×	35×
Item 19: Caseworker visits with child	60×	65×	Not Reported	73×	92*	63×	75.5×	80×
Item 20: Caseworker visits with parents	44×	30×	Not Reported	64×	68×	26×	69×	31×
Well-Being Outcome 2: Children receive services to meet their educational needs	**86.1×**	**76.5×**	**93***	**91.5×**	**82.2×**	**83.3×**	**78.9×**	**82.5×**
Item 21: Educational needs of child	86×	77×	Not Reported	91×	82×	83×	78.9×	83×

Federal findings – Area Needing Improvement ×
Strength*

All numbers are from CFS CFSR reports found at
http://library.childwelfare.gov/swig/ws/cwmd/docs/cb_web/SearchForm

Systemic Factors and Items	Nebraska		Kansas		Tennessee		Florida	
	Percent Achieved/Strength		Percent Achieved/Strength		Percent Achieved/Strength		Percent Achieved/Strength	
	2002	2009	2001	2008	2002	2008	2001	2008
Well Being Outcome 3: Children receive services to meet their physical and mental health needs	**55.3×**	**62.3×**	**78×**	**85.5×**	**69.4×**	**66.1×**	**74×**	**61.4×**
Item 22: Physical health of child	73×	77×	Not Reported	92*	89*	91*	85.1×	79×
Item 23: Mental health of child	66×	70×	Not Reported	88×	71×	63×	76.3×	67×
Estimated Annual Penalty for not meeting Federal Standards	$264,696	$366,580	$415,056.42	$134,088	$1,488,696	$1,522,580	$2,951,544	$3,365,779
Highlights of Findings								
# of National Standards met	2 of 6 standards.	1 of 6 standards	3 of 6 standards.	3 0f 6 standards.	1 of 6 standards.	2 of 6 standards.	2 of 6 standards.	2 of 6 standards
# of outcomes substantially achieved	0 of 7 outcomes.	0 of 7 outcomes	2 of 7 outcomes.	0 of 7 outcomes.	0 of 7 outcomes.	0 of 7 outcomes.	1 of 7 outcomes.	0 of 7 outcomes
#of Systemic factors where substantial conformity was achieved	3 0f 7 systemic factors.	5 of 7 systemic factors.	6 of 7 systemic factors.	4 0f 7 systemic factors.	4 of 7 systemic factors.	5 of 7 systemic factors.	5 of 7 systemic factors.	4 of 7 systemic factors.

Federal findings – Area Needing Improvement ×
Strength*

All numbers are from CFS CFSR reports found at
http://library.childwelfare.gov/swig/ws/cwmd/docs/cb_web/SearchForm

Chapter 9

Foster Care Compensation

"You were asking about a FC pay list, that's the foster care pay list, and that is how they determine what rate the child, you know, you get paid for. And my children, I had three . . . during the time that Boys and Girls was the lead agency, and all of a sudden my payments were reduced 56 percent per child during a month. The FC pay list had been completed without any of my information, without any of my input. I asked for those to be redone and they were never redone. But I went from $30 a child to $12 a child. All three of them were in diapers and one on formula, so there's many, many expenses that I had to provide for those children."

~ Foster parent

November 30, 2011

Senator Kathy Campbell
District 25 State Capitol
P.O. Box 94604
Lincoln, NE 68509

Dear Senator Campbell:

Bryson Bartels shared with me the November 10th email note that Michelle Chafee sent to him regarding information you wanted pertaining to foster care parenting. I'll highlight each of the items requested followed by the information in response:

Current compensation guidelines for foster parents; how it is determined, etc. ; the expectations of foster parents, including training, transportation (including if additional compensation), visitation supervision (including if compensation), etc. ; provisions for foster children regarding funds for clothing, athletic participation, music lessons;
Your questions regarding compensation guidelines for foster parents, expectations of foster parents, and provisions for funds regarding other incidental costs were recently addressed in a letter to Senator Dubas. I have attached the letter, with the enclosed attachments for your review. If you have additional questions regarding these matters please feel free to contact me.

Supervision guidelines for foster parents for example: can foster children participate in car pools (to school, to out of town games, etc.), have babysitters, go to sleepovers, own a car, have a job, go with other parents/kids to movies, etc.
DHHS expects foster parents to provide supervision to children in their care and use their good judgment to make decisions involved with the daily care of the child, based on the individual child's needs, behaviors, etc., DHHS policies, guidelines, and licensing requirements. Therefore, as a general statement, foster parents could allow a child to participate in the types of recreational activities that other children would be doing, and could participate in car pools. DHHS also addresses the fact that some decisions have cultural and religious implications, for example, dating or cutting the child's hair. DHHS regulations state the Department will attempt to involve the parent in those types of decisions and potentially will involve the Guardian Ad Litem. Regulations regarding decisions involved with daily care of the child are found in 390 NAC 11-001.

DHHS also has specific regulations regarding what are considered to be "specific sensitive issues" such as a youth owning a car, having a driver's license, employment, hunting, and others. The regulations that address these specific issues and provide guidance on who can make decisions and the basis for decisions are found in 390 NAC 11-002.

What are the guidelines for the number of children a foster family can have?
Licensing regulations state that care provided at any time is limited to no more than nine children under the age of majority, including children related to the foster parents by blood or adoption. No more than 6 of these children may be age 12 or younger. The maximum also

includes any adults for whom care is provided. (Found at 474 NAC 6-003.26A) Licensing regulations also state that for every six children in the home, there must reside at least one adult responsible for their care and supervision. An exemption allowing more than six children can be granted to eliminate the need to move children, but only when a foster parent dies and the surviving spouse continues to care for the same children, or the foster parents divorce, or one of the foster parents is absent for an extended period of time due to active military duty or illness. A child with sufficient maturity may be left temporarily without direct supervision, at the adult's discretion (474 NAC 6-003.26A1).

DHHS also allows placement of children in approved homes when the child and foster parent are relatives or the child and foster parents were previously known to each other (for example, the latter might be a friend of the family, a neighbor, or a teacher). Although there are no specific guidelines regarding the number of children in an approved home, the number is controlled by the fact that if the foster parent provides care to children from more than one family, state statute requires licensure, and licensing regulations are applied.

What "rights" do foster parents have in regard to input into the foster child's placement, treatment, providing information to the court?
There are no specific "rights" defined for foster parents in a legal sense. Foster parents have the opportunity for input on a child's placement or treatment because of their knowledge about the child and his or her daily life. However, they do not have the "right" to make decisions about placement and treatment.

DHHS requires that the case manager or a staff person specified by the case manager and knowledgeable about the child, meet monthly with the caregiver. These visits provide an opportunity for the caregiver to voice any concerns they have, ask for additional support services, or ask questions they have in regards to the care for the child.

Encouragement is also given to include foster parents in family team meetings during which case plans are developed and progress is reviewed. Because the child's parent(s) determine who will be included as a member of the team, the parent(s) can choose not to include the foster parent, or can choose to have the foster parent present for a portion of the family team meeting.

The Foster Care Review Board also includes foster parents in their regular review of cases, by providing the opportunity for written or verbal input or for actual attendance at a meeting.

Provision of Information to the Court: NE statute, Neb. Rev. Stat. § 43-1314.02 (2007 Neb. Laws, L.B. 457, § 1) requires courts to provide a Caregiver Information Form to foster parents. They can submit written information to the court and can be heard at review and permanency hearings. This *optional* form may assist foster parents in providing written information to the court. Foster parents can submit the written form to the Clerk of the Court. If the foster parent so chooses, s/he can be present at the hearing and present information. The form is found at http://www.supremecourt.ne.gov/forms/juvenile/JC-caregiver-form.pdf.

How many foster parent and what type do you currently have? How many are direct employees of DHHS/KVC/NFC; how many are contracted through subcontractors? Are there plans to expand foster homes; how-subcontract, direct service?
There are 1,612 licensed foster homes and 1,800 approved foster homes. These homes are supported and paid by different agencies including DHHS, Lead Contractors, and Subcontractors. There are ongoing recruitment and retention activities occurring statewide. The Department contracts with Child Placing Agencies, Lead Contractors, and Adoption Providers who are responsible for the individualized recruitment of homes that will be supported by a continuum of services for children, families and foster families to meet the needs of highly specialized youth (DD and Treatment, older youth, youth with diverse cultural needs). The

Department's Children and Family Services Plan continues to include a statewide public information campaign.

Currently, although we have not tracked the information, we estimate that less than five employees from the Children and Family Services Division of DHHS, KVC, and NFC are providing foster care for children in the Department's custody. DHHS regulations found at 390 NAC 1-004.06 indicate employees in the Children and Family Services Division will not serve as foster parents unless the child is related to the employee. However, policy variances have been granted by the Division Director to allow an employee to provide foster care for a specific child.

During this next year DHHS will continue to contract with the Nebraska Foster and Adoptive Parent Association who fields all calls to the foster parent inquiry line. When a person calls the inquiry line they are sent a packet regarding foster parenting in Nebraska. The Nebraska Foster and Adoptive Parent Association also makes follow up calls to the inquiries and sends a monthly report to DHHS. In 2009 the foster parent inquiry line received approximately 62 calls per month. In 2010 the foster parent inquiry line received approximately 92 calls per month. The data for January, 2011 through June, 2011 shows an increase to approximately 145 calls per month. In addition, recruitment efforts will include delivering bookmarks, note pads, magnets, flyers, and other printed materials to local merchants throughout the state to hand out to patrons. These materials will have the foster parent inquiry line printed on them.

We also a pleased to have a long standing relationship with the Nebraska Broadcasters Association and plan to continue foster parent recruitment ads during this next calendar year. The ads are aired during prime time and represent a commitment of the Association members in this and other

I hope that this information answers your questions. If you need additional information or have any further questions please do not hesitate to contact me.

Sincerely,

Scot L. Adams, Ph. D.
Interim Director
Division of Children and Family Services
Department of Health and Human Services

November 30, 2011

Senator Dubas
District 34
P.O. Box 94604
Lincoln, NE 68509

Dear Senator Dubas:

Thank you for your letter dated October 13, 2011 regarding the methodologies DHHS and its contractors use to determine the rates of payment to foster parents and the current rates for foster parents.

Foster homes across the State are divided into certain categories. These categories are:

Traditional Foster homes: Foster homes (licensed and kinship) supported and paid directly by DHHS.

Agency Supported Foster Care: Licensed foster homes supported and paid directly by an agency which has a direct contract with DHHS.

Agency Supported Foster Care for Lead Contractors: Licensed foster homes supported and paid directly by an agency which has a direct contract with the Nebraska Families Collaborative (NFC) or KVC Health Systems (KVC). These agencies are referred to as subcontractors of the DHHS contracts with NFC and KVC.

Foster Homes for KVC and NFC: Foster homes (licensed or kinship) supported and paid directly by KVC or NFC.

DHHS, Lead Contractors, and Subcontractors all pay foster parents different amounts using individual methodologies. Each question you posed is addressed with the answer following in Attachment A. Attachments B-F includes supplemental information to all five questions. Please note the response to each question includes a summary of information from DHHS, Lead Agencies and Subcontractors.

DHHS has been asked not to release the specific rates of subcontractors. DHHS believes it is important to specify the rates directly paid to foster parents, therefore, the subcontracting agencies will be identified only by a letter e.g. Agency A. The letters designated for each subcontractor coincides with the information provided in each attachment, e.g. Agency A is the same agency in any reference within the attached documents. Please note not all subcontractor agencies are listed within each attachment, as the information provided is specific to the question asked.

The following is a list of agencies having contracts with DHHS, KVC, and NFC.

DHHS: Building Blocks, Behavioral Health, NOVA, Boys Town, Christian Heritage, COMPASS, Epworth Village, Mid-Plains Center, Nebraska Children's Home, Omni Behavioral Health, South Central Behavioral Services.

KVC: Apex, Boys Town, Cedars, Child Saving Institute; Christian Heritage, Cornerstone, Epworth Village, Lutheran Family Services, Nebraska Children's Home, NOVA, Omni Behavioral Health.

NFC: Child Saving Institute, Boys Town, Omni Behavioral Health, Child Connect, Apex, Nebraska Children's Home, Christian Heritage, Lutheran Family Services, NOVA, KVC.

I hope this information provides you a better understanding of the methodologies used to determine foster care rates, and provides you information regarding the rate structure used by DHHS, KVC, NFC, and Subcontractors statewide.

If you have any questions or need additional information please feel free to contact me.

Kerry T. Winterer
Chief Executive Officer
Department of Health and Human Services

(Enclosures):	Attachment A	Answers to Questions 1-5
	Attachment B	Supplemental information Question 1
	Attachment C	Supplemental information Question 2
	Attachment D	Supplemental information Question 3
	Attachment E	Supplemental information Question 4
	Attachment F	Supplemental information Question 5

Attachment A

***Question 1*: What methodology, if any, does the Department currently utilize to determine the rate of payment for:**

- ***a. The cost of food for foster children in Nebraska***
- ***b. The cost of daily supervision for foster children in Nebraska***
- ***c. The rate of payment for the cost of school supplies for foster children in Nebraska***
- ***d. The cost of reasonable travel expenses for home visitation for foster children in Nebraska***
- ***e. The cost of reasonable travel expenses for the child to remain in the school in which the child is enrolled at the time of placement***
- ***f. The cost of personal incidentals for foster children in Nebraska, and***
- ***g. Liability insurance for foster children in Nebraska***

DHHS:

a. Cost of food: the monthly rate includes providing food for the child. The cost of food is not itemized within the rate.

b. Cost of daily supervision: the monthly rate includes the expectation for daily supervision. The cost of daily supervision is not itemized within the per diem rate.

c. Cost of school supplies: the monthly rate includes the expectation for providing school supplies. The cost of school supplies is not itemized within the per diem rate.

d. Cost of travel expenses for home visitation: The first 100 miles of transportation for the foster child are considered to be included in the foster care payment schedule. If the foster parent documents additional transportation, the foster parent can be reimbursed at the rate of $11 for each additional 50 miles in a month. The cost of transportation includes any transportation provided by the foster parent for visits with parents or siblings or for transportation to school.

e. Cost of travel expenses for school enrollment: The first 100 miles of transportation for the foster child are considered to be included in the foster care payment schedule. If the foster parent documents additional transportation, the foster parent can be reimbursed at the rate of $11 for each additional 50 miles in a month. The cost of transportation includes any transportation provided by the foster parent for visits with parents or siblings or for transportation to school.

f. The cost of personal incidentals for foster children: the monthly rate includes the cost of personal incidentals for the foster child. The cost of personal incidentals is not itemized within the per diem rate.

g. Liability Insurance: Liability insurance is not considered as a cost within the foster care payment. However, it is important to note that foster parents are not required to purchase their own foster parent insurance. DHHS participates in the State's self-insurance pool, in keeping with NE Rev. Statute, at **43-1320**.

For additional information regarding DHHS methodology regarding foster care rates please see Attachment B.

***Question 2:* What methodology, if any, do each of the Lead Agencies under the "Families Matter" reform currently utilize to determine the rate of payment for:**

a. ***The cost of food for foster children in Nebraska***
b. ***The cost of daily supervision for foster children in Nebraska***
c. ***The rate of payment for the cost of school supplies for foster children in Nebraska***
d. ***The cost of reasonable travel expenses for home visitation for foster children in Nebraska***
e. ***The cost of reasonable travel expenses for the child to remain in the school in which the child is enrolled at the time of placement***
f. ***The cost of personal incidentals for foster children in Nebraska, and***
g. ***Liability insurance for foster children in Nebraska***

KVC:

a. Cost of food: consists of food and nonalcoholic beverages purchased at grocery, convenience, and specialty stores; dining at restaurants; and household expenditures on school meals. For the median age of 13, this expense is $2488 annually.
b. Cost of daily supervision: this is an inclusive service provided in the per diem rate.
c. Cost of school supplies: consists of day care tuition and supplies; baby-sitting; and elementary and high school tuition, books, fees, and supplies. Books, fees, and supplies may be for private or public schools. The average child care and education expenses used in the USDA calculator are based on families who have these expenses. USDA states if you do not have these expenses, expenditures on a child should be adjusted to account for this. For the median age of 13, this expense is $1213 annually. Child care is paid for through other DHHS programs. Therefore, $350 is allowed for supplies.
d. Cost of travel expenses for home visitation: consists of the monthly payments on vehicle loans, down payments, gasoline and motor oil, maintenance and repairs, insurance, and public transportation (including airline fares). For the median age of 13, this expense is $1600 annually.
e. Cost of travel expenses for school enrollment: consists of the monthly payments on vehicle loans, down payments, gasoline and motor oil, maintenance and repairs, insurance, and public transportation (including airline fares). For the median age of 13, this expense is $1600 annually.
f. The cost of personal incidentals for foster children: consists of personal care items (haircuts, toothbrushes, etc.), entertainment (portable media players, sports equipment, televisions, computers, etc.), and reading materials (non-school books, magazines, etc.). For the median age of 13, this expense is $950 annually.
g. Liability Insurance: provided by DHHS.

For additional information regarding KVC's methodology regarding foster care rates please see Attachment C.

Nebraska Families Collaborative (NFC):

a. Cost of food: The Nebraska Families Collaborative's (NFC's) rate structure is based on the USDA costs of raising a child excluding health care and child care costs as documented in the U.S. Department of Agriculture "Expenditures on Children by Families, 2008" (the most recent version available at the time of rate structure development). The rate paid to subcontractors includes these costs plus the estimated agency costs associated with each child.

b. Cost of daily supervision: Child care costs are excluded as they are provided by other State departments. Payments for planned respite are provided to foster parents paid directly by the NFC, and crisis respite is available as needed.

c. Cost of school supplies: The NFC's rate structure is based on the USDA costs of raising a child excluding health care and child care costs as documented in the USDA's "Expenditures on Children by Families, 2008" (the most recent version available at time of rate structure development). The rate paid to contractors includes these costs plus the estimated agency costs associated with each child.

   The NFC is also contracting with the Foster Care Closet located in Lincoln to help supply our foster parents with the additional items that they may need for their foster child during the school year. At this time they have been able to provide, new and used clothing, underwear and diapers, socks and shoes, book bags, pencils, erasers, deodorant, Halloween costumes, and many other items that are donated. These items are on a first come first serve basis, but can also be requested for specific sizes and items.

d. Cost of travel expenses for home visitation: The NFC's rate structure is based on the USDA costs of raising a child excluding health care and child care costs as documented in the USDA's "Expenditures on Children by Families, 2008" (the most recent version available at time of rate structure development).
   The rate paid to subcontractors includes these costs plus the estimated agency costs associated with each child.

   Supplemental pay is available for foster parents at the rate of $15/hour if they provide supervised visitation services in excess of four hours which is contractually required of each foster parent. In addition, the NFC provides transportation through commercial carriers, gas vouchers, and bus passes as needed.

   Please refer to the attached documents titled Standard Expectations of Foster Parents and Parenting Time for Foster Parents for additional information.

e. Cost of travel expenses for school enrollment: The NFC's rate structure is based on the USDA costs of raising a child excluding health care and child care costs as documented in the USDA's "Expenditures on Children by Families, 2008" (the most recent version available at time of rate structure development).
   The rate paid to contractors includes these costs plus the estimated agency costs associated with each child.

   In addition, the NFC provides transportation through commercial carriers, gas vouchers, and bus passes as needed. The NFC requires each foster parent to provide or arrange appropriate transportation to activities and community services, therapy visits, doctor appointments, court hearings, legal appointments,

family visits and to school. The NFC will offer a transportation stipend of $10.00 for travel for appointments and maintenance of school outside the radius of 30 miles for the youth at no additional cost to the provider. The provider will offer transportation within the thirty miles radius for the youth at no additional cost to the NFC.

Please refer to the attached document titled Standard Expectations of Foster Parents for additional information.

f. Cost of personal incidentals for foster children: The NFC's rate structure is based on the USDA costs of raising a child excluding health care and child care costs as documented in the USDA's "Expenditures on Children by Families, 2008" (the most recent version available at time of rate structure development). The rate paid to contractors includes these costs plus the estimated agency costs associated with each child. The NFC also provides petty cash, Wal-Mart vouchers, or purchases items for children as needed.

   The NFC is also contracting with the Foster Care Closet located in Lincoln to help supply our foster parents with the additional items that they may need for their foster child during the school year. At this time they have been able to provide, both new and used clothing, underwear and diapers, socks and shoes, book bags, pencils, erasers, deodorant, Halloween costumes, and many other items that were donated. These items are on a first come first serve basis, but can also be requested for specific sizes and items.

g. Liability Insurance: provided by DHHS.

Question 3: ***What methodology, if any, do each of the subcontractors for the lead agencies under the "Families Matter" reform currently utilize to determine the rate of payment for:***

a. ***The cost of food for foster children in Nebraska***
b. ***The cost of daily supervision for foster children in Nebraska***
c. ***The rate of payment for the cost of school supplies for foster children in Nebraska***
d. ***The cost of reasonable travel expenses for home visitation for foster children in Nebraska***
e. ***The cost of reasonable travel expenses for the child to remain in the school in which the child is enrolled at the time of placement***
f. ***The cost of personal incidentals for foster children in Nebraska, and***
g. ***Liability insurance for foster children in Nebraska***

Subcontractors:

a. Cost of food: The subcontractors take a portion of the rate received from the lead agencies and provide that payment to the foster parents. These payments are all inclusive for the needs of the child including cost of food.
b. Cost of daily supervision: The subcontractors take a portion of the rate received from the lead agencies and provide that payment to the foster parents. These payments are all inclusive for the needs of the child including cost of daily supervision.
c. Cost of school supplies: The subcontractors take a portion of the rate received from the lead agencies and provide that payment to the foster parents. These payments are all inclusive for the needs of the child including cost of school supplies.
d. Cost of travel expenses for home visitation: The subcontractors take a portion of the rate received from the lead agencies and provide that payment to the foster parents. These payments are all inclusive for the needs of the child including the cost of travel expenses for home visitation.
e. Cost of travel expenses for school enrollment: The subcontractors take a portion of the rate received from the lead agencies and provide that payment to the foster parents. These payments are all inclusive for the needs of the child including the cost of travel expenses for school enrollment.
f. Cost of personal incidentals for foster children: The subcontractors take a portion of the rate received from the lead agencies and provide that payment to the foster parents. These payments are all inclusive for the needs of the child including the cost of personal incidentals for foster children.
g. Liability Insurance: provided by DHHS.

For additional information regarding the subcontracting agencies for the Lead Contractors please see Attachment D.

Question 4: ***What process, if any, exists by which the Department, lead agencies and subcontracting agencies take into account the individual needs of the child with respect to determining payments for foster parents?***

DHHS:

Rate of payment to foster parents is determined through use of the Foster Care Payment (FCPay) Checklist. Each question or item on the checklist deals with a need or behavior of the child that is likely to require something from the foster parent that would be above and beyond what a caregiver usually would do or provide for a child of that age. Each item also has a certain number of points associated with it. The checklist is intended to be completed by a worker, with the foster parent. When it is completed, the number of points is added. That number of points, in combination with the child's age, determines the monthly payment rate.

KVC:

In instances where it has been determined that children need foster care, KVC strives for the least restrictive setting possible for their care. It is preferred, for example, that children live close to their home community and with relative caregivers whenever possible. Meeting the child's needs by minimizing disruption and trauma while offering appropriate help and service is the goal of Family Permanency Specialists, foster parents and service providers.

All children placed in foster homes are assigned a Level of Care (LOC) ranging from Family Level of care to Enhanced Specialized Level of Care based on their individual needs reflected in the Child Needs Assessment (CNA).

NFC:

Children are assessed at placement and on an ongoing basis, at least every six months, but more often if needed, to determine the intensity of care needed for each child, and the child's level of foster care pay is determined by assessed needs. Supplemental pay for each level was calculated using a factor based on the highest level of care for each category.

For additional information regarding KVC's process for determining rates of payment using individual needs of the child please see Attachment E.

***Question 5*: What are the rates currently paid by the Department, the lead agencies, and each of the subcontracting agencies to foster parents?**

DHHS, Lead Contractors, and Subcontractors all have different rates of payment to foster parents based on which agency is supporting and directly paying the foster parent. The rate is also based on the individual needs of the child placed with the foster parents using the assessments previously outlined.

Attachment F provides detailed rate tables for DHHS, Lead Contractors, and Subcontractors. The attachment includes the rate DHHS pays foster homes they support and directly pay, and the rate DHHS pays directly to its contractors. The attachment also includes the rate Lead Contractors pay foster homes they support and directly pay, and the rate Lead Contractors pay directly to their subcontractors. The attachment also includes the rates paid by the subcontractors directly to foster parents.

Attachment B

Supplemental Information regarding Question #1:

The rate of payment to foster parents is determined through use of the Foster Care Payment (FCPay) Checklist. Each question or item on the checklist deals with a need or behavior of the child that is likely to require something from the foster parent that would be above and beyond what a caregiver usually would do or provide for a child of that age. Each item also has a certain number of points associated with it. The checklist is intended to be completed by a worker, with the foster parent. When it is completed, the number of points is added. That number of points, in combination with the child's age, determines the monthly payment rate. Depending on age and needs of the child, the payment to the foster parent can range from $246/month for a child ages 0-5 with no special needs up to a maximum of $1,324 for a very high needs child who is age 12 through 18.

The maintenance payment covers the usual costs of maintaining a child. The specific costs are not broken out in the rate except for transportation. The costs include but are not limited to:
- Board and room;
- Personal needs, including recreation and extracurricular activities;
- School needs, including such things as school supplies, school trips, and graduation expenses;
- Transportation up to 100 miles or $21 in a month;
- Clothing; and
- Allowance.

In addition to the payment determined by the checklist and payment scale, DHHS has a number of potential add-ons. Examples are provided below.

- Although the foster parent is expected to provide clothing from the foster care payment, if the child comes to the foster home with inadequate clothing, or there are special circumstances such as a sudden weight gain or loss, the worker can authorize additional purchases. Generally, these payments are made directly to the store.
- When the foster parent needs child care for the foster child due to employment or school, DHHS can pay for the child care. Purposes for the child care (e.g., foster parents work outside of the home or are in school), rate of payment, and parameters, such as number of allowable hours in a week or month, are those established by the Child Care Subsidy Program. Payment is made directly to the provider.
- An amount for respite can be added into the maintenance payment, if a foster parent is using respite. The maximum amount is determined by points on the FCPay checklist, and the child's age. (The amounts can be found on the attachment with FCPay rates.)

The FCPay checklist methodology has been used for DHHS for traditional foster homes since 1994. It was developed by a team composed of DHHS staff and foster parents who cared for children with a variety and range of needs. In 1998 another team, again composed of DHHS staff and foster parents, reviewed the tool and made minor adjustments to the scale, with the parameter that whatever was decided, the results had

to be budget-neutral for the Department. The parameters established in 1994 and carried through in 1998 are:

- The basic (lowest) rate for any child would not be more than the ADC rate for one person, which at that time was $222. If the goal of choice for any child is to have him or her remain at home or return home, it would not be logical to pay someone else more to care for the child than we would provide to a parent who was dependent on ADC.
- Payment rate would increase based on the child's needs. One way to determine needs would be the FCPay checklist, and the other would be age.

The rate schedule has increased slightly over the years, due to budget increases provided to DHHS for a small percentage increase in payments to providers. The basic foster care rate now is $246 (See Attachment A).

FCPAY Rates - Effective July 1, 2010				
Points	**0-27**			
Age 0-5	$246			
6-11	$323			
12+	$388			
Respite	+$45			
Points	**28-34**	**35-41**		
Age 0-5	$300	$356		
6-11	$378	$432		
12+	$444	$498		
Respite	+$111			
Points	**42-46**	**47-51**	**52-56**	**57-61**
Age 0-5	$411	$466	$522	$576
6-11	$487	$543	$599	$654
12+	$554	$609	$665	$721
Respite	+$176			
Points	**62-66**	**67-71**	**72-75**	**76-79**
Age 0-5	$631	$686	$742	$809
6-11	$709	$764	$819	$885
12+	$775	$830	$885	$952
Respite	+$176			
Points	**80-83**	**84-86**	**87-88**	**89 or more**
Age 0-5	$885	$974	$1,073	$1,181
6-11	$963	$1,050	$1,151	$1,259
12+	$1,029	$1,117	$1,216	$1,324
Respite	+$176			

Attachment C

Supplemental Information for Question 2 (KVC):

KVC:

KVC has determined foster parent rates by utilizing information from the United States Department of Agriculture (USDA). The methodology used was to take the median age of foster child living in a foster home in the Midwest, determine the amount the USDA states it takes to raise a child, and use that as the median for determine base foster parent rates. The median age of a foster child residing in a foster home is 13 and the USDA states the cost is $11,888 annually. However, due to various programs through the Department of Health and Human Services (DHHS) that provides additional financial support outside a daily rate paid, adjustments to the USDA rate has been accounted for. The USDA reports the following are considered when calculating the average cost to raise a child. These amounts have been adjusted accordingly to reflect financial support from other government or KVC programs:

Housing expenses consist of shelter (mortgage payments, property taxes, or rent; maintenance and repairs; and insurance), utilities (gas, electricity, fuel, cell/telephone, and water), and house furnishings and equipment (furniture, floor coverings, major appliances, and small appliances). For the median age of 13, this expense is $3563 annually. However, it is the expectation that anyone interested in becoming a foster parent know and understand that they must have basic shelter for the child. The methodology allows for $1600 annually towards other housing expenses outlined above.

Clothing expenses consist of children's apparel such as diapers, shirts, pants, dresses, and suits; footwear; and clothing services such as dry cleaning, alterations, and repair. For the median age of 13, this expense is $825 annually. However, KVC has a contract with the Foster Care Closet to provide brand new clothing to each child in care twice a year. This reduces the amount included in the methodology to $200 annually.

Health care expenses consist of medical and dental services not covered by insurance, prescription drugs and medical supplies not covered by insurance, and health insurance premiums not paid by an employer or other organization. Medical services include those related to physical and mental health. For the median age of 13, this expense is $1250 annually. However, DHHS provides for 100% of all health care expenses through Medicaid. This amount was removed from the foster parent rate methodology as a result.

Summary of expenses for base rate annually:

Housing =	$1600
Food =	$2488
Transportation =	$1600
Clothing =	$ 200 (clothing provided by KVC)
Healthcare =	$ 0 (paid for by DHHS)

Child Care & Education =	$ 350 (adjusted due to DHHS daycare stipend)
Miscellaneous =	$ 950
Total =	$7188 (base rate for foster parents)

As a result, KVC based rates to subcontractors on the estimation that a minimum of $20 per day would be paid directly to the foster parent and as the needs of the child increased, the foster parent would be reimbursed at a higher rate. KVC made estimations that subcontractors would reimburse foster families at $30/day for Specialized and $40/day for Enhanced Specialized. The rates below are what KVC pays subcontractors allowing for an administrative fee on top of the rate to the foster parents for the subcontractor to support the home. The following are the rates that KVC pays to subcontractors:

A. Family Level of Care – $31.00 per day
B. Specialized Level of Care – $50.00 per day
C. Enhanced Specialized Level of Care - $69.00 per day

At these rates and paying foster parents $20/day, $30/day, $40/day respectively for each type of care, the subcontractor would maintain an administrative fee of 30% for Family Level, 40% administrative fee for Specialized, and a 43% administrative fee for Enhanced Specialized level of care. The administrative fee allows for supervision of the home, recruitment, and support.

Attachment D

Supplemental information regarding Question #3:

Agency B: (sub-contracts with KVC and NFC)
Agency B's methodology in determining the rate of pay to foster parents takes into consideration all operational expenses. Agency B researches data provided by the USDA on the average cost of raising a child and uses this information to determine the reimbursement rate paid to foster parents.

Based on the information collected Agency B has determined the following costs to be considered:

Average cost of food	$5.84 per child
Average cost of daily supervision	$4.00 per child
Average transportation expenses	$3.98 per child
Average school supplies and incidentals	$3.08 per child

In addition Agency B supplements the foster parents with donations (clothing, holiday gifts and parties, school supplies, etc.). The foster care specialists also support the parents with supervision & transportation when applicable.

Agency B reviews annually the rate paid to foster parents and adjust based on current cost of living data and operational expenses.

Agency C: (sub-contracts with KVC and NFC)
The methodology used by Agency C to determine the rates paid to foster parents is based on our analysis of the market. Agency C wants to attract and maintain the best and most qualified foster parents for the children in our care. Agency C provides a competitive rate directly to foster parents to compensate them for the hard work they do.

Agency C provides program oversight of foster family services which includes: recruitment of qualified foster parents; initial and ongoing training; retention and ongoing support to maintain youth placement and stability; and ongoing support to foster parents to maintain their critical work with foster children

Agency C sets rates at a level that will attract the most qualified foster parents in a competitive environment. The payment received from lead agencies and the department varies and is less than foster payments and other direct costs combined. The foster care program is subsidized to offset the difference in payments to direct costs.

The items below are not factored directly in the payment methodology but are additional supports provided directly by Agency C and include: Food; Daily supervision; School supplies; Travel expenses; Reasonable travel expenses for the child to remain in school; Personal Incidentals; and Liability Insurance-not covered by Agency C. Agency C foster parents are required to maintain their own insurance.

Stipends, gas cards, grocery cards, diapers and formulas are all additional supports that Agency C is able to offer foster parents. Agency C also maintains a foster care closet that foster families are able to access for additional supplies and incidentals (clothing,

car seats, cribs, backpacks, etc) to support and maintain youth with specific needs or needs above what a foster parent is able to provide.

Agency C utilizes its own assessments to determine the individual needs of foster children and through foster home selection identifies the most appropriate home that is able to offer the necessary supports to those children. Within 24 hours of admission a comprehensive assessment that determines medical, mental health, safety and personal needs of the child is conducted and the results are shared with the lead agency.

Agency C provides supervision and oversight to the foster parents and collaborates with schools, daycares, medical and mental health providers and the contractors to ensure the child, their family and the foster parents receive the support and services they need.

When determining individual needs of the child and the corresponding payment Agency C advocates for foster parents and provides supporting documentation and works with the contractor on determining the rate of reimbursement.

Our daily foster parent rates are as follows:

Intensive/Agency/Enhanced	$32
Moderate/Continuity/Specialized/Emergency	$25
Minimal/Pre-Assessment/Respite	$20
Basic/Traditional/Family	$15

Agency D: (sub-contracts with KVC and NFC)

Agency M, Agency F and Agency P along with Agency D all agreed to reimburse $31, $22, and $12. This was done so agencies were not competing with families based on rates of reimbursement. This allowed families to align themselves with an agency they felt comfortable with.

Agency D does not have a specific methodology to determine reimbursement rates to foster families. Agency D reimburses families 44-50% of the contracted rate received from DHHS. This rate fluctuates due to slight differences in the contracted rates with KVC, NFC and DHHS.

Agency F: (sub-contracts with KVC)

Agency F determines foster care rates based on what was agreed upon prior to the reform by subcontracting agencies in SESA and the proposed amounts from the lead agencies (at the time) for each level. The following determinations were used to help determine the rates:

1) The previous FC payment determination tool and those rates reimbursed at the time by DHHS;

2) The previous DHHS level system of agency, continuity, and traditional and the corresponding amounts reimbursed to agency supported foster homes;

3) There was also a cost percentage that was looked at in determining the rates (At the time agency supported placements were being paid $69/day to the FC agency and approximately 45% of that rate would go to the foster family).

Agency H: (sub-contracts with KVC and NFC)
Agency H does not have a "formula" to determine foster care payment based on the factors outlined in the letter. Agency H determines payment based not only on basic care needs for typical children, but on the care needs specific to the individual child. Agency H respects that children with higher care needs resulting in higher reimbursement rates are children with needs that are beyond what an average or typical child requires.

Agency H also takes into account contracted rates for services as outlined by the Lead Agencies. As a subcontractor, Agency H relies on the assessment tools of the Lead Agencies which outline reimbursement to Agency H. Once the reimbursement amount is determined based on the Lead Agency's assessment tool, Agency H assigns the level of reimbursement to foster parents based on the Agency H identified reimbursement structure.

Agency I: (sub-contracts with KVC and NFC)
Agency I did not address the costs of caring for foster youth in the methodology to determine the rate of pay provided to foster parents. The rates are set by DHHS, KVC, and NFC, which is what the subcontractors have to work with for foster parent stipends. Agency I was not involved in the setting of the rates, they were provided by the Lead Agencies.

Agency I provides different rates for the individual needs of foster youth. This is based on the evaluations completed by the Lead Agencies with input from Agency I staff and foster parents. This would indicate the different levels of pay determined by the needs of the individual foster youth both behaviorally, emotionally, medically, and for mental health issues. This includes different requirements by foster parents regarding supervision, transportation, and involvement in the care of the youth. The foster parents received a larger stipend as those needs increase, as does the agency that is required to provide more supportive services.

The supportive services provided by Agency I include recruitment, licensing, pre-service training, and home studies initially. Once placements are made Agency I staff is available 24/7 for crisis situations, as well as consistent and frequent contact with foster families and youth. Agency I develops goals for the youth in foster care in regards to their behavior and supervision plans. Agency I also provides ongoing training, activities, holiday gift certificates, and rewards to foster parents.

Agency L: (sub-contracts with KVC and NFC)

- Basic Level: Currently, 6 children are placed at this level of care. Foster parents receive a stipend of $400.00 a month for a child placed at this level of care.

- Minimal Level: Currently, 1 child is placed at this level of care. Foster parents receive a stipend of $500.00 a month for a child placed at this level of care.

- Moderate Level: Currently, 29 children are placed at this level of care. Foster parents receive a stipend of $700.00 a month for a child placed at this level of care.

- Intensive Level: Currently, 29 children are placed at this level of care. Foster parents receive a stipend of $1000.00 a month for a child placed at this level of care.

- Pre-Assessment Level: Currently, 11 children are placed at this level of care.

Foster parents receive $20.00 per diem for children during the pre-assessment 10day period. There were 9 children placed at the traditional level of care with NDHHS that transitioned on October 15. Foster parents receive a stipend of $450.00 a month until NFC rescores these youth on January 1st.

Agency M: (sub-contracts with KVC)

Our methodology for foster care rate setting reflected an attempt to map or connect to the Foster Care Pay Scale (often referred to as FC Pay) that was in use at the time the reform began, rather than determining costs as outlined above. The FC Pay Scale was developed by DHHS and used for many years by foster homes. Agency M was attempting to provide a smooth transition to kinship and child specific families, as their pay would have been determined from FC Pay scale under DHHS.

Agency M does not use a methodology incorporating the specific items listed in the Senator's letter. Each rate of payment to foster parent is individualized based on the child's over-all needs for care. The items in the questions above are taken into account for each child and inclusive of the rate of payment.

Variances in rates to foster homes per child are related to the child's history and current behavioral, mental and physical health and cultural considerations. Children with higher needs in these areas are approved at a higher rate of payment to the foster care agency, which in turn, provides a higher rate of payment to the foster home.

Agency N: (sub-contracts with KVC and NFC)

Agency N has established foster care reimbursement levels to be competitive in the current market and to be as comparable as possible with former levels in order to promote foster parent recruitment and retention. The costs as detailed in question 3 of Senator Dubas's letter have not been formally evaluated, although these areas are addressed with foster parents by CSI foster care staff on an ongoing basis. There is difficulty in accurately measuring costs is the wide range of expenditures related to food, daily supervision, travel, etc based on the needs of each individual child.

Agency O: (sub-contracts with KVC)

Agency O does not utilize an independent methodology in determining payments to licensed foster families. As a subcontractor of KVC, Agency O determines the level of need for each child based upon the Child Needs Assessment completed by KVC, prior to, and during the placement of a child in a foster home. In consideration of foster family payments, Agency O follows the KVC payment structure and rate schedule for KVC foster families.

Agency P: (sub-contracts with KVC and NFC)
Agency P does not have a methodology to determine costs for any items on Question 4 because Agency P assumes these costs are taken into consideration when determining what rate will be paid to the Foster Care agencies by the Lead Agencies. The method for determining individual payments to the foster parents are based on the youth's assessment which takes into consideration the individual needs of a child and is completed cooperatively by Agency P and the Lead Agency. Agency P also takes extensive travel by a foster parent into consideration when a family is driving a youth long distances to their home school and can provide additional reimbursement to the family. At this time, Agency P is doing this for one family.

KVC (subcontracts with NFC)
See answer to Question #2 in regards to KVC's methodology.

Attachment E

Supplemental information regarding KVC for question #4:

KVC Behavioral HealthCare Nebraska provides and subcontracts for, three distinct levels of care (LOC), which accommodate families at various levels of training and youth among a spectrum of needs.

The following levels of care designations are used to determine the reimbursement rate to be paid to the foster parent or contracting Child Placing Agency:

A. Family Level of Care – Basic care; minimal needs. This level is for children who have minimal needs and require the type of care offered in a Family Foster Home. Children who score at the Family Level of Care may have occasional episodes of behavioral and/or emotional problems which do not significantly impair the child's interpersonal relationships and ability to function at home or at school. Children at this level are expected to function largely at an age appropriate level educationally, socially, physically, medically, developmentally and emotionally.

Basic duties of Family Foster Homes include but are not limited providing 24-hour care in a safe, nurturing environment; provide food, shelter, clothing, education, medical/dental care, daily care, supervision and transportation; provide supportive services to assure each child receives sufficient care and supervision to prevent placement in a more restrictive setting and assist in facilitating his/her return to a less structured environment, ideally back with his/her parents.

B. Specialized Level of Care – Basic Care; moderate needs. This level is for children who have mild to moderate needs that require a higher level of care in the home. Children with mild to moderate needs may display developmental delays, episodic problems relating with others, a history of self-abusive behaviors and some aggression towards others. The children may have ongoing needs for mental health treatment, monitoring of school problems and/or special education and medical needs.

Basic duties of Specialized Foster Homes include but are not limited to: providing 24-hour care in a safe, nurturing environment; provide food, shelter, clothing, education, medical/dental care, daily care, supervision and transportation; and provide supportive services to assure each child receives sufficient care and supervision to prevent placement in a more restrictive setting and assist in facilitating his/her return to a less structured environment, ideally back with his/her parents.

C. Enhanced Specialized Level of Care - Moderate to high care; high needs. Children with moderate to high needs may display significant developmental delays, high impulsivity, ongoing problems with interpersonal relationships including a history of self-abusive behaviors, a risk to self or others including deliberate aggression toward others, inability to maintain control in spite of close supervision, chronic/serious medical condition, and poor/no response to mental health treatment. This level can also include medically fragile children who require a feeding tube, congenital heart disease/abnormalities requiring surgery and monitoring, weekly to monthly

hospital/specialist monitoring, kidney dialysis, severe forms of cancer, and/or severe failure to thrive with long range effects.

Basic duties of Enhanced Specialized Foster Homes include but are not limited to: providing 24-hour care in a safe, nurturing environment; provide food, shelter, clothing, education, medical/dental care, daily care, supervision and transportation; and provide supportive services to assure each child/youth receives sufficient care and supervision to prevent placement in a more restrictive setting and assist in facilitating his/her return to a less structured environment, ideally back with his/her parents. The Basic Care/Responsibilities listed below are an expectation of KVC sponsored homes as well as for subcontractors.

Basic Care/Responsibilities of a Foster Parent:

- Provide a safe and comfortable environment for children/youth to live to include but not be limited to:
    - Having a separate bed and place for the child/youth's belongings;
    - Abstaining from smoking in the foster home; and,
    - An ethical, moral lifestyle.
- To provide for the child/youth's basic physical and emotional needs equitable to that of any biological or adoptive child/youth in the home.
- To provide for school attendance (transportation), monitor progress, observe special needs and accomplishments; provide aforementioned information to Foster Care Specialist (FCS) and/or Family Permanency Specialist (FPS).
- To provide transportation for youth to medical/dental appointments, mental health appointments, work, family interaction time, family team meetings (when appropriate), court and other activities requested.
- To provide appropriate and adequate clothing.
- To facilitate medical, dental, vision appointments every 6-months or more if necessary; including regular checkups as well as attending to special needs and provide transportation to these appointments.
- To nurture the child/youth to assist with the adjustment process that accompanies removal from his/her home and placement.
- To promote the child/youth in maintaining realistic relationships with his/her family members (to include siblings); to assist in facilitating visitations that will assure positive sibling connections and appropriate interaction with the child/youth's parents to include but not be limited to:
- Inviting family members to the child/youth's educational and sports activities (if safety is not an issue);
    - Inviting family members to the child/youth's foster home for safe, positive interaction.
- To provide spiritual, cultural, recreational, and enrichment activities that will promote the healthy development of the youth.
- To provide an allowance equal to that of any other children of similar age in the family foster home who receives an allowance. (Monies a child/youth may earn from allowance or employment shall be the child/youth's and not for the provision of needs otherwise provided by reimbursement payments).
- To maintain a record for the youth of his/her time in care through a life-book including, accomplishments, photographs, report cards, etc.

- To provide consistent and realistic discipline and guidance that is age appropriate and does not involve corporal punishment or any form of physical discipline/neglect.
- Ensure that upon departure from foster home the following will be sent along with child/youth;
    - All of child/youth's personal belongings including clothing, earnings and savings;
    - life book;
    - And any item purchased specifically for and given to child/youth during placement.

Child Needs Assessment (CNA) Process

A. When a child comes into foster care, a preliminary CNA is completed to determine the child's needs. Within 30 days of placement, another CNA will be completed by the Family Permanency Specialist (FPS) in conjunction with the Foster Parent(s).
B. The result of the CNA will indicate the child's Level of Care.
C. Children in all levels of care will be reassessed semi-annually to determine if their Level of Care continues to meet their needs. At any time a Family Permanency_Specialist, Child Placing Agency or Foster Parent caring for the child may request an_updated CNA.

Review Process

A. Although the foster parent and Child Placing Agency are a part of the review process, they will be notified in writing of the official result of the Child Needs Assessment.
B. If the Foster Parent/Child Placing Agency of a child disagrees with the Child Needs Assessment result, the Foster Parent/Child Placing Agency must submit a request for a review, in writing, within 10 business days of the date of the notice to the Family Permanency Specialist.

Attachment F

DHHS:

For traditional foster parents, the following rates are paid to them based on the child's needs and behaviors on a monthly basis.

FCPAY Rates - Effective July 1, 2010				
Points	**0-27**			
Age 0-5	$246			
6-11	$323			
12+	$388			
Respite	+$45			
Points	**28-34**	**35-41**		
Age 0-5	$300	$356		
6-11	$378	$432		
12+	$444	$498		
Respite	+$111			
Points	**42-46**	**47-51**	**52-56**	**57-61**
Age 0-5	$411	$466	$522	$576
6-11	$487	$543	$599	$654
12+	$554	$609	$665	$721
Respite	+$176			
Points	**62-66**	**67-71**	**72-75**	**76-79**
Age 0-5	$631	$686	$742	$809
6-11	$709	$764	$819	$885
12+	$775	$830	$885	$952
Respite	+$176			
Points	**80-83**	**84-86**	**87-88**	**89 or more**
Age 0-5	$885	$974	$1,073	$1,181
6-11	$963	$1,050	$1,151	$1,259
12+	$1,029	$1,117	$1,216	$1,324
Respite	+$176			

For agency supported foster care, DHHS pays the "tiered rate" to the contractor based on the FC pay checklist points for an individual child (see above).

FC Pay Determination	Rate to Agency Supported Foster Care Provider	
0-24 points	$32.00/day	$973.44/month
25-49 points	$43.00/day	$1308.06/month
50+ points	$69.00/day	$2098.98/month

DHHS Agency Supported Foster Care Contractors/monthly	Tier 1	Tier 2	Tier 3	Additional Payments
Agency A	$350.00	$525.00	$825.00	If foster parent for more than 5 years gets a bonus of $25.00 per month
				Emergency FC $35.00 for 7 days
Agency B	$571.14	$638.42	Under Age 12 $912.60	
			Over Age 12 $1064.70	
Agency C	$456.30	$638.82	$851.76	for new foster home referral
Agency D	$365.04	$669.24	$943.02	paid respite
Agency E	$365.04	$608.40	$851.76	paid respite, some mileage & training
Agency F	$365.04	$669.24	$943.02	paid respite
Agency G	$450.00	$650.00	$900.00	mileage, retention activities, new F.H. referrals
Agency H	< 6 pts: $395.46	$973.44	$1,216.80	
	6-11 pts: $456.30	$1,368.90	$1,368.90	
	11> pts: $517.14	most at $973.44	most at $973.44	
Agency I	$389.38	$522.23	$839.59	paid respite, gift certificates and passes for F.H.
Agency J	$365.04	$669.24	$912.60	
Agency K	$350.10	$500.10	$ 819.90	Emergency FC $40.00/day

KVC and Subcontractors:

KVC's rate structure is based on three levels of care which are Family, Specialized, and Enhanced.

KVC pays the following rates to their **unlicensed** foster care family directly:

Foster Home Family	$10.00/day	$304.20/month
Foster Home Specialized	$20.00/day	$608.40/month
Foster Home Enhanced	$30.00/day	$912.60/month

KVC pays the following rates to their **licensed** foster care family directly:

Foster Home Family	$20.00/day	$608.40/month
Foster Home Specialized	$30.00/day	$912.60/month
Foster Home Enhanced	$40.00/day	$1216.80/month

KVC pays the following rates to the **sub-contracted** agencies:

Foster Home - Family	$31.00 Day	$943.02/month
Foster Home - Specialized	$50.00 Day	$1521.00/month
Foster Home – Enhanced	$69.00 Day	$2098.98/month

The table below depicts the monthly rates paid directly to foster parents from the sub-contractors affiliated with KVC.

Subcontractors for KVC	Family	Specialized	Enhanced	Other
Agency B	$517.14	$638.82	$912.60	Emergency: $25.00/day
Agency C	$456.30	$760.50	$973.44	Emergency: $25.00/day
Agency D	$365.04	$669.24	$943.02	Emergency: $36.00/day
Agency F	$365.04	$669.24	$943.02	
Agency H	$395.46-$517.14 (varies by age)	$973.44-$1216.80 (varies by age)	$973.44	Respite $25/day
Agency I	$365.04	$608.40	$839.59	Emergency $14/day
Agency L	$450.00	$700.00	$1,000.00	
Agency M	$425.88	$699.96	$1003.86	
Agency N	$608.40	$760.50	$882.13-$1034.28 (varies by age)	
Agency O	$608.40	$912.60	$1,216.80	
Agency P	$456.30	$760.50	$912.60	RSAFE Therapeutic FC $70/day

Nebraska Families Collaborative (NFC):

NFC pays the following rates to relative and child specific foster homes:
NFC uses the FCPay rates developed by the Department to pay relative/child specific foster parents.

The following table depicts the rates paid by NFC to their sub-contracting agencies:

Basic	Per day	Per month (30.42 days/mo.)
Age 0-5	$ 27	$ 818
Age 6-12	$ 32	$ 965
Age 13-18	$ 36	$ 1,079
Minimal		
Age 0-5	$ 32	$ 982
Age 6-12	$ 38	$ 1,159
Age 13-18	$ 43	$ 1,296
Moderate		
Age 0-5	$ 39	$ 1,186
Age 6-12	$ 46	$ 1,401
Age 13-18	$ 51	$ 1,566
Intensive		
Age 0-5	$ 54	$ 1,636
Age 6-12	$ 64	$ 1,932
Age 13-18	$ 71	$ 2,160

Pre-Assessment Rate (first 10 days of placement)	$38.00	per day	regardless of age

Note: *Foster parents of children with exceptionally high intensity needs may be paid higher rates using a Special Rate Agreement (SRA).*

Exceptional Payments:

Parenting Time/Sibling Visits above and beyond the required four hours=$15 per hour
Maintenance of a Child's School Placement that meets the required distance and documentation=$10 per day

The following chart depicts NFC subcontractor rates paid directly to foster parents.

	Agency N	Agency C	Agency I	Agency Q	Agency L	Agency H	Agency D	Agency P	Agency B	KVC
Basic										
0-5	$353.18	$456.30	$328.54	$608.40	$400.00	$395.46	$365.04	$456.30	$517.40	$608.40
6/12	$418.58	$456.30	$389.38	$608.40	$400.00	$456.30	$365.04	$456.30	$517.40	$608.40
13-18	$470.90	$456.30	$438.05	$608.40	$400.00	$517.40	$365.04	$456.30	$517.40	$608.40
Minimal										
0-5	$418.58	$608.40	$389.38	$608.40	$500.10	$395.46	$365.04	$456.30	$638.82	$608.40
6/12	$497.06	$608.40	$462.38	$608.40	$500.10	$395.46	$669.24	$456.30	$638.82	$608.40
13-18	$562.47	$608.40	$523.22	$608.40	$500.10	$395.46	$669.24	$456.30	$638.82	$608.40
Moderate										
0-5	$593.19	$760.50	$474.55	$608.40	$699.96	$973.44	$669.24	$760.50	$638.82	$912.60
6/12	$699.66	$760.50	$559.73	$608.40	$699.96	$973.44	$669.24	$760.50	$638.82	$912.60
13-18	$775.71	$760.50	$620.57	$760.50	$699.96	$973.44	$943.02	$760.50	$638.82	$912.60
Intensive										
0-5	$706.35	$973.44	$675.07	$912.60	$999.92	$973.44	$943.02	$912.60	$912.60	$1216.80
6/12	$837.16	$973.44	$778.76	$912.60	$999.92	$973.44	$943.02	$912.60	$912.60	$1216.80
13-18	$928.72	$973.44	$863.93	$912.60	$999.92	$973.44	$943.02	$912.60	$912.60	$1216.80
10 Day	**Pre**	**Assessment Rate**								
10 day rate per day	$16.23	$20.00	$15.20	$20.00	$20.00	Don't have	$22.00	$25.00	$17.00	Don't have

Question #1: Current compensation guidelines for foster parents; how it is determined, etc.

KVC has determined foster parent rates by utilizing information from the United States Department of Agriculture (USDA). The methodology used was to take the median age of foster child living in a foster home in the Midwest, determine the amount the USDA states it takes to raise a child, and use that as the median for determine base foster parent rates. The median age of a foster child residing in a foster home is 13 and the USDA states the cost is $11,888 annually. However, due to various programs through the Department of Health and Human Services (DHHS) that provides additional financial support outside a daily rate paid, adjustments to the USDA rate has been accounted for. The USDA reports the following are considered when calculating the average cost to raise a child. These amounts have been adjusted accordingly to reflect financial support from other government or KVC programs:

- Housing expenses consist of shelter (mortgage payments, property taxes, or rent; maintenance and repairs; and insurance), utilities (gas, electricity, fuel, cell/telephone, and water), and house furnishings and equipment (furniture, floor coverings, major appliances, and small appliances). **For the median age of 13, this expense is $3563 annually. However, it is the expectation that anyone interested in becoming a foster parent know and understand that they must have basic shelter for the child. The methodology allows for $1600 annually towards other housing expenses outlined above.**

- Food expenses consist of food and nonalcoholic beverages purchased at grocery, convenience, and specialty stores; dining at restaurants; and household expenditures on school meals. **For the median age of 13, this expense is $2488 annually.**

- Transportation expenses consist of the monthly payments on vehicle loans, down payments, gasoline and motor oil, maintenance and repairs, insurance, and public transportation (including airline fares). **For the median age of 13, this expense is $1600 annually.**

- Clothing expenses consist of children's apparel such as diapers, shirts, pants, dresses, and suits; footwear; and clothing services such as dry cleaning, alterations, and repair. **For the median age of 13, this expense is $825 annually. However, KVC has a contract with the Foster Care Closet to provide brand new clothing to each child in care twice a year. This reduces the amount included in the methodology to $200 annually.**

- Health care expenses consist of medical and dental services not covered by insurance, prescription drugs and medical supplies not covered by insurance, and health insurance premiums not paid by an employer or other organization. Medical services include those related to physical and mental health. **For the median age of 13, this expense is $1250 annually. However, DHHS provides for 100% of all health care expenses through**

Medicaid. This amount was removed from the foster parent rate methodology as a result.

- Child care and education expenses consist of day care tuition and supplies; baby-sitting; and elementary and high school tuition, books, fees, and supplies. Books, fees, and supplies may be for private or public schools. The average child care and education expenses used in the USDA calculator are based on families who have these expenses. USDA states if you do not have these expenses, expenditures on a child should be adjusted to account for this. **For the median age of 13, this expense is $1213 annually. Child care is paid for through other DHHS programs. Therefore, $350 is allowed for supplies.**

- Miscellaneous expenses consist of personal care items (haircuts, toothbrushes, etc.), entertainment (portable media players, sports equipment, televisions, computers, etc.), and reading materials (non-school books, magazines, etc.). **For the median age of 13, this expense is $950 annually.**

Summary of expenses for base rate annually:

Housing =	$1600
Food =	$2488
Transportation =	$1600
Clothing =	$ 200 (clothing provided by KVC)
Healthcare =	$ 0 (paid for by DHHS)
Child Care & Education =	$ 350 (adjusted due to DHHS daycare stipend)
Miscellaneous =	$ 950
Total =	$7188 (base rate for foster parents)

As a result, KVC based rates to subcontractors on the estimation that a minimum of $20 per day would be paid directly to the foster parent and as the needs of the child increased, the foster parent would be reimbursed at a higher rate. KVC made estimations that subcontractors would reimburse foster families at $30/day for Specialized and $40/day for Enhanced Specialized. The rates below are what KVC pays subcontractors allowing for an administrative fee on top of the rate to the foster parents for the subcontractor to support the home. The following are the rates that KVC pays to subcontractors:

A. Family Level of Care – $31.00 per day
B. Specialized Level of Care – $50.00 per day
C. Enhanced Specialized Level of Care - $69.00 per day

At these rates and paying foster parents $20/day, $30/day, $40/day respectively for each type of care, the subcontractor would maintain an administrative fee of 30% for Family Level, 40%

administrative fee for Specialized, and a 43% administrative fee for Enhanced Specialized level of care. The administrative fee allows for supervision of the home, recruitment, and support.

In instances where it has been determined that children need foster care, KVC strives for the least restrictive setting possible for their care. It is preferred, for example, that children live close to their home community and with relative caregivers whenever possible. Meeting the child's needs by minimizing disruption and trauma while offering appropriate help and service is the goal of Family Permanency Specialists, foster parents and service providers.

All children placed in foster homes will be assigned a Level of Care (LOC) ranging from Family Level of care to Enhanced Specialized Level of Care based on their individual needs reflected in the Child Needs Assessment (CNA).

At KVC Behavioral HealthCare Nebraska, we provide, and subcontract for, four distinct levels of care (LOC), which accommodate families at various levels of training and youth among a spectrum of needs.

The following levels of care designations are used to determine the reimbursement rate to be paid to the foster parent or contracting Child Placing Agency:

A. **Family Level of Care** – Basic care; minimal needs. This level is for children who have minimal needs and require the type of care offered in a Family Foster Home. Children who score at the Family Level of Care may have occasional episodes of behavioral and/or emotional problems which do not significantly impair the child's interpersonal relationships and ability to function at home or at school. Children at this level are expected to function largely at an age appropriate level educationally, socially, physically, medically, developmentally and emotionally.

Basic duties of Family Foster Homes include but are not limited providing 24-hour care in a safe, nurturing environment; provide food, shelter, clothing, education, medical/dental care, daily care, supervision and transportation; provide supportive services to assure each child receives sufficient care and supervision to prevent placement in a more restrictive setting and assist in facilitating his/her return to a less structured environment, ideally back with his/her parents.

B. **Specialized Level of Care** – Basic Care; moderate needs. This level is for children who have mild to moderate needs that require a higher level of care in the home. Children with mild to moderate needs may display developmental delays, episodic problems relating with others, a history of self-abusive behaviors and some aggression towards others. The children may have ongoing needs for mental health treatment, monitoring of school problems and/or special education and medical needs.

Basic duties of Specialized Foster Homes include but are not limited to: providing 24-hour care in a safe, nurturing environment; provide food, shelter, clothing, education, medical/dental care, daily care, supervision and transportation; and provide supportive services to assure each child receives sufficient care and supervision to prevent placement in a more restrictive setting and assist in facilitating his/her return to a less structured environment, ideally back with his/her parents.

C. **Enhanced Specialized Level of Care** - Moderate to high care; high needs. Children with moderate to high needs may display significant developmental delays, high impulsivity, ongoing

problems with interpersonal relationships including a history of self-abusive behaviors, a risk to self or others including deliberate aggression toward others, inability to maintain control in spite of close supervision, chronic/serious medical condition, and poor/no response to mental health treatment. This level can also include medically fragile children who require a feeding tube, congenital heart disease/abnormalities requiring surgery and monitoring, weekly to monthly hospital/specialist monitoring, kidney dialysis, severe forms of cancer, and/or severe failure to thrive with long range effects.

Basic duties of Enhanced Specialized Foster Homes include but are not limited to: providing 24-hour care in a safe, nurturing environment; provide food, shelter, clothing, education, medical/dental care, daily care, supervision and transportation; and provide supportive services to assure each child/youth receives sufficient care and supervision to prevent placement in a more restrictive setting and assist in facilitating his/her return to a less structured environment, ideally back with his/her parents. The Basic Care/Responsibilities listed below are an expectation of KVC sponsored homes as well as for subcontractors.

Basic Care/Responsibilities of a Foster Parent:

- Provide a safe and comfortable environment for children/youth to live to include but not be limited to:
    - Having a separate bed and place for the child/youth's belongings;
    - Abstaining from smoking in the foster home; and,
    - An ethical, moral lifestyle.
- To provide for the child/youth's basic physical and emotional needs equitable to that of any biological or adoptive child/youth in the home.
- To provide for school attendance (transportation), monitor progress, observe special needs and accomplishments; provide aforementioned information to Foster Care Specialist (FCS) and/or Family Permanency Specialist (FPS).
- To provide transportation for youth to medical/dental appointments, mental health appointments, work, family interaction time, family team meetings (when appropriate), court and other activities requested.
- To provide appropriate and adequate clothing.
- To facilitate medical, dental, vision appointments every 6-months or more if necessary; including regular checkups as well as attending to special needs and provide transportation to these appointments.
- To nurture the child/youth to assist with the adjustment process that accompanies removal from his/her home and placement.
- To promote the child/youth in maintaining realistic relationships with his/her family members (to include siblings); to assist in facilitating visitations that will assure positive sibling connections and appropriate interaction with the child/youth's parents to include but not be limited to:
- Inviting family members to the child/youth's educational and sports activities (if safety is not an issue);
    - Inviting family members to the child/youth's foster home for safe, positive interaction.
- To provide spiritual, cultural, recreational, and enrichment activities that will promote the healthy development of the youth.
- To provide an allowance equal to that of any other children of similar age in the family foster home who receives an allowance. (Monies a child/youth may earn from allowance or employment shall be the child/youth's and not for the provision of needs otherwise provided by reimbursement payments).
- To maintain a record for the youth of his/her time in care through a life-book including, accomplishments, photographs, report cards, etc.

- To provide consistent and realistic discipline and guidance that is age appropriate and does not involve corporal punishment or any form of physical discipline/neglect.
- Ensure that upon departure from foster home the following will be sent along with child/youth;
  - All of child/youth's personal belongings including clothing, earnings and savings;
  - life book;
  - And any item purchased specifically for and given to child/youth during placement.

Child Needs Assessment (CNA) Process

A. When a child comes into foster care, a preliminary CNA is completed to determine the child's needs. Within 30 days of placement, another CNA will be completed by the Family Permanency Specialist (FPS) in conjunction with the Foster Parent(s).
B. The result of the CNA will indicate the child's Level of Care.
C. Children in all levels of care will be reassessed semi-annually to determine if their Level of Care continues to meet their needs. At any time a Family Permanency Specialist, Child Placing Agency or Foster Parent caring for the child may request an updated CNA.

Reimbursement Rates to KVC Foster Families Sponsored by KVC

A. Family Level of Care - $20.00 per day
B. Specialized Level of Care - $30.00 per day
C. Enhanced Specialized Level of Care - $40.00

Reimbursement Rates to Subcontracting Child Placing Agencies

D. Family Level of Care – $31.00 per day
E. Specialized Level of Care – $50.00 per day
F. Enhanced Specialized Level of Care - $69.00 per day

***It is important to note that each Subcontracting Child Placing Agency is responsible for setting rates for their foster home. KVC's Child Placing Agency pays directly to foster parents the amount listed above.*

Review Process

A. Although the foster parent and Child Placing Agency are a part of the review process, they will be notified in writing of the official result of the Child Needs Assessment.
B. If the Foster Parent/Child Placing Agency of a child disagrees with the Child Needs Assessment result, the Foster Parent/Child Placing Agency must submit a request for a review, in writing, within 10 business days of the date of the notice to the Family Permanency Specialist.

Question #2 - Supervision guidelines for foster parents for example: can foster children participate in car pools (to school, to out of town games, etc.), have babysitters, go to sleep overs, own a car, have a job, go with other parents/kids to movies, etc.

- Any adult providing care for a state ward for any period of time must have the following background checks completed – APS, CPS, DMV, SOR and local law enforcement. This would apply to anyone transporting the child or providing care (care pools, out of town games, baby sitters, sleep overs, etc.).

- Regarding date and social activities – (per KVC guidebook): When a youth is in foster care, the foster parents should establish guidelines concerning dating/social outings and privileges; establish an appropriate curfew, and other "house" rules. The birth/adoptive parent(s), FPS, FCS and foster parents should discuss in the first family team meeting to assure everyone's wishes are respected, approved and unapproved friends, and acceptable activities. It is recommended that a youth's case plan reflects approval to participate in such activities.

- Regarding employment – (per KVC guidebook): A teenager should be encouraged to work outside the home (when possible and appropriate). Employment allows the youth a greater opportunity to become self-sufficient and it also encourages a higher sense of self-worth by assisting the youth in gaining responsibility, maturity and independence.

- Regarding having a car – youth in foster care can have a car but it would have to be approved by the legal guardian and all team members.

Question #3 - What are the guidelines for the number of children a foster family can have?:

- Care provided at any time is limited to no more then nine children under the age of majority, including children related to the foster parent by blood or adoption. No more then 6 of these children may be age 12 or younger.

- For every six children in the home, there must reside at least one adult responsible for the care and supervision.

- Foster parent must have a plan for safe and reliable transportation for the number of children they are licensed for.

- At least 35 square feet per individual excluding bedrooms, bathrooms and kitchen for each child and adult residing in the home is required.

- Bedrooms must have at least 35 square feet for each child occupying the room – foster child or not.

- Considering the strengths and needs of each foster parent is key when determining the number of children each home will be licensed for along with the needs of any youth placed in the home.

Question #4 - What "rights" do foster parents have in regard to input into the foster child's placement, treatment, providing information to the court?

Foster Parent Rights (KVC Guidebook)

- Foster parents have the right to receive all of the services provided through the program. These services include: preparation of the child through foster parent training,

support to foster parents while the child is in your home and staff available with a 24-hour on-call system to respond in times of trouble.

- Foster parents have the right to maintain the integrity of their home and may monitor the belongings of the child to insure that they are not harmful or disruptive.
- Foster parents have the right to establish reasonable rules and regulations in their home.
- Foster parents have the right to monitor visitors and guests in their home.
- Foster parents have the right and responsibility to participate in treatment planning for their foster child.
- Foster parents have the right to be compensated in a timely way for the services they provide.
- Foster parents have the right to refuse a placement. If a placement of a foster child seems inappropriate because of the child, family travel or any number of considerations, KVC expects foster parents to be honest and say, "Not at this time." Declining a placement will not jeopardize future placements.
- Other rights of foster parents include being fully informed of the child's background and physical and mental functioning to ensure provision of appropriate care and protection; being involved in the development of a treatment plan for the child placed; participating in child placement reviews and the right to have opinions in placement reviews. The foster parent's opinion is important to the team.

Question #5 - How many foster parent and what type do you currently have? How many are direct employees of DHHS/KVC/NFC; how many are contracted through subcontractors? Are there plans to expand foster homes; how-subcontract, direct service?

KVC in Eastern Service Area has 148 licensed homes; KVC in Southeast Service Area has 151 licensed homes. SESA has one foster parent that is employed by DHHS and one that is an employee of KVC.

There are plans to expand foster care throughout the system as part of the ACF Performance Improvement Plan (PIP). KVC has convened the subcontractors to discuss recruitment, retention, and support of foster families. KVC reports to DHHS how this plan is operating in the respective service areas. The plan is to increase the subcontractor's capacity, as well as KVC's. There is a major shortage of foster homes and it will take all entities to develop a robust system to locate enough quality foster parents willing to serve all children of ages and ethnicities.

Nebraska Families COLLABORATIVE SM

How is the current compensation guidelines for foster parents determined?

Current compensation guidelines to foster parents are determined by each Child Placing Agency. Please note that in Nebraska there has never had standardized guidelines nor cost based system for reimbursement to foster parents. Each agency has always made that determination which may be based on the type of children served, the unique needs of the children served and the specific supports that agency provides to its foster parents.

The NFC subcontracts with: KVC, Lutheran Family Services, Boys Town, Children's Square, Omni Behavioral Health, Apex, Christian Heritage, Nebraska Children's Home, and Nova. Once the subcontracted agency receives payment from NFC, they pay the foster parents directly. The subcontractors pay a portion of the funding they receive to the foster parents, and they use the rest of the payment from NFC for administrative costs.

Almost two years ago the NFC developed a Foster Care Focus Group to review payment methodology for compensation to Child Placing Agencies. The Foster Care Focus Group participants included current foster parents, Child Placing Agencies and other stakeholder groups. The group reviewed several other states and private sector methodologies to determine the best course of action. The group agreed to develop its own compensation criteria for Child Placing Agencies serving NFC youth. The rate is determined by the NFC Foster Care Rate Evaluation (see below) and the NFC Foster Care Rate Form (also see below) which was also developed by current foster parent, Child Placing Agencies and other stakeholder groups.

The NFC Foster Care Rate Evaluation and the NFC Foster Care Rate Form both determine the level of need and the age of each child requiring foster placement. This methodology allows for unique and specific needs of each child to be determined so that they have their individual needs met and so that Child Placing Agencies can be reasonably reimbursed. The reimbursement amount allows for Child Placing Agencies to provide additional supports directly to foster parents so that they may better support foster placements in their foster parents homes.

The NFC has five levels of need that is determined with the foster parents, the agency, family and is based on the needs assessment conducted on each youth requiring foster placement. The following represents the five levels of need listed above and a breakout of each of the percentages of each level for current NFC foster placed youth during the month of October 2011.

Level	Percentage	Number of children
Pre-Assessment	4%	9
Basic	17%	39
Minimal	13%	29
Moderate	19%	43
Intensive	47%	105

The following is the NFC Foster Care Rate Evaluation that is utilized with each and every foster placement. The NFC Foster Care Rate Evaluation is completed during a team meeting of the Family Permanency Specialist, the Child Placing Agency Foster Care Specialist and the Foster Parent serving the youth. During this process the team reviews specific characteristics of youth and apply the findings to determine the rate utilizing the NFC Foster Care Rate Evaluation Form. The following is the Foster Care Rate Evaluation Form that is utilized during the team process.

Occasionally – 1-2 times per month (Frequently) – 1-2 times per week (Habitually) – 3-4 times per week or more

MENTAL HEALTH/BEHAVIORAL NEEDS

Behaviors	Examples	Age Appropriate	Minimal	Moderate	Intensive
Runaway	Min: Disappears or runs away occasionally for short periods of time with the intention of returning.				
	Mod: Frequently runs away or disappears for longer periods of time requiring encouragement to return.	☐	☐	☐	☐
	Inten: Runs away for long periods of time (8 or more times per year and 5 or more days at a time), returning only as a result of initiative of others.				
School/Classroom	Min: Occasionally skips classes or exhibits behavior affecting class achievement, requiring make-up and occasional parent/school contact, extra help with homework.				
	Mod: Frequently truant or exhibits behavior affecting class achievement; creates disturbance in the classroom; requires extra help with schoolwork from parents; frequent contact between parents and school.	☐	☐	☐	☐
	Inten: Habitually creates disturbance in the classroom or on the school bus; habitually truant; requires daily parent / school contact.				
Drug and Alcohol	Min: Occasionally experiments with alcohol or drugs or both.				
	Mod: Frequently uses alcohol or drugs or both.	☐	☐	☐	☐
	Inten: Habitually uses alcohol or drugs or both.				
Sexual	Min: Occasionally acts out in a sexual manner; i.e., public sexual gestures or inappropriate sexual language				
	Mod: Frequently acts out in a sexual manner; i.e., public sexual gestures or inappropriate sexual language; disruptive to family and community.	☐	☐	☐	☐
	Inten: Exhibits sexual deviance; i.e., that of a violent unconsenting nature with others.				
Aggressive	Min: Occasional aggressive behavior toward people; i.e., biting, scratching, throwing objects.				
	Mod: Frequent aggressive behavior toward people; i.e., biting, scratching, throwing objects.	☐	☐	☐	☐
	Inten: Daily aggressive behavior; i.e., biting, scratching, throwing objects.				
Behaviors	**Examples**	**Age Appropriate**	**Minimal**	**Moderate**	**Intensive**
Illegal	Min: Occasional problems with stealing, petty theft, vandalism, destroying property.				
	Mod: Occasionally involved in non-violent crimes which result in contact with police / authorities.	☐	☐	☐	☐
	Inten: Repeated and uncontrollable social behavior resulting in delinquency status; i.e., property offenses, assault, arson.				
Self-Abusive	Min: Frequent self-abusive behavior; i.e., head banging, eye poking, kicking self, biting self, cutting.				
	Mod: Recent history of suicide attempts and/or self harm.	☐	☐	☐	☐
	Inten: Constant self-abusive behavior; i.e., head banging, eye poking, kicking self, biting self, cutting				

Peer Relationships	Mod: Occasional inappropriate behavior with peers; infrequent conflicts with friends, boundary violations, annoying behavior.	☐	☐	☐	☐
Other	Mod: Frequent enuresis and/or encopresis. Inten: Severe eating disorders, eats inappropriate items.	☐	☐	☐	☐
	TOTALS	____	____	____	____

*2-4 Minimal boxes checked equals an overall **Minimal** category*
*5 or more Minimal boxes checked or 1 Moderate box checked equals an overall **Moderate** category*
*2 or more Moderate boxes checked or 1 Intensive box equals an overall **Intensive** category*

Final Mental Health/Behavioral Category:

Other characteristics which correspond in extent or degree – Specify:

Mental health diagnoses with symptoms of impairment -- Specify:

PHYSICAL AND PERSONAL CARE NEEDS

Behaviors	Examples	Age Appropriate	Minimal	Moderate	Intensive
Activities of Daily Living	Min: Needs some help putting on braces or prosthetic devices and help with buttons or laces, but is basically self-caring and able to maintain own physical assisting devices. Mod: Requires help with dressing, bathing, and general toilet needs, including maintenance procedures; i.e., diapering and applying catheters; requires help of a person or a device to walk or get around. Inten: Non-ambulatory/Daily irrigation/Requires total care or continual monitoring/Requires excessive cleaning / laundry and control of body waste.	☐	☐	☐	☐
Seizures	Min: Seizures / motor dysfunctions controlled by medication. Mod: Frequent but relatively controlled seizures. Inten: Uncontrollable seizures.	☐	☐	☐	☐
Therapy	Min: Requires therapy for gross or fine motor skills or other specialized care with frequent implementation by foster parent. Mod: Requires daily administration of medication, preparation of special diets, prescribed physical therapies; i.e., for vision, hearing, speech, gross or fine motor skills, 1 or 2 hours per day. Inten: Requires home administration of daily prescribed exercise routines to improve or maintain gross or fine motor skills.	☐	☐	☐	☐

Behaviors	Examples	Age Appropriate	Minimal	Moderate	Intensive
Dietary Needs	Min: Requires special diet preparation / supervision. Mod: Minor feeding problems. Inten: Exhibits eating, feeding problems; i.e., excessive intake, extreme messiness, extremely slow eating – requires help, supervision, or both.	☐	☐	☐	☐
Respiratory	Min: Mild controlled asthma or other respiratory problems requiring medication by mouth. Inten: Requires frequent special care to monitor, prevent or remedy serious health/medical conditions; i.e., moderate respiratory problems requiring nebulization and suctioning 2-3 times daily, oxygen while sleeping,.	☐	☐	☐	☐

Drug Exposure	Mod: Fetal substance exposure with withdrawal symptoms.	☐	☐	☐	☐
HIV	Mod: HIV-exposed (18 months or younger)				
	Inten: HIV-infected	☐	☐	☐	☐
	TOTALS				

*2-4 Minimal boxes checked equals an overall **Minimal** category*
*5 or more Minimal boxes checked or 1 Moderate box checked equals an overall **Moderate** category*
*2 or more Moderate boxes checked or 1 Intensive box equals an overall **Intensive** category*

Final Physical and Personal Care Needs Category:

Other characteristics which correspond in extent or degree – Specify:

Medical Conditions Present:

Supplemental Payment

Mental Health/Behavioral Overall Category

Physical and Personal Care Overall Category

Highest overall category is the final Supplement Payment Level

***For example if a child had a Minimal Mental Health/Behavioral Overall Category and a Moderate Physical and Personal Care Overall Category the Final Supplement Payment Level would be Moderate.*

Final supplement Level _____

Exceptional Payment

Number of hours per month of Parenting Time above the 4 hours per month standard _____

Number of hours per month of Sibling Visits above the 4 hours per month standard _____

Maintenance of child's school placement (school is located 10 or more miles from foster parent's home) _____

Total Exceptional Pay
RATE/MONTH _____

Basic Rate	$_____
Supplemental Payment	$_____
Exceptional Payment	$_____
TOTAL	$_____

Effective Date:_____

*First review 10 days after first placement in care if placement directly following intake or 30 days after first placement in care. Subsequent reviews are completed every 60 days and with each placement change thereafter.

60-Day Review: If a review indicates no change in Basic, Supplemental, or Exceptional payments, indicate that the above rate continues by signing below. Complete a new form if any rate factors have changed.

Upon completion and findings of the NFC Foster Care Rate Evaluation a compensation amount is determined and agreed upon with the entire team. The following chart depicts the compensation amounts by each level.

Basic	Per day	Per month (30.42 days/mo.)
0-5	$ 27	$ 818
6-12	$ 32	$ 965
13-18	$ 36	$ 1,079
Minimal		
0-5	$ 32	$ 982
6-12	$ 38	$ 1,159
13-18	$ 43	$ 1,296
Moderate		
0-5	$ 39	$ 1,186
6-12	$ 46	$ 1,401
13-18	$ 51	$ 1,566
Intensive		
0-5	$ 54	$ 1,636
6-12	$ 64	$ 1,932
13-18	$ 71	$ 2,160

Pre-Assessment Rate (first 10 days of placement)	$38.00	per day	regardless of age

The NFC reimburses directly to the Child Placing Agency, who, in turn, determines their own reimbursement to their foster parents. Each Child Placing Agency has their own specific reimbursement to foster parents.

The chart below depicts the monthly rates paid by each Child Placing Agency directly to their foster parents.

Sub-Contractor/Monthly	Basic	Minimum	Moderate	Intensive
	$400.00	$500.00	$700.00	$1,000.00
		$365.00	$669.00	$943.00
0-5 years of age	$329.00	$389.00	$475.00	$657.00
6-12 years of age	$389.00	$462.00	$560.00	$779.00
13-18 years of age	$438.00	$523.00	$621.00	$864.00
Pre-Assessment	$462.00			
0-5 year of age	$353.00	$420.00	$593.00	$706.00
6-12 years of age	$419.00	$497.00	$700.00	$843.00

13-18 years of age	$471.00	$562.00	$776.00	$929.00
		$608.40	$608.40	$912.60
	$395.00	$973.00	$1,216.80	$1,368.90
	$517.00	$639.00	6-12 yrs $639.00	0-12 yrs $912.60
			13-18 yrs $912.60	13-18 yrs $1064.70
	$304.20	$304.20	$760.50	$912.60
	$790.92-821.34	$973.44-1308.06	$1186.38-1551.42	$1642.68-2159.82

Please note: KVC is a subcontract agency with the NFC and their rates are not included in the table above since they are responding to this same request.

The expectations of foster parents, including training, transportation, visitation supervision (including if compensation).

Foster Parent Training

The NFC requires its foster parents to complete the entire PS-MAPP training. This training is required prior to accepting any youth into their home. Permanence and Safety-Model Approach to Partnerships in Parenting (PS-MAPP) which helps support achieving permanent and safe homes for children in foster care. The benefits of PS-MAPP training includes:

- Helping resource parents build positive relationships with birth parents.
- Supporting resource families' understanding of the commitment necessary to ensure the well-being of children placed in their care.
- Providing resource families with a network of essential services, support and nurturing for children placed in their care.
- Emphasizing the importance of maintaining close connections between children and their birth families.
- Underscoring the benefits of foster care from within the child's own community.
- Providing understanding of behavioral problems the child may experience.
- Helping resource families understand the dynamics of the foster care system.

Youth residing in foster care should be afforded the same opportunities that biological youth receive by their natural parents. The NFC is no exception to this value and work closely with the Child Placing Agencies to ensure they provide the necessary supports and assist with common barriers to their foster parents so that each and every youth has their individual basic needs met. There are instances in which the NFC compensates for circumstances that include:

Parenting Time/Sibling Visits

NFC asks foster parents to provide supervised parenting time and/or sibling visitations for children placed in their home. The foster parents are asked to provide at least four hours each month. By asking foster parents to provide this it allows an opportunity for parents and foster parents an opportunity to work together and support one another. This process also shows the child that the adults are all working together on a shared purpose and outcome which is for the child and family to improve and develop the skills necessary so that the child can return home permanently. Families requiring more than four hours each month the NFC compensates an additional $15/hour.

Travel to School

The NFC asks that foster parents transport or develop their own natural supports for foster placements just as they would with their own children. Transportation to school is factored into the standard foster care rate (10 miles of transportation to school, one-way, or 20 miles, round-trip, per day). As with non-wards families provide their own transportation, carpool, networks and bus service for foster youth. It is the intent that youth are placed nearest their school or school district. Foster parents serving youth further than twenty miles from school are allotted an additional $10/per day per child to compensate for the transportation cost.

Travel to Home Visits

The rate paid to contractors includes these costs plus the estimated agency costs associated with each child. Additional compensation is available for foster parents at the rate of $15/hour if they provide supervised visitation services in excess of four hours. The NFC also provides transportation through commercial carriers, gas vouchers, and bus passes as needed.

Food

The NFC rate structure is based on the USDA costs of raising a child excluding health care and child care costs as documented in the USDA's "Expenditures on Children by Families, 2008" (the most recent version available at the time of rate structure development). The rate paid to contractors includes these costs plus the estimated agency costs associated with each child.

Child Care

The NFC does not compensate for child care. Payments for planned respite are provided to foster parents and crisis respite is available as needed.

School Supplies and Personal Incidentals

The cost of school supplies is factored into the rate paid to Child Placing Agencies. The NFC works with local community agencies and the Foster Care Closet to ensure that youth have the necessary school supplies. The Child Placing Agencies also offer new and used clothing, underwear and diapers, socks and shoes, book bags, pencils, erasers, deodorant, seasonal needs and many other items.

Extra-Curricular and Other Activities

The NFC encourages Child Placing Agencies to ensure they provide the proper balance of their foster parents so that they balance risk and child safety while promoting normalcy in each child's life. There are many activities that contribute to a child's opportunity to develop social skills, interact with others, and be part of typical childhood activities. Foster youth are encouraged to participate in activities such as sports, Extra-curricular activities, band, employment, and others that other children participate. The individual treatment needs, developmental level, level of care, benefits, and possible concerns of participation when deciding if a child should or should not participate in typical childhood activity.

Supervisions guidelines for foster parents for example: can foster children participate in car pools (to school, to out of town games, etc.), have babysitters, go to sleep overs, own a car, have a job, go with other parents/kids to movies, etc.

Please refer to response above under section titled Extra-Curricular and Other Activities.

What are the guidelines for the number of children a foster family can have?

The guidelines for the number of children a foster family can serve is determined by licensing standards. Please refer to the state of Nebraska Chapter 6, Licensing Foster Homes, Group Homes, Child Caring Agencies, and Child Placing Agencies Manual 474 NAC 6-003.

www.sos.state.ne.us/rules-and-regs/regsearch/Rules/Health_and_Human_Services_System/Title-474/Chapter-6.pdf

Parents and Child Placing Agencies work closely with the NFC to determine (based on their licensing standards) the actual number of youth they are able to serve in their homes. This is based on skill-set of foster parents, needs of the child and other youth placed within their home and suitability.

In addition to licensing standards each Child Placing Agency works with their foster parents to determine appropriateness and suitability of the child referred. The Child Placing Agency is familiar with each child placed in their agency and within each foster home. Safety and risk are the single most important aspect when determining which home is most suitable. Foster parents also provide significant input during the suitability planning process.

What "rights" do foster parents have in regard to input into the foster child's placement, treatment, providing information to the court?

The NFC maintains a **Standard Responsibility Statement (SRS)** that is provided to each foster parent at the time of placement, The SRS defines the following: **foster parent rights**; responsibilities to Foster Children; responsibilities for birth parents; responsibilities to biological children and own birth family; and responsibilities to the agency.

These rights include:

1. Foster parents have the right to confidential information about the child and the child's previous history.
2. Foster parents have the right to full knowledge about any previous behavior that could be detrimental to the child's health/safety or the safety of others. The exception to this is information regarding HIV and AIDS testing.
3. Foster parents have the right to make decisions regarding which child or children they want in their home.
4. Foster parents have the right to participation as a team member with decision making power in the child's treatment plan.
5. Foster parents have the right to a fair and impartial assessment of their home and personal skills related to the task of foster parenting.
6. Foster parents have the right to be sponsored through an agency of their choosing.
7. Foster parents have the right to ask for the removal of a child from their home whose needs and/or behaviors are not a suitable match. Foster parent should submit a request for removal to their child placing agency staff. If the child has been in placement less than 6 months, the notice the foster parent gives may vary depending on the contracting agency for the child. If the child has been in placement 6 months or longer, the foster parent is to give 30 day notice. If the foster home is related to the child placed, the foster parent is to give 30 day notice regardless of the length of the placement Exceptions may be made if the child presents a danger to him/herself or others.
8. Foster parents have the right to receive notice of a child being moved from their home. If the child has been in placement less than 6 months, the notice the foster parent receives may vary depending on the contracting agency for the child. If the child has been in placement 6 months or

longer, the foster parent is to receive 30 day notice. If the foster home is related to the child placed, the foster parent is to receive 30 day notice regardless of the length of the placement. Foster parents may waive the length of time. This waiver must be in written format with the signature of the foster parent. A child may also be moved with less notice if ordered or approved by the court, the move is to a selected pre-adoptive family, or if the child is in danger in the foster home.

9. Foster parents have the right to training, instruction concerning agency policy and procedure, respite care, consultation, supervision by a professionally trained person in the field of foster care, and additional support in times of crisis.
10. Foster parents have the right to know Childrens' Square rates and to receive compensation for room, board, and personal investment of time and energy.

Foster parents have the right to have their **grievances** heard and to be addressed in a timely manner as do all employees, NFC Provider Network, families, youth and stakeholders. Every person involved with the NFC has the right to file a complaint or grievance related to any aspect of dissatisfaction. The NFC responds to complaints and grievances within one business day and resolve the complaint within 30 days after the date of the received complaint if feasible. The person/agency is notified of the final resolution the same way in which the grievance was filed. If the complainant is not satisfied with the outcome anyone can request reconsideration or file an appeal with the NFC Executive Director. A complaint/grievance includes, but is not limited to: Youth and Family Rights; Quality Care and Outcomes; Manner of Service; Accessibility; Billing and Funding; Professionalism; Employee or personnel dissatisfaction and other.

The Performance and Quality Improvement (PQI) and Network Administration Department determine the level of incident and complete a quarterly summary report. The NFC Leadership will review the pattern of Grievances/Complaints/Compliments quarterly. All incidents that are determined a Level 3 are reviewed quarterly with the NFC board.

Leveling Definitions:

Level 1	Level 2	Level 3	Level 0
Minor policy or practice violation(s). 1. No injury (psychological, physical) to youth or staff occurred or 2. No legal or ethical transgressions occurred.	Moderate policy or practice violation(s) or a substantial number of minor violations or repeat of previous violations. 1. Minor injury (psychological, physical) to child *or* 2. Minor legal or minor ethical transgressions occurred.	Major policy or practice violation(s). 1. Sentinel event or 2. Practices so pervasive that if continued, prudent judgment would conclude that child or staff injury would occur.	No violation noted during investigation or report determined to be false or situation posed no danger or concern

In addition, each Child Placement Agency has their own foster care policies surrounding Rights and Responsibilities.

How many foster parents and what type do you currently have? How many are direct employees of DHHS/KVC/NFC; how many are contracted through subcontractors? Are there plans to expand foster homes; how-subcontract, direct service?

The NFC is not a Child Placing Agency, therefore, has no foster parents. The NFC works directly with the other Child Placing Agencies and utilizes their network of foster parents. There are a total of 612 licensed foster homes between all the Child Placing Agencies subcontracting with the NFC.

As part of the Department's Performance Improvement Plan (PIP) with ACF there is a regional recruitment and retention plan that is currently being revised in partnership with the Department, the Lead Agencies and other Child Placing Agencies. There are plans to expand foster homes and the

NFC is currently in process of moving toward Performance Based Contracting and is expected to be implemented in January 2012. Specific measures in draft format pending agreement by Child Placing Agencies includes: Licensure of Child Specific/Relative Foster Home; Successful Reunification; Permanency to Adoption and Guardianship; Recruitment and Licensing of Foster Homes and Timeliness to Adoptions and Recruitment.

Chapter 10

Contract Research

"After 40-plus years of working with at-risk youth, it's difficult for me . . . and this is a personal basis; I'm expressing my board's opinion. We're very upset about youth and families not getting the services they need. We were some of those 83 beds that disappeared, okay? It is difficult for me to trust a system that says they have the best interests of the youth and family at heart, when it really comes down to the dollar. And we hear that over and over. But it's time to seriously look at this thing, because it is out of control; it's unmanageable. "

~ Subcontractor from Western Service Area

Legislative Performance Audit Report:
(Relevant Excerpts regarding Contracting)

Contracting Process

Recommendation: The LPA Committee will work with the Health and Human Services and the Government, Military and Veterans Affairs committees to propose and/or support legislation requiring agencies to work with the Department of Administrative Services in the letting of personal services contracts to ensure adequate accountability and sound contracting practices.

Recommendation: The LPA Committee will work with the Health and Human Services Committee to propose legislation establishing a moratorium on adding any additional DHHS service area to any new or existing lead agency contract to provide services in the child welfare system and juvenile justice system and for wards of the state pursuant to the child welfare reform initiative known as Families Matter.

Legislative Performance Explanation The LPA Committee believes that process used by CFS administrators to contract for child welfare and juvenile services was inadequate in significant ways. In particular, the absence of a written analysis of the potential costs (through a cost-benefit or similar analysis) and the inadequacy of the assessments of the ability of potential providers to provide the necessary services and maintain financial viability were of concern. The LPA Committee believes that statutory changes are needed to prohibit any state agency from entering into contracts that may present a high risk of service disruption and expose the state to high financial liability because of lack of adequate analysis and documentation.

DHHS Contract Oversight

Recommendation: The Legislative Performance Audit Committee will work with the HHS Services and Government committees to propose or support legislation to require a written cost-benefit or similar analysis, or an opinion by a financial expert, of the potential financial implications of personal services contracts valued at $25 million or more.

Legislative Performance Audit Explanation: State government should have a protection in place to keep a state agency from being able to enter into substantial personal services contracts without conducting or obtaining a detailed analysis of the potential financial implications.

Nebraska Auditor of Public Accounts Audit

(Summary of Relevant Excerpts)

Boys and Girls Home Contracts Not Settled in a Timely Manner:

BGH had separate service contracts for the Western, Central, and Northern service areas. The original contract amount for these three areas totaled $2,900,759 monthly – or a total of $8,702,277 covering July through September 2010. Through amendments, those payments were increased to a total of $14,957,548, an increase of $6,255,271 or 72% for the 2011 contract period.

The actual total costs of services for the 2011 contract period cannot be determined because, as of August 19, 2011, DHHS had not settled the service contracts with BGH. Payments to BGH for July 1, 2010, through March 31, 2011, were $13,792,704.

In addition to settling with BGH for the remainder of the contract amount, there are also BGH subcontractors who are still owed in excess of $3.6 million for their services. To date, DHHS has not settled any of its three service contracts with BGH, despite the fact that eleven months have passed since those contracts were terminated. A balance of $1,364,551 remains due to BGH on those contracts, assuming the agreed-upon services were provided prior to September 30, 2010. DHHS has a box of BGH claims totaling $4,478,367 that have not yet been entered into NFOCUS. BGH subcontractors have still not been paid. As of March 31, 2011, per the listing provided by DHHS, subcontractors were owed a total of $3,684,657 for services performed prior to September 30, 2010.

DHHS Response to APA : DHHS has worked diligently to resolve remaining Boys and Girls Home, Inc (BGH) contract issues since BGH ceased performance under the contract, with the primary objective of ensuring that BGH subcontractors receive payment to the maximum extent possible for services provided to children and families. DHHS has been in communication with approximately 85 BGH subcontractors to confirm the amounts payable and advise them of the status of negotiations. Because DHHS lacks legal authority to unilaterally distribute the remaining funds available under the contract directly to BGH subcontractors, and because the amounts owed by BGH to its subcontractors exceeds the amount of contract funds available, distribution of contract funds to the subcontractors cannot occur absent an agreement among DHHS, BGH and BGH subcontractors. Recently DHHS provided a draft settlement agreement to BGH and its subcontractors for review and comment. DHHS remains committed to achieving a satisfactory resolution of these issues.

With respect to the increase in compensation to Boys and Girls Home for July, August, and September 2010, it is important to note that there was a corresponding decrease in compensation for October 2010 through June 2011 of $6,410,376.81.

APA response: The inability of DHHS to provide documentation supporting the decision to front load the service contracts indicates a lack of prudence on the part of that agency given that two contractors had already terminated, DHHS had not performed any financial monitoring, and issues regarding BGH. The decision by DHHS to front load these contracts resulted in taxpayers footing the bill for an additional $6,255,271.

A lack of oversight on the part of DHHS, including a failure by that agency to enforce the contractual requirement that lead contractors pay subcontractors within 45 days of rendering service, is a major reason that subcontractors are owed more than the total amount remaining on the BGH contracts and have not been paid for services dating as far back as November 2009.

Competitive Bidding Requirements:

We questioned whether the service coordination and delivery contracts legitimately fall within the § 73-507(2)(e) exemption from the statutory bidding requirements for service contracts. Neb. Rev. Stat. § 73-504 (Reissue 2009) requires that State agencies follow established competitive bidding procedures when entering into contracts for services. That statute provides,in relevant part:
"(1) All state agencies shall comply with the review and competitive bidding processes provided in this section for contracts for services. Unless otherwise exempt, no state agency shall expend funds for contracts for services without complying with this section; (2) All proposed state agency contracts for services in excess of fifty thousand dollars shall be bid in the manner prescribed by the materiel division procurement manual or a process approved by the Director of Administrative Services. Bidding may be performed at the state agency level or by the materiel division. Any state agency may request that the materiel division conduct the competitive bidding process[.]"

Neb. Rev. Stat. § 73-507 (Reissue 2009) offers various exceptions to the above bidding requirements. Specifically, subsection (2)(e) excepts:
"Contracts with direct providers of medical, behavioral, or developmental health services, child care, or child welfare services to an individual[.]"

The implementation contracts, which totaled $7 million, provided funding to hire and train staff and purchase equipment for the program. The service coordination and delivery contracts, which originally totaled $149,515,887 for fiscal year 2010-11, have been amended seven times through January 2011. Amendment 5 increased both the services provided and the amount paid by $6 million. Adding even more services, Amendment 7 increased the cost of the contracts by another $19 million. As of August 16, 2011, the total amount awarded thus far for the service coordination and delivery contracts during fiscal years 2010-14 is $423,837,856.

Our review of the service coordination and delivery contracts revealed that the actual service delivery is often subcontracted out by the contractors – meaning that the subcontractors and foster families, as opposed to the contractors themselves, serve as the true direct providers of the services to individuals. Based upon the RFQ responses received, DHHS was aware that the contractors would need to subcontract with foster parents and other providers rather than directly provide most services themselves. That being the case, we questioned whether those service coordination and delivery contracts legitimately fall within the § 73-507(2)(e) exemption from the statutory bidding requirements for service contracts.

In excess of $100 million of public funds have already been spent on the service contracts for fiscal year 2010-11, and hundreds of millions more are likely to follow. Regardless of whether those service provider agreements actually fall within either of the relevant exceptions found under § 73-507, we believe that contracts of such magnitude should be publicly bid as a matter of course.

Sound governmental accounting practices require that contracts involving the expenditure of millions of dollars in public funds be let for bid to ensure the fair and reasonable expenditure of those funds, as well as to make certain that the State receives the best services for the lowest possible price. Also, pursuant to Amendment 7 to the service contracts, which was adopted in December of 2010, the service providers have also taken on case management functions. According to DHHS' meeting notes with contractors on April 7, 2010, "case management" means:
"[A] a collaborative process of assessment, planning, facilitation and advocacy for options and services to meet individual's health needs through communication and available resources to promote quality cost-effective outcomes."

Allowing the providers themselves to oversee the management of the cases that they handle gives rise to a potential conflict of interest – offering the opportunity, if not an actual incentive, for them to base decisions regarding the provision of services more upon cost criteria than upon the best interests of the recipients. Such a situation threatens not only to undermine the effectiveness of performance under the service contracts but also to prove harmful to the welfare of those receiving the

services. To avoid these potential consequences, DHHS should discontinue the practice of allowing service providers to also assume case management functions. Instead, DHHS should segregate these responsibilities by bidding out the case management functions to neutral oversight providers capable of making objective determinations when assessing the quality and cost effectiveness of the services offered.

DHHS Response to APA: DHHS disagrees with the APA's assessment of the competitive bidding requirements. Although DHHS had legal authority to award these contracts without any competitive process, it elected to issue a Request for Qualifications, thereby allowing all interested bidders to compete for a contract. This process was very public, and many organizations competed for the contracts, both individually and in groups. DHHS used the information gathered during the RFQ process to determine which organizations were awarded a contract. Because the Lead Contractors are equally responsible for services provided by the Lead Contractor itself and services provided by a subcontractor, the identity of the actual provider of the service is irrelevant to the applicability of statutory competitive bidding requirements. All of the services provided under the contract are child welfare services provided directly to individuals. As required by state law, DHHS retained final decision making authority under the contracts regarding case plans submitted to the court. Case plans not consistent with a child's best interests are returned by DHHS to the Lead Contractors for revision. In addition, because all case plans require court approval prior to implementation, they receive thorough scrutiny from County Attorneys, Guardians ad Litem, Parent and Juvenile attorneys, Court Appointed Special Advocates, the Foster Care Review Board, and the Juvenile and Appellate Courts, just as DHHS case plans are scrutinized in areas of the state where Lead Contractors are not in place.

APA Response: Whether a lead contractor that subcontracts with another provider, as well as possibly contracting further with a foster parent, qualifies as a "direct provider of . . . services to an individual" under Neb. Rev. Stat. § 73-507 (Reissue 2009) for purposes of being exempt from competitive bidding requirements, or is merely a non-exempt service coordinator, may ultimately prove a matter of statutory interpretation for the Attorney General to decide. Nonetheless, DHHS chose to use its own staff to handle the contract process, rather than taking advantage of the experience of the Department of Administrative Services-Materiel Division (DAS).

In a letter to DAS regarding the transfer of case management to the lead contractors, DHHS states:
"Currently CFS operates on a ratio of approximately 20 cases per CFS Specialist . . . Under reform the new role of CFS would be to provide oversight to [KVC, NFC] case managers and maintain final decision making related to court recommendations as required by law. This new oversight position will oversee a ratio of one to 80 cases. It is anticipated that caseloads may increase over time to 120 cases based on review of implementation." **We believe the oversight that could be provided with a ratio of 1 to 80 or 1 to 120 cases would be negligible.**

Furthermore, DHHS states that all of the services provided under the contracts are child welfare services provided directly to individuals. However case management is not a direct service to individuals. The letter by DHHS to DAS noted above pertains to compliance with Neb. Rev. Stat. §§ 73-301 through 73-306 (Reissue 2009). Regardless, per Neb. Rev. Stat. § 73-301 (Reissue 2009):
"The Director of Administrative Services shall review and approve or disapprove any contract for personal services between a private entity and any state agency . . . if, on

the effective date of the contract, the personal services are performed by permanent state employees of the agency and will be replaced by services performed by the private entity. The contract shall be subject to the public bidding procedures established in sections 81-145 to 81-162 except in emergencies approved by the Governor."

Lack of Support for Determination of Initial Service Contract Amounts:

DHHS did not consider Program 345 Juvenile Community-Based services and child support collections in determination of funding available to lead contractors. Also, the amount excluded for detention was not reasonable. For the fiscal year ended June 30, 2009, prior to the implementation of any of the lead provider service contracts, DHHS spent $107,753,602 on providing child welfare services. However, when determining the amount needed for the lead contractors to perform those same services in 2010, DHHS arrived at a figure of only $105,809,752 annually. As a result of DHHS' calculations, the fees provided under the service contracts were based upon the curious assumption that the lead contractors could perform comparable child welfare services at a cost of $1,943,850 less per annum than the amount DHHS had expended for those same services the previous year.

DHHS response to APA- DHHS concurs with the APA's finding in regard to funding in recognition of child support collections used to support the cost of child welfare services. DHHS disagrees with any inference that there was not supportive documentation to determine the initial contract amounts or that the process to determine contract amounts was not done in good faith.

As mentioned in the report, Program 345 funds and a portion of Program 347 Funds were not available for contracts. The reason for this is that DHHS and the contractors agreed that DHHS would maintain responsibility for the costs of detention, the DHHS' Interagency Agreement with the Administrative Office of Probation (CFS/AOP Pilot) and the Youth Links Contract. The amount of funds excluded from contracts and retained by DHHS to cover these costs was a reasonable and necessary amount based on historical expenditures by DHHS for detention services and the other two identified contracts.

Contract Transition Percentages Were Not Met:

Under eight of the nine service contracts, the lead contractors did not meet their required contractual percentages for transitioning service coordination and service delivery for families. The accumulated shortages ranged from 1% to 18%. Because fiscal year 2010 contract amounts were based on the transition percentages, DHHS incurred additional costs coordinating and delivering services for which the lead contractors were already being paid.

DHHS response to APA: DHHS concurs with the APA's finding that "contracted organization assignment" dates in N-FOCUS were not always correct. The experience with these contractors will be taken into account in developing procedures in the future to further reduce the likelihood of such errors. DHHS respectfully disagrees with the APA's assessment of the transition process. DHHS was aware of and involved in the adjustments to the transition plans. The transition plans were developed as monthly targets toward full transition of all cases by April 1. As the transition took place, Lead Contractors and DHHS staff experienced challenges in a number of areas including staff hiring and training, new cases coming into the system and the logistics of transferring case information. Adjustments to the plans were agreed to by DHHS and individual contractors in order to have as smooth a transition as possible for the children. The error is in not having amended the contracts to reflect the agreed upon adjustments. Even with the adjustments to transition plans, DHHS was able to meet its obligations within its budget.

Background Information on Service Contracts
Prepared by Government, Military and Veterans Affairs Committee Staff

Introduction:

The purpose of this white paper is to review the process for a state agency to enter into a contract for services and to evaluate whether the Department of Health and Human services followed that process as outlined in statute.

As background, DHHS initiatied the Families Matter reform in 2009 by entering into contracts with private providers of child welfare services. The first contracts were to carry out the implementation stage of the reform. The second round of contracts were the service coordination and delivery contracts. These contracts have been amended several times, including an amendment for a private provider to take over case management duties. None of these contracts were competitively bid because DHHS determined the contracts were exempted from that requirement under Neb. Rev. Stat. 73-507 (2) (e).

LB 626, passed in 2003 and codified in Neb. Rev. Stats 73-501 through 509, outlines how state agencies may enter into contracts for services. As provided in LB 626, now found at Neb. Rev. Stat. 73-501, the purpose of the legislation is to "establish a standardized, open, and fair process for selection of contractual services and to create an accurate reporting of expended funds for contractual services. This process shall promote a standardized method of selection for state contracts for services, assuring a fair assessment of qualifications and capabilities for project completion. There shall also be an accountable, efficient reporting method of expenditures for these services."

Before LB 626, an executive order was issued in December 2002 dealing with service contracts. (Executive Order No. 02-03). The Executive Order outlined how state agencies would contract for services. Included in the Order were requirements that all agencies process and document all contracts through the state accounting system, Nebraska Information System (NIS). Unless otherwise exempted, all agency directors were required to assure that each service contract and personal service contract in excess of $25,000 be competitively bid at the agency level in the manner prescribed by the DAS Materiel Division. If the contract was over $50,000, the agency directors were required to have each service contract and personal service contract pre-reviewed by DAS Materiel Division and competitively bid at the agency level. Contracts that were exempted from these requirements included "medical provider or practitioner agreements for participation in the Medicaid program or child welfare program administered by HHSS."

As LB 626 was first introduced, it followed many of the same provisions as the Executive Order including processing and documenting all contracts for services through NIS, and competitive bidding requirements for contracts over $25,000. The original LB 626 did not include an exemption for child welfare providers. The bill was amended on Select File to include a list of exemptions, including an exemption for contracts with providers of child welfare services. There is a more thorough discussion on the history of this exemption later in the memo.

Although the statutes include provisions for exempting certain contracts from competitive bidding, the statutes also outline certain requirements for **all** service contracts. Those requirements are outlined in more detail below.

The information used in this memo is based on testimony before the Health and Human Services Committee of the Legislature and the Auditor's report on the Family Matters contracts. This information may not be complete and therefore, some of the analyses below may require additional information.

1. **Documenting Service Contracts**

Neb. Rev. Stat. 73-503 requires all state agencies to process and document all contracts for services through the state accounting system, referred to as NIS. This is required even if the contract is exempt from the competitive bidding portion of the law. The law requires all state agencies to enter the information on new contracts for services and amendments to existing contracts for services through the state accounting system.

The purpose of this provision is to ensure all service contracts are documented, even by entities that are excluded from most other sections regarding service contracts.

There has been little information brought forward as to whether the Family Matters contracts were entered into the NIS system or whether the amendments to these contracts were entered into the system as required by law.

2. **State agency directors' duties**

According to Neb. Rev. Stat. 73-505, state agency directors are responsible for maintaining accurate documentation of the process used for selection of all contracts for services and for ensuring and documenting that services required under the contract are being performed in compliance with the terms of the contract for services. The law further states that documentation will be kept with each contract for services.

The Auditor's report states "there appears to be no documentation supporting the various contract amendments that have given rise to ballooning service costs—such as the total $6 million contractal increase for NFC and KVC, per Amendment 5, and a further $19 million in overall service contract increases for those same two providers, per Amendment 7." Page 3, Auditor's Report. Additional information may be required to determine if accurate documentation of the contracts was maintained.

3. **Requirements for State Agency Contracts for Services**

Neb. Rev. Stat. 73-506 requires that state agency contracts for services meet certain requirements including that state agencies may not structure contracts for services to avoid any of the requirements in the contract for services statutes.

Some may argue DHHS structured its contract to avoid the competitive bidding statutes, specifically as it relates to the case management amendment. According to the Auditor's report, the decision to move case management services from DHHS to a private entity was done by amendment to a current contract.

If it can be determined that case management does not involve providing a direct service to an individual, it can be argued that a separate contract for case management should have been procured through the competitive bidding statutes since it would not fall under the child welfare exemption.

4. **History of Child Welfare Exception**

As mentioned above, DHHS claims the Families Matter contracts did not need to go through the competitive bidding statutes because they were exempt under Neb. Rev. Stat. 73-507 (2)(e) which provides that exceptions to the competitive bidding provisions may be granted for "contracts with direct providers of medical, behavioral, or developmental health services, child care, or child welfare services to an individual."

The original LB 626, as well as the committee amendment, did not include an exemption for contracts for child welfare services. The Executive Order 02-03 provided an exemption for "**medical provider or practitioner agreements for participation in the Medicaid program or child welfare program administered by HHSS.**"

LB 626 was amended on Select File to include an exemption for child welfare contracts. AM1421, adopted on Select File, provided that exemptions may be provided for "**contracts with direct providers of medical or child care procured for individual public assistance clients or any other client-based service identified by the materiel division.**" One reason given for the need for an exemption for these types of contracts included was that federal law governs Medicaid provider agreements and prohibits competition. Therefore, competitive bidding would not be appropriate. Similarly, child welfare provider agreements between DHHS and medical providers who give services to wards of the state and their families involve standardized rates for core services. AM1421 was adopted on April 25, 2003.

After AM1421 was adopted, a series of meetings were held regarding the child welfare exemption. On April 25th a meeting was held to discuss an amendment proposed by the Governor's Policy Research Office. PRO proposed the following amendment: "**contracts with direct providers of medical or child welfare services procured for individuals; ~~care procured for individual public assistance clients or any other client based service identified by the materiel division~~**" There were three reasons provided for this amendment.

1. "child welfare" term needs to be included in order to cover services procured for individual state wards. State wards are not "public assistant clients";
2. "child care" has a specific statutory meaning (i.e. daycare) but does not cover state wards in residential care; and
3. "or any other client-based service identified by the materiel division" is deleted because a) the term is more broad than intended because it opens up the exemption to many other program contracts like Meals on Wheels, chore services in homes of clients, developmental disability services etc and b) DAS would have difficulty identifying "other client-based services" and c) DAS claims there would be a cost added to the bill because of its involvement in construing this exemption.

PRO additionally writes that their amendment "tightens the text" so that the exemption only applies to DHHS contracts "that are entered into to provide for direct care for individual state wards or people qualifying under already-established statutory criteria in the specified DHHS programs."

On April 26th, another meeting was held to discuss a different amendment proposed by the lobbyists for the Development Disability regions/providers, private behavioral health providers and the hospitals. Their amendment provided: **~~Contracts with direct providers of medical or child care procured for individual public assistance clients or any other~~ Contracts with direct providers of medical, behavioral, or developmental health services, child care, or child welfare services to an individual**

client-based service identified by the materiel division.

On May 1, AM1671 was adopted to LB 626. The language of that amendment is the current language in statute: **contracts with direct providers of medical, behavioral, or developmental health services, child care, or child welfare services to an individual."**

Language requiring the service to be identified by the materiel division was deleted, I assume, based on the information provided by PRO that it would add cost to bill and would be difficult for DAS to determine.

When reviewing the transformation of this language, it appears the language become narrower in some aspects with the ensuring amendments. In the Executive Order, the language is broad to include "medical provider or practitioner agreements for participation in the Medicaid program or child welfare program administered by HHSS." Arguably, this exception would include contracts such as Families Matters because they are child welfare programs administered by DHHS. But later versions of the amendment appear to narrow the focus of the amendment to require the contracts be for direct services for individuals. (See PRO amendment and AM1671.) Even the PRO office at the time argued for elimination of the phrase "or any other client-based service identified by the materiel division" because the term is broader than intended and it opens up the exemption to other programs. The interpretation of Neb. Rev. Stat. 73-507(2)(e) raises questions about its intent and more information may be needed.

On a related issue, more information may be needed to determine whether the decision to contract for case management should have been bid separately from the original contract. If the case management contract was bid separately, similar questions as those raised above would surface. For example, does case management fall under the "contract with direct providers for child welfare services to an individual" exception? Another issue is whether this amendment to the original contract was entered into the NIS system as required by Neb. Rev. Stat. 73-503.

Finally, there are questions about the implementation contract. According to the Auditor's report, the implementation contract provided funding to hire and train staff and purchase equipment for the program. The same questions arise as noted above: Was this contract entered into the NIS system as required by Neb. Rev. Stat. 73-503? Did the implementation contract fall under the exception of a contract providing child welfare services to an individual?

5. **Additional Statutes on Service Contracts: Neb. Rev. Stat. 73-301 to 306**

The intent of Neb. Rev. Stat. 73-301 through 73-307 is to require DAS to review and approve or disapprove contracts for personal services between the state and a private entity if the personal services are performed by permanent state employees on the effective date of the contract and will be replaced by services performed by the private entity. These additional statutes may apply to the case-management services contract entered into between DHHS and private contractors. Under those contracts, case management functions were transferred from DHHS employees to private contractors and state employee jobs were lost.

It is my understanding that Senator Health Mello requested an Attorney General's opinion on this issue. The Attorney General opines that DHHS appropriately followed these statutes when contracting for the case management services. DHHS did not follow these statues when contracting for the "service coordination functions" but again, the AG opined that since state employee jobs were not lost, these sections of statute do not apply.

OVERVIEW OF ISSUES RELATED TO DHHS SERVICE DELIVERY AND COORDINATION CONTRACTS WITH BOYS AND GIRLS HOME, INC.
Prepared for the Health and Human Services Committee

September 7, 2011

INTRODUCTION

The purpose of this overview is to provide the Committee with information regarding unresolved issues surrounding the three contracts between DHHS and Boys and Girls Home, Inc. (BGH), for child welfare and juvenile services entered into in November 2009 and terminated in February 2011. This overview will first set forth a timeline of events, followed by a discussion of the legal reasons preventing DHHS from making payment to the subcontractors. Finally, this overview will provide an update on the status of settlement negotiations.

TIMELINE OF EVENTS

For purposes of this timeline, events prior to the execution of the service delivery and service coordination contracts will be omitted. The contracts were entered into in November 2009, and were subsequently amended four times. In September 2010 DHHS was informed by BGH that it could not continue to perform its obligations under the contracts. The parties verbally agreed that BGH would continue providing services under the contracts until October 15, 2010, and that a written termination agreement would be executed based on the verbal agreement. Notwithstanding the verbal agreement, BGH stopped performing at the end of September 2010, and declined to sign a document commemorating the parties' verbal agreement.

The following is a table containing a summary of dates and relevant events for the purposes of this overview:

11/09	DHHS enters into Service Delivery and Service Coordination contracts with BGH for the Central, Northern, and Western Service Areas. The contracts are subsequently amended in January 2010, February 2010, and twice in July 2010.
09/10	DHHS and BGH verbally agree to a mutual termination of the contracts, effective October 15, 2010. Implicit in the agreement is an understanding that a written agreement to that effect will be prepared and signed. BGH represents to DHHS that it will pay subcontractors for services provided through 9/30/2010.
09/30/10	Contrary to the parties' verbal understanding, BGH ceases performance under the contracts, after September 30, 2010.
02/22/11	After attempting unsuccessfully for more than four months to negotiate the terms of a contract termination agreement, DHHS abandons those efforts and provides BGH with a written Notice of Termination for cause, taking immediate effect.

LEGAL ISSUES REGARDING PAYMENT TO SUBCONTRACTORS

DHHS Authority

DHHS is a statutory agency, and its authority, including spending authority, is limited to that which is expressly granted in statute or necessarily implied to carry out expressed powers. *See* Big John's Billiards, Inc. v. Balka, 254 Neb. 528. DHHS has reviewed several legal

theories, outlined briefly herein, under which subcontractors might receive payment directly from the State and has concluded that DHHS has no legal authority to make such payments, and any such payments would therefore be an improper expenditure of public funds.

Subcontractors as Third Party Beneficiary

DHHS has considered whether DHHS could distribute remaining contract funds directly to the subcontractors without BGH's consent, under the theory that the subcontractors are "third party beneficiaries" of the contracts. BGH subcontractors have suggested that they are third party beneficiaries because the contracts require BGH to pay the subcontractors within 45 days. However, Article XXI of the Nebraska Constitution prohibits DHHS from extending the credit of the state by guaranteeing payment to subcontractors. *See* Haman v. Marsh, 237 Neb. 699 (1991). In addition, the Nebraska Supreme Court and courts in other jurisdictions have found that third parties may not enforce specific provisions in a government contract absent express language to that effect. In re School District v. Thomas, 51 Neb. 740 (1897).

Assignment of Subcontractor Claims

Some subcontractors have proposed that DHHS pay the subcontractors, take an assignment of their claims, and exercise a right of setoff against sums payable to BGH. However, because DHHS lacks statutory authority to accept an assignment, it has no legal authority to do so. In addition, accepting such an assignment would violate Article XXI of the Nebraska Constitution, which prohibits the granting or extending the state's credit to, or otherwise acting as a surety or guarantor for a private enterprise. *See* Haman v. Marsh, 237 Neb. 699 (1991).

SETTLEMENT NEGOTIATIONS

After BGH stopped performing, DHHS suspended payments to BGH under the contracts. Although DHHS has no authority to pay subcontractor claims, DHHS could, with the consent of BGH, distribute funds lawfully payable to BGH directly to subcontractors. DHHS has been attempting to negotiate such an agreement for several months. DHHS can lawfully pay BGH the amount of $1,401,324.00. BGH owes its subcontractors approximately $3,982,969 for services provided under the subcontracts. Under the proposed settlement agreement, $1,401,324 would be distributed pro rata to the subcontractors. In exchange for this payment, subcontractors would waive any remaining claims against BGH arising out of the subcontracts, and would agree not to pursue any remedy against the State under the State Tort Claims Act or the State Contract Claims act. In addition, BGH would waive any claims against the State.

Copies of the proposed settlement agreements between the parties are attached. DHHS has contacted all BGH subcontractors seeking their reaction to this plan and their willingness to participate. Whether or not a settlement is reached will likely depend on the level of participation of BGH subcontractors.

AGREEMENT

THIS AGREEMENT is entered into by and among Boys and Girls Home of Nebraska, Inc. (BGH), _____ (Subcontractor), and the Nebraska Department of Health and Human Services (DHHS) as follows:

1. Contract shall mean the Service Delivery and Service Delivery Coordination Contracts between DHHS and BGH, for the Central, Northern, and Western Service Areas, dated October 30, 2009 and subsequently amended.

2. Subcontract shall mean any contract between BGH and a provider of any child welfare or juvenile services provided to satisfy BGH's obligations within the scope of services of BGH's Contract with DHHS.

3. The sum of $1,401,324.00 remains unpaid to BGH under the Contract.

4. The aggregate amount of unpaid Subcontract claims against BGH is believed to be $3,982,969.00.

5. BGH authorizes DHHS to pay Subcontractor from funds remaining unpaid to BGH under the contract the sum of $_____, in full and complete satisfaction of any subcontract claims. This amount is in proportion to the funds available from DHHS to BGH, compared to the aggregate unpaid Subcontractor claims.

6. Conditioned upon receipt of payment set forth herein, Subcontractor hereby releases and forever discharges BGH from any and all claims, demands, obligations, losses, causes of action, costs, expenses, attorney fees and liabilities of any kind arising out of services provided under the Subcontract. Subcontractor also waives any remedy against the State of Nebraska pursuant to the Nebraska State Tort Claims Act or the Nebraska State Contract Claims Act.

7. Conditioned upon the Subcontractor accepting payment as set forth herein in satisfaction of its claim, BGH, on behalf of itself and its successors and assigns, hereby releases and forever discharges Subcontractor from any and all claims, demands, obligations, losses, causes of action, costs, expenses, attorney fees and liabilities based on the Subcontract.

8. Each party to this Agreement will bear its own costs, expenses, and claims to interest and attorneys' fees, whether taxable or otherwise, incurred in or arising out of, or in any way connected with the matters which are referenced or covered in the mutual releases referenced above or which were otherwise related to the subject of this Agreement.

9. The parties each represent and warrant to one another that they have not sold, assigned, transferred, conveyed or otherwise disposed of any claim or demand covered by this Agreement, and that they and their undersigned representatives have authority to enter into this agreement.

This agreement is not binding unless fully executed by all parties on or before _____, 2011.

AGREEMENT

THIS AGREEMENT is entered into by and among Boys and Girls Home of Nebraska, Inc. (BGH) and the Nebraska Department of Health and Human Services (DHHS).

WHEREAS, DHHS and BGH entered into separate Service Delivery and Service Coordination Contracts for the Central, Northern, and Western Service Areas, under which BGH agreed to provide certain child welfare and juvenile services to children and families on behalf of DHHS; and DHHS agreed to provide payment for said services to BGH; and

WHEREAS, BGH entered into subcontracts with various subcontractors for the provision of necessary services under the Service Delivery and Service Coordination Contracts; and

WHEREAS, Subcontractors have made claims to BGH for services provided to BGH under the Subcontracts.

NOW, THEREFORE, the Parties mutually agree as follows:

1. Contract shall mean the Service Delivery and Service Delivery Coordination Contracts between DHHS and BGH, for the Central, Northern, and Western Service Areas, dated October 30, 2009 and subsequently amended.

2. Subcontract shall mean any contract between BGH and a provider of any child welfare or juvenile services provided to satisfy BGHs' obligations pursuant to the Scope of Services under the Contract with DHHS.

3. The sum of $1,401,324.00 remains unpaid to BGH under the Contract.

4. Approximately $3,982,969.00 remains unpaid to Subcontractors under their Subcontracts with BGH.

5. DHHS will pay each participating Subcontractor from funds remaining unpaid to BGH under the contract, a sum equal to the subcontractor's claim multiplied by a fraction, the numerator of which is $1,401,324.00, and the denominator of which is $3,982,969.00 (35.26%). This amount is in proportion to the funds available from DHHS to BGH, compared to the aggregate unpaid Subcontractor claims. DHHS will not pay from these funds a subcontractor who has not executed a settlement agreement. These Subcontractor settlement agreements must contain, at a minimum, a release by Subcontractor of all claims against DHHS and BGH arising out of the performance of services under the subcontract, and the amount of payment to be accepted by Subcontractor in complete settlement.

6. Conditioned upon payment of $1,401,324.00, either to Subcontractors or BGH, BGH, on behalf of itself and its successors and assigns, hereby releases and forever discharges DHHS from any and all claims, demands, obligations, losses, causes of action, costs, expenses, attorney fees and liabilities based on the Contract.

7. The parties hereto agree and acknowledge that this Agreement is a compromise settlement of each party's disputed claims, and that the sums and covenants given in consideration of this Agreement, as well as the execution of this Agreement, shall not be construed to be an admission of liability on the part of any party with respect to the disputed matters set forth above.

8. Each party to this Agreement will bear its own costs, expenses, and claims to interest and attorneys' fees, whether taxable or otherwise, incurred in or arising out of, or in any way connected with the matters which are referenced or covered in the mutual releases referenced above or which were otherwise related to the subject of this Agreement.

9. In entering into this Agreement, the parties each acknowledge and represent that the terms of this Agreement have been completely read by them, and that those terms are fully understood and voluntarily accepted by them.

10. The parties each represent and warrant to one another that they have not sold, assigned, transferred, conveyed or otherwise disposed of any claim or demand covered by this Agreement.

11. The parties agree that they and their undersigned representatives have authority to enter into this agreement.

12. Nothing in this agreement is intended to release BGH from the performance of any obligations which survive the termination of the Contract.

FOR DHHS:	FOR BGH:
_____	_____
Kerry T. Winterer	Art Silva
Chief Executive Officer	Chief Executive Officer
Department of Health and Human Services	Boys and Girls Home of Nebraska, Inc.
DATE: _____	DATE: _____

MEMORANDUM OF LAW

DATE: June 23, 2011

TO: Brad Gianakos, DHHS Legal Services Administrator

FROM: Sarah Sujith, Attorney

RE: Contracting for certain DHHS duties under Juvenile Code and Office of Juvenile Services Act

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QUESTION PRESENTED

Whether DHHS has authority to contract with private entities for Child Welfare/Juvenile Services case management.

SUMMARY

Yes, DHHS has authority to contract with private entities for Child Welfare/Juvenile Services case management, provided that DHHS retains a final decision-making role.

FACTUAL BACKGROUND

DHHS currently contracts with private or nonprofit entities for the provision of Child Welfare and Juvenile Services case management. This Memorandum discusses the legal authority for DHHS to contract for case management services.

APPLICABLE LAW

Statutory Authority:

NEB. REV. STAT. § 43-285
NEB. REV. STAT. §§ 43-404 to 43-406
NEB. REV. STAT. § 43-411
NEB. REV. STAT. § 68-1206
NEB. REV. STAT. § 68-1207
NEB. REV. STAT. § 81-3117 (2) and (3)

Cases and Other Authority cited:

2 Am.Jur.2d *Administrative Law* § 224 at 54-55 (1962)

Father Flanagan's Boys Home v. Dept of Soc. Servs, 255 NEB. 303, 583 N.W.2d 774 (1998).

Fulmer v. Jensen, 221 NEB. 582, 379 N.W.2d 736 (1986).

State ex rel. Creighton Univ. v. Smith, 217 NEB. 682, 353 N.W.2d 267 (1984).

DISCUSSION AND ANALYSIS

General Authority

DHHS has authority to contract with private entities for Child Welfare/Juvenile Services case management, provided that DHHS retains a final decision-making role. Nebraska jurisprudence supports the notion that DHHS can contract with the private sector to fulfill governmental duties.

In *Father Flanagan's Boys Home v. Dept of Soc. Servs.,* Father Flanagan billed DHHS pursuant to NEB. REV. STAT §79-445 for special and regular education provided to state wards placed at Boys Town. DHHS only reimbursed Father Flanagan for special education, arguing that regular education expenses are sectarian and therefore violate Nebraska's constitutional prohibition against public appropriations to private schools. The Nebraska Supreme Court held that the case did "not involve a contractual delegation of the state's duty to provide a free public education to its citizens. Rather, it involves a contract made by a state agency to obtain educational services for state wards for whom it is responsible in a quasi-parental capacity." 255 NEB. 303, 583 N.W.2d 774 (1998).

In *State ex rel. Creighton Univ. v. Smith*, Creighton University sought a writ of mandamus compelling the Director of Health to consider Creighton's RFP for cancer research. The Director of Health argued its regulations only permit contracting with public postsecondary institutions. The district court held that the Director of Health needed to promulgate regulations that would permit private postsecondary educational institutions to qualify for bidding. The Director of Health appealed. The Supreme Court held, "the Nebraska Constitution does not prohibit the state from doing business or contracting with private institutions in fulfilling a governmental duty and furthering a public purpose." 217 NEB. 682, 689-90, 353 N.W.2d at 267, 272 (1984).

In *Fulmer v. Jensen,* Fulmer alleged that the Director of Motor Vehicles had illegally delegated her quasi-judicial functions by allowing the deputy director to determine

whether Fulmer's operator's license should be revoked. Fulmer claimed that the director could not delegate the power vested in her, because the power in the relevant statute was quasi-judicial in nature and delegated solely to the director. The Nebraska Supreme Court held that the authority to delegate discretionary and quasi-judicial powers is implied where the powers bestowed upon an agency head "'are impossible of personal execution.'" 221 NEB. 582, 585, 379 N.W.2d 736, 739 (1986). Further, quoting 2 Am.Jur.2d *Administrative Law* § 224 at 54-55 (1962), the court stated that such delegation is not precluded by law, 'apparently to any extent so long as the agency does not abdicate its power and responsibility and preserves for itself the right to make the final decision.'" *Id.*

This case is especially significant in reference to decisions that invoke administrative appeal rights rather than review through judicial proceedings. This would include administrative decisions such as moving an OJS ward to a placement at a lower level of care or at the same level of care, which can only be appealed through administrative processes. It appears that delegating such placement decisions would be allowable, so long as OJS retains authority to make the final decision.

The case law cited above is further supported by Nebraska statutes. The DHHS CEO is authorized to contract for services and programs, while maintaining a "management" role. NEB. REV. STAT. §81-3117 (2) and (3). This would seem to be supported by the *Fulmer* case cited above, which states that DHHS may delegate its powers to any extent "so long as the agency does not abdicate its power and responsibility and preserves for itself the right to make the final decision." *Fulmer v. Jensen,* 221 NEB. 582, 585, 379 N.W.2d 736, 739 (1986).

NEB. REV. STAT. § 68-1206 charges DHHS with administering social services in the state and explicitly authorizes the agency to contract with outside entities for the provision of such services, stating that DHHS "shall administer the program of social services in this state. The department may contract with other social agencies for the purchase of

social services at rates not to exceed those prevailing in the state or the cost at which the department could provide those services" (emphasis added). Social services are defined as including, but are not limited to:

> foster care for children, child care, family planning, treatment for alcoholism and drug addiction, treatment for persons with mental retardation, health-related services, protective services for children, homemaker services, employment services, foster care for adults, protective services for adults, transportation services, home management and other functional education services, housing improvement services, legal services, adult day services, home delivered or congregate meals, educational services, and secondary prevention services, including, but not limited to, home visitation, child screening and early intervention, and parenting education programs.

NEB. REV. STAT. § 68-1207 provides that DHHS "shall supervise all public child welfare services as described by law" (emphasis added). This indicates that any child welfare services placed in the responsibility of DHHS by statute must be supervised directly by DHHS. Read together with the statutes quoted above, this would support the conclusion that DHHS may contract with private agencies in carrying out its child welfare services, but that it must retain a supervisory role. This is congruent with the prior case law cited above, which outline that DHHS may contract out Child Welfare/Juvenile services case management so long as it retains final decision-making authority.

OJS Powers and Duties

The legislature has expressly granted OJS the power to contract for services in See NEB. REV. STAT. §§ 43-404, 43-405(1), 43-405(6) and 43-406(4). With the exception of issuing detainers for youth (see NEB. REV. STAT. §43-411, which states that only the CEO or the Administrator of OJS and YRTC superintendents as his designee may issue detainers), there is nothing in the OJS Act that would prevent OJS from contracting out case management, including parole functions.

Case Management under the Juvenile Code

The Juvenile Code is silent on the issue of contracting out or delegating DHHS' duties. It does provide that "[w]hen the court awards a juvenile to the care of [DHHS] ... the

juvenile shall, unless otherwise ordered, become a ward and be subject to the guardianship of the department ... to whose care he or she is committed." NEB. REV. STAT. § 43-285. Thus, DHHS has legal responsibility for caring for its wards. For this reason, in addition to the authority cited above requiring DHHS to maintain a supervisory role in the provision of child welfare/juvenile services, it is DHHS' responsibility and in the agency's interests to maintain an adequate level of oversight but also within its discretion to provide care as it sees fit within the limits noted above.

Under the Juvenile Code, DHHS' responsibility, beyond caring for children in its custody, is primarily to make recommendations to the court. This arises in the form of court reports as well as recommendations for placement and treatment intermittently throughout the life of a case. The Juvenile Code gives the juvenile court authority to order DHHS to prepare and submit to the court "a proposed plan for the care, placement, services, and permanency which are to be provided to such juvenile and his or her family." NEB. REV. STAT. §43-285(2). The statute cited above allows the court to order DHHS, rather than any other party, to prepare a report and most court orders do, in fact, order DHHS to prepare and submit a report. In order to comply with this law and the court orders that stem from it, DHHS must maintain a role in court reporting and making recommendations to the court.

CONCLUSION

Nebraska case law permits state agencies to contract out or delegate their governmental duties to private entities. The Legislature has expressly granted DHHS the power to delegate under the OJS Act as well as in social services statutes. DHHS needs to retain a supervisor or final decision-making role in order to carry out these contracts.

Chapter 11

Data

"....But really, from our point of view, those of us who are in the trenches on the ground working with kids, is that kids are not numbers."

~ Juvenile Court prosecutor

Data Content and Observations

DHHS Data

- **Comparison of selected CSFR measures by DHHS service areas**: Absence of Repeat Maltreatment; Reunification within 12 Months of First Entry, Re-Entries after Reunification, Permanency for Youth in Care 2 yrs or Longer- Service Areas:

  - These bar graphs demonstrate the state average by a blue bar in six month intervals beginning September 2006 to March 2011. The national average is shown by a dotted line; each of the Department of Health and Human Services Service areas is measured by a different colored line: Central= red; Eastern=green; Northern=purple; Southeast=light blue; Western=orange

  - Absence of Maltreatment Recurrence: Of all children who were victims of abuse or neglect during the first 6 months of the reporting year, the percent that were *not victims* of another maltreatment within a 6 months period.
  - *The graph demonstrates a wide variance of spikes up and down over the past five years in each of the service areas and as a state average. Accordingly it is difficult to derive any meaningful pattern since choosing any specific date at random could indicate a rise or fall depending on the dates being compared..*
  - *Two of the service areas- Central and Western- have shown a consistently higher number of absence of maltreatment compared to other service areas. Both of these areas are not currently privatized and case management has always been the responsibility of DHHS workers.*

  - Reunification in Less Than 12 Months: For the reporting year, of all children discharged from foster care to reunification who had been in foster care for 8 days or longer, the percent that met either of the following criteria: (1) the child was reunified in less than 12 months from the date of the latest removal from the home, or (2) the child was placed in a trial home visit within 11 months of the date of the latest removal and the child's last placement prior to discharge to reunification was the trial home visit.
  - *Two service areas- Northern and Central Service Areas- have consistently higher rates of reunification in less than 12 months than the privatized service areas. The rates were higher than the state average for three years.*

  - Permanence of Reunification: Of all children discharged from foster care to reunification in the year prior to the reporting year, the percent that re-entered foster care in less than 12 months from discharge from a prior episode. A lower score is preferable.
  - *Since September 2009 the Eastern and Northern Service Areas have been the same as or decreased to at or below the state average.*
  - *The Southeast Service Area has increased consistently from September 2009 to March 2011.*
  - *The Western Service Area has been above the state average, but spiked in March 2011.*

- Exits to Permanency Prior to the Child's 18th Birthday for Children in Care for 24 Months or More: Of all children in foster care for 24 months or longer on the first day of the reporting year shown, the percent that were discharged to a permanent home prior to their 18th birthday and by the end of the reporting year.... A permanent home is defined as placement through adoption, guardianship or reunification.
- *The Central Service Area, managed by DHHS, has the best rate of permanency improvement over the last two years- improving consistently from approximately 35% exit-to-permanency in September 2009 to 49% exit-to-permanency in March 2011.*
- *The Western Service Area, which once had the highest rate at 52%, is still above the state average, but has dropped over the last two years to about 38%.*
- *The Southeast Service Area has also dropped from 48% to 40%.*
- *The Eastern Service Area has been consistently below the state average and dropped from 39% to 30% in March 2011.*

- **Percentage of Children Served and Allocation of Budget By Service Area**
  - The table compares the % of children served by service area and the corresponding budget allocation.
  - The "initial" budget allocations in 2009 were based on historical expenditures not specific to the number of state wards served, and the initial allocation for FY2011 was on historical expenditures.
  - The "current" budget allocation was based on "children served."
  - From the initial budget allocation to the current allocation, *reductions* were- Western Service Area: -$169,494; Northern Service Area: -$95,173; Central: -$2,409,838; and DHHS Eastern -$53,118.
  - From the initial budget allocation to the current allocation, *increases* were- KVC Southeast: +$4,158,914; KVC Eastern: +$2,600,707; NFC Eastern: +$499,762.
  - *The way children are reported and counted changed between initial and current budget allocations.*
    - The number of children served in the "initial" budget allocation only includes **state wards** (children under 19 years of age involved in a court case with a legal status of HHS-OJS ward, police holds and voluntary placement agreements).
    - "**Children served"** in the "current" budget allocation includes all children in addition to state wards who are 1) siblings who are involved in a court case but are not state wards or who are under court supervision; 2) non-court involved children; 3) those under court supervision; 4) children receiving a single service or evaluation only.

It is difficult to get apples-to-apples comparisons among numbers of children prior to lead agency contracts in October 2009, case management transitions October 2010-January 2011, and current data. Accordingly, it can be difficult to measure specific progress or track finances. The following demonstrates specific aspects of the data with the goal of attaining similar comparisons.

- **HHS/OJS October (as of 11/2/2009) by Service Area**- Compares HHS Ward and OJS Ward by service area.
- **CFS September 2010-2011 Children by population breakdown**
  - Table compares monthly census from September 2010 to June 13, 2011 with % change for time period with "children served" separated by specific population.
  - *November 2010 Northern, Central, Western, and Eastern Areas have no lead agencies and have case management provided by DHHS staff.*
  - *To get "apples-to-apples" between 2009, compare the "wards" column.*
  - *The Central Service Area showed the biggest change in "total" (-18%) and "ward" (-11%) reduction.*
- **Subset of # Wards** demonstrates the number of OJS wards and HHS wards within the total # of state wards by service areas on June 12, 2011.
  - *This is a close "apples-to-apples" comparison among total state wards with separation of OJS wards and HHS wards between the 2009 table (described above) and June 13, 2011.*
  - *The difference between the total state ward count between 2009 and June 2011 (18 months into privatization) by service areas- WSA:19; CSA:-107;* NSA:+72; SESA: -88; ESA:-11.
  - *To get an "apples-to-apples" comparison regarding the allocation of budget by service area for the numbers of total state wards:*
    - *Utilize the number-of-wards table from 2009 and the number of state wards June 13, 2011 (above).*
    - *Then use the "Percentage of Children Served and Allocation of Budget by Service Area" table (above).*
    - *This will provide a comparison of state wards (the number utilized in 2009 "initial" allocation to determine % of children served) to 2011 state wards under "current" allocation (rather than the new "children served"counting methodology that adds state wards with non-court wards, siblings, those under court supervision, and those with single service or evaluation-only to obtain the total number).*
    - *This provides the 2009 budget expenditure and the 2011 budget allocation compared to the numbers of 2009 state wards and 2011 state wards.*
      - *WSA: -$169,494; +19 state wards only;*
      - *CSA: -$2,409,838; -107 state wards only;*
      - *NSA: -$95,173; +72 state wards only;*
      - *SESA: +$4,158,914; -88 state wards only;*
      - *ESA: +$3,047,351; -11 state wards only;*

- **CFS Court-involved and Non Court-involved by Service Area as of June 13, 2011**
  - *A different way to compare children and expenditures is to include the increases in the number of children served, rather than state wards only, as an "apple"; to focus on the population defined by "children served" (as defined above).*
  - *The current table does not look at historical data, but point-in-time data comparing the populations that encompass children served by services area on June 13, 2011.*
  - *This is also the focus of the "Percentage of Children Served and Allocation of*

Budget by Service Area" table's last column. Determining the total of children served as defined in the state and dividing by each service area total children served provides the percentage. That percentage is then used to determine the budget allocation of each area.

- **Statewide Children Placed with Siblings June 27, 2011**
  - This table demonstrates the Number of Siblings in Out of Home Care placed with Siblings as of June 27, 2011 by Service Area
    - *Placing siblings together whenever safely and logistically possible is the preferable placement in the best interest of children, and it is the policy of the State of Nebraska.*
    - *Percent with All Siblings Together: WSA-70.95%, CSA-69.68, NSA-68.62% (all DHHS areas with DHHS case managers); ESA- 57.41%, SESA- 54.82% (lead agency case management) .*

KVC Youth Served Placement

- **KVC Nebraska Point in Time Report Comparison**
  - Comparing November 2009, November 2010, June 2011

NFC Youth Served Placement

- **NFC Point in Time Report Comparison**
  - Comparing March 2010, November 2010, June 2011

DHHS and Behavioral Health

Update of Behavioral Health Task Force Report 2007 information

- Division of BH Children's Services Mental Health and Substance Abuse by Person Served 2010
- Hastings Regional Center Number of Children Served 2010
- State Wards in Care 9-3-2011
- DHHS Funding Sources for Children's BHS 2010
- Behavioral Health Expenditures FY10 Children Services by Category
- Behavioral Health Divisions Children's Expenditures by Region/Helpline
- FY2010 NE Medicaid/CHIP Expenditures for MH/SA Services
- FY 2010 NE Medicaid/CHIP Expenditures for MH/SA Services by State Ward
- FY2007-10 NE Medicaid/CHIP Expenditures for MH/SA Services
  - *The reduction for children 20 and younger in Medicaid MH/SA Services in FY2010 from FY 2009 for residential care went from $45.9 million to $39.7 million (-$6.2 million); practitioner/clinic went from $30.8 to $ 29.3 million (-$1.5 million) and Community Treatment Aides went from $0.8 to $0.4 million (-$0.4 million).*
  - *There was an increase in Outpatient from $1.3 to $1.9 (+0.6 million).*
  - *There is a laudable goal to reduce the number of children in residential treatment that may explain the reduction in expenditures for residential treatment; but it is extremely disconcerting that there are cuts to services that support children in the community and such an extremely small increase in expenditures for Outpatient services*
- FY 2010 NE Child Welfare Expenditure for MH/SA Service
- NE Medicaid BH Expenditures by Service Date Out of State PRTF

Data Requested from KVC

- Case worker education
  - *80% of caseworkers have a bachelors degree; 19% have a masters degree; .05% have a bachelors or masters degree in social work.*
- Caseload info and turnover
  - *KVC caseworker turnover for July was 8.81%; August 6.25%; September 9.49%*
- Previous Employers
  - *Many of KVC caseworkers have experience in child welfare or mental health*
- Face-to-face caseworker contacts with child ESA and SESA June-Sept. 2011
  - *KVC SESA case worker face-to-face contact with state ward ranged from 48%-54%.*
  - *Non-court involved caseworker face-to- face contact with children ranged from 26%-43% in KVC ESA; and 16%-20% in KVC SESA;*
  - Non-court *is defined by DHHS as "children who have no court involvement but CFS* ***has determined that a safety threat exists*** *and the family agrees to work with the Contractor. Most of the same services available to court involved families are available to non-court involved families. Services help to insure child safety and enhance the parent's ability to provide safety for their children."*
- Face-to-face caseworker contacts with parents ESA and SESA June-Sept 2011;
  - *KVC SESA case manager contact with parent ranged from 32%-41% for parents of wards of the state;*
  - *KVC ESA for non-court involved case manager/parent contact ranged from 13%-18%;*
  - *KVC SESA for non-court involved parent /case manager contact ranged from 15-19%;*
  - *Non-court (defined above)- Services help to insure child safety and* ***enhance the parent's ability to provide safety for their children.***
- Case documentation monthly consecutive Team meetings June-Sept 2011;
- Case documentation monthly consecutive Parent Contacts June-Sept 2011;
- Case documentation monthly consecutive Youth Contact June-Sept 2011;
- Case documentation monthly consecutive Provider Contacts June-Sept 2011;
- Service Coordinator Required Contacts June-Sept 2011;
  - *KVC SESA "Service Coordinator Required Contacts" showed "Provider Documentation" was 37%-43%.*
- Court Report Timeliness August ESA; Sept SESA
  - *In September the KVC SESA court reports were not on time 30% of the time;*

Data Requested from NFC

- Caseworker training, education, experience
  - *80% of NFC caseworkers have bachelors degrees; 19% have masters degrees; 15% have a bachelors or masters in social work*
- Caseworker turnover
  - *NFC annualized staff turnover for July- 40%, August- 19%, and September- 27%;*
- Caseloads
- Face-to-face caseworker contact with children- wards, non-wards

- *NFC non-court involved case worker monthly contact with children was 16%-21%;*
- *Non-court is defined by DHHS- as "children who have no court involvement but CFS* ***has determined that a safety threat exists*** *and the family agrees to work with the Contractor. Most of the same services available to court involved families are available to non-court involved families. Services help to insure child safety and enhance the parent's ability to provide safety for their children."*

- Face-to-face caseworker contact with parents- wards, non-wards;
  - *NFC non-court involved case worker face-to-face contact with parent ranged from 16%-21%;*
  - *Non-court (defined above)- Services help to insure child safety and* ***enhance the parent's ability to provide safety for their children.***
- Current Case Plans
- Timeliness of case plans
- Casey Family Program-Selected State and National Child Welfare Statistics
  - Rate of Children In Care in Population 2009
  - Rate of Entry FY 09
  - Exits to Permanency by State 2009
  - Nationally, entries are declining

- *The Health and Human Services Committee comments on issues of concern connected with the above data.*
  - *First, the lead agencies' case workers'* ***lack of monthly face-to-face contacts*** *with children and parents of non-court involved cases in as many as 87% of the cases is deeply concerning.*
    - *Non-court involved children cases are those where CFS has determined a safety threat exists; yet in an extremely high number of cases, there is no monthly face-to-face caseworker contact with the child or parent.*
    - *This is especially concerning since there is NO other oversight- not through the court, not through the FCRB, nor by DHHS- for these children.*
    - *In addition to the above data, information was provided in a briefing to the members of the HHS Committee by two Directors of Child Advocacy Centers . In the last 90 days they have noted an increase in children who are non-court involved but are coming back through the system because of repeat incidents of neglect or abuse reported to the hot line.*
    - *During LR 37 hearings, prosecutors also expressed concerns for non-court involved children. There are a number of these children coming into the system with repeat issues; but due to the lack of documentation of the initial incidents, evidence of the repeat neglect and abuse is not available for adjudication.*
    - *Since additional financing has been provided to lead agencies to compensate for the number of "children served" to include non-court involved children, it is a concern that these children and families are not receiving the services and oversight of a monthly face-to-face meeting with case managers. These are children for which lead agencies are being compensated, but data indicates they are not being provided this essential service.*
  - *The data indicating the high turnover rates of caseworkers in lead agencies.*
    - *This is a deep concern that has also been noted in the FCRB Report and the*

Surveys. There are many systemic problems that occur from caseworker turnover.

- *First is that 20% of children and families report four or more caseworkers in the last 12 months.*
- *Additionally, judges note a lack of documentation and poor quality of information provided to the courts because of untrained, new and/or substitute case managers. This results in courts continuing hearings because action has not been taken, thereby slowing decisions toward permanency. The judges are quick to point out that caseworkers themselves are dedicated, caring individuals; but the system undermines their effectiveness.*
- *Caseworker turnover and the resulting consequences impacts the trust of the system. Inexperience, lack of timely action, lack of documentation, and multiple personnel makes it difficult to trust the information provided by a case manager. Again, this is not meant to reflect lack of trust of case workers themselves, but is indicative of system issues. However, caseworker turnover can directly impact the placement decisions of children as judges and persecutors are left to compensate for the lack of appropriate information and evidence.*

- *Throughout the LR 37 process it has become very evident that the lack of coordination, silos of data bases, and problems with data reporting and analysis are chronic, pervasive, systemic, and serious problems. These are not new issues. The 2008 Behavioral Health Task Force Report DHHS Response stated:*
  - "Nebraska currently does not have the capacity to collect and analyze routinely and effectively much of the data required to inform policy decisions, system development and evaluation of its public behavioral health system. There is no standard set of information that is uniformly collected about all children and adolescents served by the system. Of the information that is collected, some exists only as paper records and are never entered into an automated database. The items of information that have been automated reside on a number of computer systems, developed for different purposes, with different capabilities, file structures and operating systems. A listing of the current data system collection is located in Appendix 7 of this report.
  - The Department will provide leadership in developing a uniform system to collect and evaluate data across systems regarding youth served, the quality of services provided and the outcomes produced by those services. The system will consist of uniform, cross-system data collection, storage, analysis and reporting to evaluate the children's behavioral health system. The system will have the capacity to evaluate both process data and outcome data thereby creating the infrastructure for continuous quality improvement and increasing accountability. Initially, the system will rely heavily on existing data either maintained on automated information systems or manually collected. The Divisions are working together to put out for bid a renewed and enhanced request for an Administrative Services Only provider in the Medicaid and Long-Term care, Behavioral Health and Children and Family Services divisions to improve data acquisition and management capacity."

- *It is important DHHS and the Legislature move forward immediately to address the lack of progress regarding these data issues.*

- ***However, a good data system will not in itself alone further child welfare reform***. Good, timely, accurate data is absolutely essential in decision making and policy development. But data (and even information attained through the data) is not the end in itself when making decisions. It must be analyzed and synthesized and then utilized with an understanding of the systemic interaction between multiple variables.
  - In "Knowledge Management" literature, the "Knowledge Hierarchy" (also known as the Knowledge Pyramid) describes the initial progression of analysis and synthesis. Russell Ackoff,[1] a systems theorist and professor of organizational change, describes the hierarchy as:
    - **Data**: Data is raw. It simply exists and has no significance beyond its existence (in and of itself).
    - **Information**: Information is data that has been given meaning by way of relational connection, data that is processed to be useful; provides answers to "who," "what," "where," and "when" questions.
    - **Knowledge**: Knowledge is the appropriate collection of information, the useful application of data and information; answers "how" questions. However, it does not provide for, in and of itself, an integration such as would infer further knowledge.
    - **Understanding**: The appreciation of "why," understanding is an interpolative and probabilistic process. It is cognitive and analytical. It synthesizes new knowledge from previously held knowledge. The difference between understanding and knowledge is the difference between "learning" and "memorizing." People who have understanding can undertake useful actions because they can synthesize new knowledge, or in some cases, at least new information, from what is previously known (and understood).
    - **Wisdom**: Wisdom is evaluated understanding. Wisdom is an extrapolative and non-deterministic, non-probabilistic process. It calls upon all the previous levels of consciousness, and specifically upon special types of human programming (moral, ethical codes, etc.).

  In addition to the progression of the analysis and synthesis represented by the Knowledge Hierarchy, Ackoff explains applying the progression to systems thinking in regards to the organization(s). "Analysis of a system reveals how it works, but synthetic thinking is required to explain why it works the way it does. Systems thinking integrates the two. Analysis breaks a system down into its parts, tries to explain the behavior of these parts, and then attempts to aggregate this understanding into an understanding of the whole. It cannot succeed because when a system is taken apart it loses all its essential characteristics and so do its parts. A disassembled automobile cannot transport people and a motor taken out of it cannot move anything, even itself....You have to understand how the interactions of the parts, and the parts with the whole and its environment, create the properties of the whole. Cause-effect is about actions, not interactions. Most managers currently manage the actions of their organizations' parts taken separately. This is based on the false assumption that improving the performance of the parts separately necessarily improves the performance of the whole, the corporation. That is a false premise. In fact, you can destroy a corporation by improving its individual parts. Try putting a Rolls Royce engine in a Hyundai[2]."

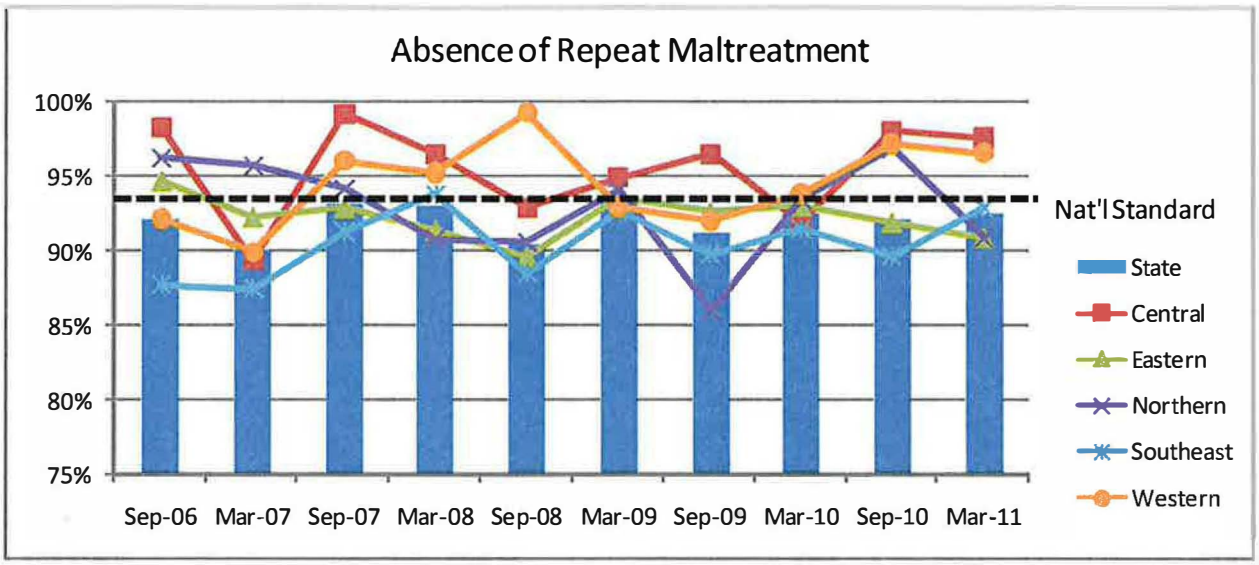
1 Ackoff, R.L., "From Data to Wisdom", Journal of Applied Systems Analysis, Volume 16, 1989 p 3-9.

2 Allio, Robert J., "Russell L. Ackoff, Iconoclastic, Management ,Authority, Advocates a Systemic Approach to Innovation." *Strategy and Leadership*, Vol. 31 No. 3, 2003, pg 21-22

- **These concepts of analysis, synthesis, and systemic thinking are the framework under which data and information must be considered when making decisions and developing policy in child welfare.** It is simply not enough to make conclusions regarding child welfare success or failure by taking one issue in isolation: the number of children served increased/decreased, or the number of out of home placements increased/decreased, or the number of state wards increased/decreased, or repeat maltreatment increased/decreased, or the number of children entering the system increased or decreased, or the costs of letter of agreements increased/decreased, or the cost of residential care went down, etc. No one piece of data tells the whole story. No entity--the department, the lead agencies, judges, prosecutors, attorneys, stakeholders, or Magellan--can make determinations apart from each other. To use Ackoff's analogy--rebuilding the engine apart from knowing the model of car, while another works on the steering , while another works separately on a speedometer that in the end will only show last week's speed, will not work. There needs to be systems thinking, collaboration, and integration across all governmental branches with stakeholders and with highly skilled leadership in order to provide child welfare reform that will meaningfully provide the appropriate services to children for their safety, permanency and well being.

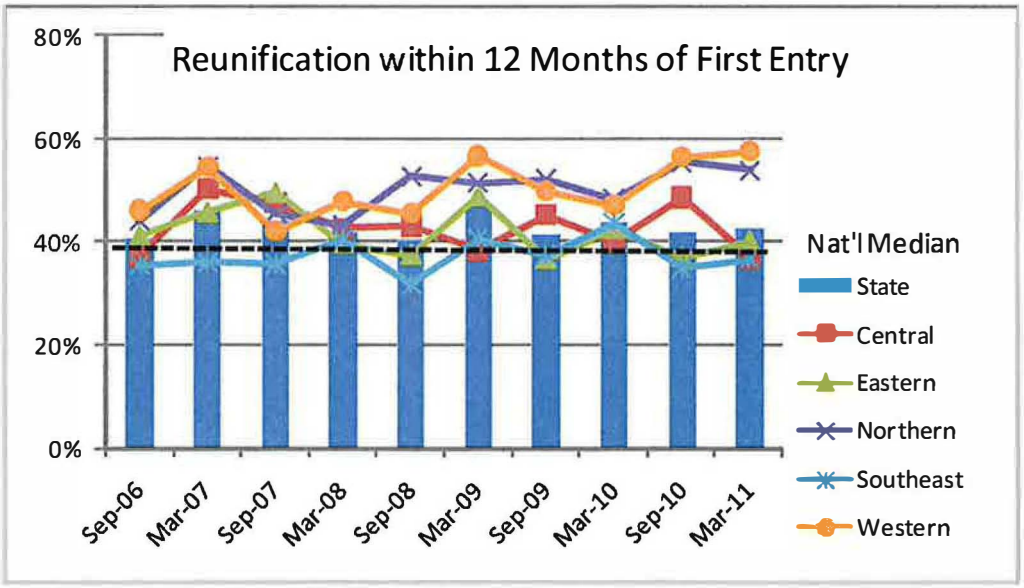
Safety: The Absence of Maltreatment Recurrence (A higher number is desired)

Nebraska data:



Permanency: Reunification within 12 Months of First Entry (A higher number is desired)

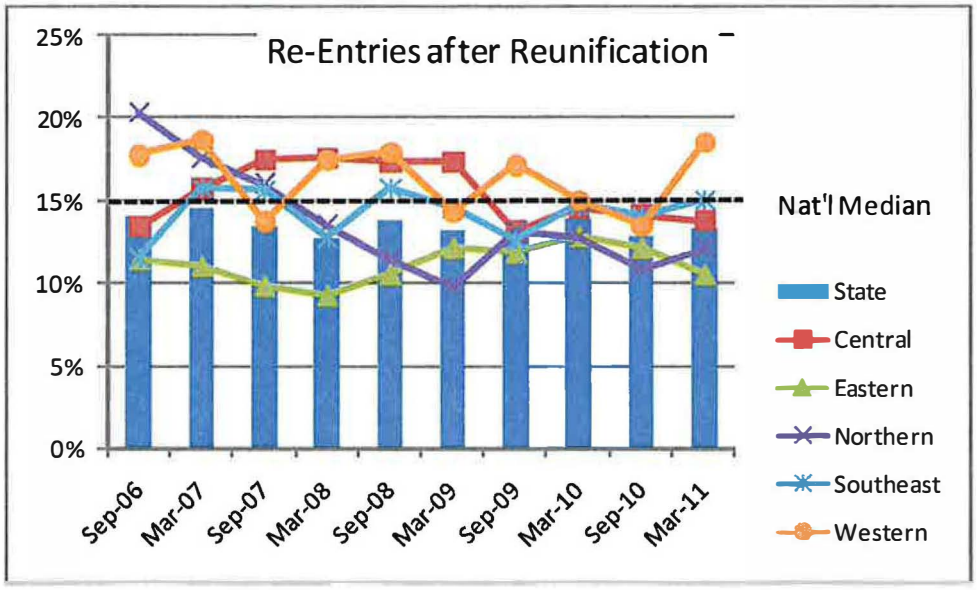
Nebraska data:



Data Source: http://www.dhhs.ne.gov/compass/

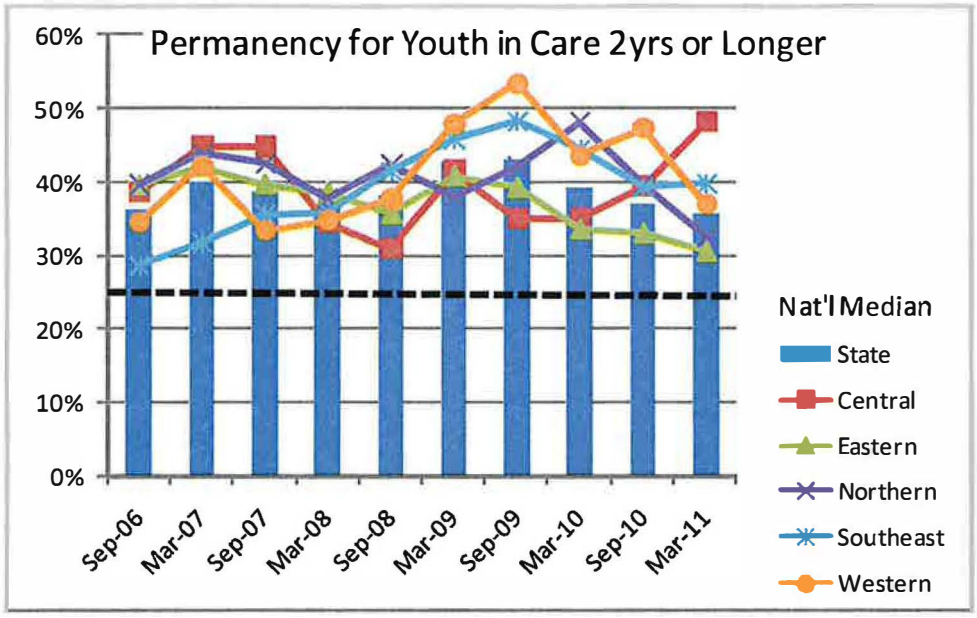
Permanency: Re-Entries After Reunification (A lower number is desired)

Nebraska data:



Permanency: Exits to Permanency for Youth in Care 2yrs or More (A higher number is desired)

Nebraska data:



Data Source: http://www.dhhs.ne.gov/compass/

DHHS Information re Definitions used in DATA

"Counts of Children" regarding the number of children served at points-in-time for October 2009 and June 13, 2011.

The number of children served in the October 2009 data only includes **state wards,** children under 19 years of age involved in a court case with a legal status of HHS-OJS ward, both OJS and HHS ward, police holds, and voluntary placement agreements

June 13, 2011 **number of children served** includes all children and not just state wards Children as a whole include wards and the following: 1) siblings who are involved in a court case but not a ward or under court supervision; 2) non-court involved children; 3) Court supervision; and 4) children receiving a single service or evaluation only
The initial budget allocations in 2009 were based on historical expenditures and not the number of state wards served. The initial allocation for FY2011 was based on the historical expenditures.The Revised and Current 2011 budget allocations are based on the percentage of children served. Therefore, the percentage of budget allocation is now aligned with the percentage of children served.

Please note that significant data clean up and methodology as to how children are counted has occurred since 2009, therefore the way in which children are reported and counted has changed.

PERCENTAGE OF CHILDREN SERVED AND ALLOCATION OF BUDGET BY SERVICE AREA

		Initial		Revised		Current	
Contractor	*Service Area*	*FY11 Contract Allocation*	*% of Children Served**	*FY11 Contract Allocation*	*% of Children Served***	*FY12 Contract Allocation*	*% of Children Served***
DHHS	Western	$ 11,558,826.85	10.90%	$ 10,922,561.15	10.30%	$ 11,389,332.22	10.30%
DHHS	Northern	$ 10,710,472.58	10.10%	$ 10,180,251.17	9.60%	$ 10,615,299.94	9.60%
DHHS	Central	$ 11,919,377.41	11.24%	$ 9,119,808.34	8.60%	$ 9,509,539.53	8.60%
KVC	Southeast	$ 30,561,962.36	28.82%	$ 33,297,904.86	31.40%	$ 34,720,876.87	31.40%
KVC	Eastern	$ 13,764,547.93	12.98%	$ 15,694,553.88	14.80%	$ 16,365,254.07	14.80%
DHHS	Eastern	$ 13,764,547.93	12.98%	$ 13,149,491.09	12.40%	$ 13,711,429.08	12.40%
NFC	Eastern	$ 13,764,547.93	12.98%	$ 13,679,712.51	12.90%	$ 14,264,309.29	12.90%
		$ 106,044,282.99		**$ 106,044,283.00**		**$ 110,576,041.00**	

**Based on October 2009 point in time*

***Based on June 13, 2011 point in time (wards and non-wards)*

28-Jul-11

Prepared by J. Atkinson

Explantion of Data Descriptions

- Non-Court Involved Children - These are situations where children are being served by CFS or a Contractor and there is no official Court involvement. CFS has determined that a safety threat exists and the family agrees to work with CFS or the Contractor. Some people refer to these situations as "voluntary" service cases. Most of the same services available to court involved families are available to non-court involved families. Services help to insure child safety and enhance the parent's ability to provide safety for their child.

- Single Service – These are situations in which CFS is conducting a Safety Assessment and the situation may require that a service needs to be provided or purchased on a one-time basis. The Contractor in working with CFS staff then provides or purchases a 'single service' such as an interpreter. At this point the Contractor is not being asked to provide any type of case management or service coordination. Whether the case comes into the system and gets assigned to the Contractor is based on the determination of the Safety Assessment. Some single services that can be provided are an interpreter or a drug test.

- Evaluation Only- These are situations specific to the Office of Juvenile Services (OJS). In these situations, youth are adjudicated by the courts with a delinquency charge and then court ordered to receive an OJS Evaluation to assist the Court in understanding the youth's needs and risks. The OJS evaluation occurs prior to the Court's disposition of the matter. DHHS is required to make arrangements for the evaluation and to deliver the report to the Court. As soon as the evaluation is completed and provided to the Court, the Department is relieved of further responsibility. The Court can then decide to place the youth in the custody of the Department for ongoing services or choose another disposition such as Probation. The only service provided by DHHS in these cases is the OJS evaluation and short term residential care housing during the time of the evaluation if the evaluation does not occur in the community.

- Court Supervision – These are situations in which the Court has dismissed DHHS from custody, but the Court wants to monitor progress. The Department or Contractor do not regularly provide services for these cases, but have to complete some monitoring of the situation. Minimal follow-up and reporting to the court occurs in order to provide an update on progress as needed.

- Yes, children in the situations described above were included in the calculations.

HHS/OJS Wards October 2009 (as of 11/2/2009) by Service Area

Source: N-FOCUS, Derived Placement Data by Service Area and State 11/2/2009 report

	CSA	ESA	NSA	SESA	WSA	State
HHS Ward (includes direct relinquishment, police holds, voluntary placement agreements)	511	2,085	354	1,335	461	4,746
OJS Ward	183	512	167	531	152	1,545
Total Wards	694	2,597	521	1,866	613	6,291

HHS Ward includes direct relinquishment, police holds, and voluntary placement agreements.

Wards who were both an HHS ward and OJS ward could have fallen into either (HHS ward or OJS ward) category, although workers were encouraged to enter HHS ward as the legal status for these youth.

	Total	Non-Court	Court	Wards	Siblings	Single Service/ Evaluation/ Court Supervision*
Statewide						
Sept. 2010	10,267	1,633	8,162	6,067	1,869	472
Oct. 2010	10,197	1,296	8,408	6,138	2,018	493
Nov. 2010	10,176	1,276	8,430	6,101	2,098	470
Dec. 2010	10,124	1,261	8,381	6,093	2,040	482
Jan. 2011	10,236	1,319	8,439	6,117	2,083	478
Feb. 2011	9,907	1,174	8,314	6,117	1,949	419
Mar. 2011	9,598	873	8,338	6,154	1,979	387
Apr. 2011	9,661	872	8,385	6,160	1,983	404
May. 2011	9,800	876	8,510	6,199	2,050	414
Jun. 13, 2011	9,573	956	8,185	6,176	2,009	432
Change	-6.76%	-41.46%	0.32%	-1.09%	6.13%	21.65%
Central Service Area						
Sept. 2010	1,001	125	832	665	164	44
Oct. 2010	964	92	835	675	156	37
Nov. 2010	972	97	842	665	172	33
Dec. 2010	945	109	805	643	158	31
Jan. 2011	917	99	791	625	165	27
Feb. 2011	845	54	766	619	146	25
Mar. 2011	818	35	757	612	145	26
Apr. 2011	818	44	747	601	143	27
May. 2011	811	54	726	579	143	31
Jun. 13, 2011	820	58	726	587	139	36
Change	-18.08%	-53.60%	-12.74%	-11.73%	-15.24%	-18.18%
Eastern Service Area						
Sept. 2010	3,651	275	3,285	2,577	704	91
Oct. 2010	3,732	243	3,386	2,627	756	103
Nov. 2010	3,770	214	3,460	2,630	827	96
Dec. 2010	3,798	219	3,497	2,650	842	82
Jan. 2011	3,851	222	3,567	2,682	881	62
Feb. 2011	3,849	235	3,541	2,658	878	73
Mar. 2011	3,848	240	3,539	2,631	901	69
Apr. 2011	3,853	239	3,539	2,619	913	75
May. 2011	3,877	265	3,560	2,622	930	52
Jun. 13, 2011	3,856	303	3,496	2.586	910	57
Change	5.61%	10.18%	6.52%	-2.16%	42.41%	-69.32%
KVC (Eastern Service Area)						
Sept. 2010	1,350	89	1,199	945	253	62
Oct. 2010	1,379	77	1,231	967	262	71
Nov. 2010	1,399	68	1,262	961	300	69
Dec. 2010	1,420	65	1,293	984	307	62
Jan. 2011	1,436	72	1,319	988	329	45
Feb. 2011	1,433	71	1,296	977	316	66
Mar. 2011	1,455	78	1,317	970	343	60
Apr. 2011	1,470	81	1,323	978	341	66
May. 2011	1,462	104	1,318	974	339	40
Jun. 13, 2011	1,445	114	1,286	958	328	45
Change	7.04%	28.09%	7.26%	1.38%	29.64%	-27.42%
NFC (Eastern Service Area)						
Sept. 2010	1,209	117	1,074	858	213	18
Oct. 2010	1,222	101	1,098	859	238	23
Nov. 2010	1,212	89	1,109	851	256	14
Dec. 2010	1,201	96	1,095	834	258	10
Jan. 2011	1,211	88	1,115	863	250	8
Feb. 2011	1,203	91	1.111	853	257	1
Mar. 2011	1,222	105	1,112	850	260	5
Apr. 2011	1,234	106	1,121	855	264	7
May. 2011	1,231	97	1,125	853	271	9
Jun. 13, 2011	1,228	113	1,106	832	274	9
Change	1.57%	-3.42%	2.98%	-3.03%	28.64%	-50.00%

CFS
Sept. 2010 – June 2011

Children by population breakdown.

	Total	Non-Court	Court	Wards	Siblings	Single Service/ Evaluation/ Court Supervision*
DHHS (Eastern Service Area)						
Sept. 2010	1,092	69	1,012	774	238	11
Oct. 2010	1,131	65	1,057	801	256	9
Nov. 2010	1,159	57	1,089	818	271	13
Dec. 2010	1,177	58	1,109	832	277	10
Jan. 2011	1,204	62	1,133	831	302	9
Feb. 2011	1,213	73	1,134	828	305	6
Mar. 2011	1,171	57	1,110	811	298	4
Apr. 2011	1,149	52	1,095	786	308	2
May. 2011	1,184	64	1,117	795	320	3
Jun. 13, 2011	1,183	76	1,104	796	308	3
Change	8.33%	10.14%	9.09%	2.84%	29.41%	-72.73%
Northern Service Area						
Sept. 2010	1,021	184	806	571	229	31
Oct. 2010	1,006	162	803	553	238	41
Nov. 2010	1,027	192	784	548	223	51
Dec. 2010	1,021	197	776	540	226	48
Jan. 2011	1,042	239	759	544	207	44
Feb. 2011	958	171	739	557	177	48
Mar. 2011	920	132	738	566	178	50
Apr. 2011	924	114	756	569	173	54
May. 2011	924	108	766	580	174	50
Jun. 13, 2011	919	99	765	593	172	55
Change	-9.99%	-46.20%	-5.09%	3.85%	-24.89%	77.42%
KVC (Southeast Service Area)						
Sept. 2010	3,301	607	2,420	1,664	556	274
Oct. 2010	3,210	380	2,554	1,695	640	276
Nov. 2010	3,104	350	2,492	1,648	641	262
Dec. 2010	3,083	321	2,471	1,649	599	291
Jan. 2011	3,135	334	2,483	1,666	602	318
Feb. 2011	3,019	327	2,450	1,666	560	242
Mar. 2011	3,070	349	2,503	1,724	583	218
Apr. 2011	3,113	346	2,541	1,748	586	224
May. 2011	3,201	321	2,628	1,777	620	252
Jun. 13, 2011	2,997	355	2,392	1,778	614	250
Change	-9.21%	-41.52%	-1.16%	6.85%	10.43%	-8.76%
Western Service Area						
Sept. 2010	1,293	442	819	590	216	32
Oct. 2010	1,285	419	830	588	228	36
Nov. 2010	1,303	423	852	610	235	28
Dec. 2010	1,277	415	832	611	215	30
Jan. 2011	1,291	425	839	600	228	27
Feb. 2011	1,236	387	818	617	188	31
Mar. 2011	942	117	801	621	172	24
Apr. 2011	953	127	602	623	168	24
May. 2011	987	128	830	641	183	29
Jun. 13, 2011	981	141	806	632	174	34
Change	-24.13%	-68.10%	-1.59%	7.12%	-19.44%	6.25%
KVC (Combined)						
Sept. 2010	4,651	696	3,619	2,609	809	336
Oct. 2010	4,589	457	3,785	2,662	902	347
Nov. 2010	4,503	418	3,754	2,609	941	331
Dec. 2010	4,503	386	3,764	2,633	906	353
Jan. 2011	4,571	406	3,802	2,654	931	363
Feb. 2011	4,452	398	3,746	2,643	876	308
Mar. 2011	4,525	427	3,820	2,694	926	278
Apr. 2011	4,583	429	3,864	2,726	927	290
Mar. 2011	4,663	425	3,946	2,751	959	292
Jun. 13, 2011	4,442	469	3,678	2,736	942	295
Change	-4.49%	-32.61%	1.71%	-0.18%	7.66%	235.44%

Wards and Siblings are a subset of court cases. In most cases, added together, the two total the number of court cases. In a few cases, the total number of court cases exceeds the sum of wards and siblings. This is because a few court cases are identified as court supervision or evaluations (included in the last column of this table).

CFS
Sept. 2010 – June 2011

Children by population breakdown.

Subset of # of Wards			
	OJS Wards	HHS Wards	# of Wards*
Statewide			
Jun. 13, 2011	1,514	4,662	6,176
By Service Area:			
Western Service Area			
Jun. 13, 2011	150	482	632
Central Service Area			
Jun. 13, 2011	170	417	587
Northern Service Area			
Jun. 13, 2011	188	405	593
Southeast Service Area			
Jun. 13, 2011	507	1,271	1,778
Eastern Service Area			
Jun. 13, 2011	499	2,087	2,586
By Contractor:			
KVC (Eastern Service Area)			
Jun. 13, 2011	184	774	958
KVC (Southeast Service Area)			
Jun. 13, 2011	502	1,276	1,778
DHHS (Eastern Service Area)			
Jun. 13, 2011	164	632	796
NFC (Eastern Service Area)			
Jun. 13, 2011	151	681	832
Summary:			
Contractor			
Jun. 13, 2011	837	2,731	3,568
DHHS			
Jun. 13, 2011	677	1,931	2,608

CFS Court-involved and Non Court-involved by Service Area as of June 13, 2011

Department of Health and Human Services

Division of Children and Family Services

	Court-Involved Children			Non-Court Involved Children		
	# of Wards*	# of Siblings*	Total # of Court-Involved Children	# of Children	Single Service/ Evaluation/ Court Supervision**	Total
Statewide						
Jun. 13, 2011	6,176	2,009	8,185	956	402	9,543
By Service Area:						
Western Service Area						
Jun. 13, 2011	632	174	806	141	34	981
Central Service Area						
Jun. 13, 2011	587	139	726	58	36	820
Northern Service Area						
Jun. 13, 2011	593	172	765	99	55	919
Southeast Service Area						
Jun. 13, 2011	1,778	614	2,392	355	250	2,997
Eastern Service Area						
Jun. 13, 2011	2,586	910	3,496	303	27	3,826
By Contractor:						
KVC (Eastern Service Area)						
Jun. 13, 2011	958	328	1,286	114	15	1,415
KVC (Southeast Service Area)						
Jun. 13, 2011	1,778	614	2,392	355	250	2,997
DHHS (Eastern Service Area)						
Jun. 13, 2011	796	308	1,104	76	3	1,183
NFC (Eastern Service Area)						
Jun. 13, 2011	832	274	1,106	113	9	1,228
Summary:						
Contractor						
Jun. 13, 2011	3,568	1,216	4,784	582	274	5,640
DHHS						
Jun. 13, 2011	2,608	793	3,401	374	128	3,903

*Wards and Siblings are subsets of 'Court Involved Children'.

**Single Service/Evaluation/Court Supervision may be in either Court or Non-Court cases. These Children are not included in the 'Court Involved Children' and 'Non-Court Involved Children' columns.

Statewide
Children Placed with Siblings
June 27, 2011

Number of Siblings in Out of Home Care	Two Siblings Placed Together	Three Siblings Placed Together	Four Siblings Placed Together	Five Siblings Placed Together	Six Siblings Placed Together	Seven Siblings Placed Together	Not Placed With Siblings	Grand Total	Percent with All Siblings Together	Percent with at Least One Sibling
2 Siblings	636	0	0	0	0	0	266	902	**59.69%**	**78.22%**
3 Siblings	128	420	0	0	0	0	130	678		
4 Siblings	106	21	216	0	0	0	49	392		
5 Siblings	42	36	12	40	0	0	30	160		
6 Siblings	16	30	8	0	24	0	12	90		
7 Siblings	8	6	4	0	0	7	3	28		
Grand Total	936	513	240	40	24	7	490	2250		

Central Service Area
Children Placed with Siblings
June 27, 2011

Number of Siblings in Out of Home Care	Two Siblings Placed Together	Three Siblings Placed Together	Four Siblings Placed Together	Five Siblings Placed Together	Six Siblings Placed Together	Seven Siblings Placed Together	Not Placed With Siblings	Grand Total	Percent with All Siblings Together	Percent with at Least One Sibling
2 Siblings	60	0	0	0	0	0	20	80	**69.68%**	**79.35%**
3 Siblings	2	30	0	0	0	0	7	39		
4 Siblings	4	3	12	0	0	0	1	20		
5 Siblings	0	6	0	0	0	0	4	10		
6 Siblings	0	0	0	0	6	0	0	6		
7 Siblings	0	0	0	0	0	0	0	0		
Grand Total	66	39	12	0	6	0	32	155		

Eastern Service Area
Children Placed with Siblings
June 27, 2011

Number of Siblings in Out of Home Care	Two Siblings Placed Together	Three Siblings Placed Together	Four Siblings Placed Together	Five Siblings Placed Together	Six Siblings Placed Together	Seven Siblings Placed Together	Not Placed With Siblings	Grand Total	Percent with All Siblings Together	Percent with at Least One Sibling
2 Siblings	248	0	0	0	0	0	118	366	**57.41%**	**78.51%**
3 Siblings	64	180	0	0	0	0	50	294		
4 Siblings	54	15	132	0	0	0	27	228		
5 Siblings	26	24	12	20	0	0	18	100		
6 Siblings	0	12	0	0	6	0	6	24		
7 Siblings	4	3	4	0	0	7	3	21		
Grand Total	396	234	148	20	6	7	222	1033		

Northern Service Area
Children Placed with Siblings
June 27, 2011

Number of Siblings in Out of Home Care	Two Siblings Placed Together	Three Siblings Placed Together	Four Siblings Placed Together	Five Siblings Placed Together	Six Siblings Placed Together	Seven Siblings Placed Together	Not Placed With Siblings	Grand Total	Percent with All Siblings Together	Percent with at Least One Sibling
2 Siblings	68	0	0	0	0	0	16	84	**68.62%**	**85.11%**
3 Siblings	14	42	0	0	0	0	10	66		
4 Siblings	8	0	8	0	0	0	0	16		
5 Siblings	4	0	0	5	0	0	1	10		
6 Siblings	2	3	0	0	6	0	1	12		
7 Siblings	0	0	0	0	0	0	0	0		
Grand Total	96	45	8	5	6	0	28	188		

Southeast Service Area
Children Placed with Siblings
June 27, 2011

Number of Siblings in Out of Home Care	Two Siblings Placed Together	Three Siblings Placed Together	Four Siblings Placed Together	Five Siblings Placed Together	Six Siblings Placed Together	Seven Siblings Placed Together	Not Placed With Siblings	Grand Total	Percent with All Siblings Together	Percent with at Least One Sibling
2 Siblings	186	0	0	0	0	0	94	280	**54.82%**	**73.95%**
3 Siblings	36	114	0	0	0	0	48	198		
4 Siblings	38	3	48	0	0	0	19	108		
5 Siblings	10	3	0	10	0	0	7	30		
6 Siblings	14	15	8	0	6	0	5	48		
7 Siblings	0	0	0	0	0	0	0	0		
Grand Total	284	135	56	10	6	0	173	664		

Western Service Area
Children Placed with Siblings
June 27, 2011

Number of Siblings in Out of Home Care	Two Siblings Placed Together	Three Siblings Placed Together	Four Siblings Placed Together	Five Siblings Placed Together	Six Siblings Placed Together	Seven Siblings Placed Together	Not Placed With Siblings	Grand Total	Percent with All Siblings Together	Percent with at Least One Sibling
2 Siblings	74	0	0	0	0	0	18	92	**70.95%**	**83.33%**
3 Siblings	12	54	0	0	0	0	15	81		
4 Siblings	2	0	16	0	0	0	2	20		
5 Siblings	2	3	0	5	0	0	0	10		
6 Siblings	0	0	0	0	0	0	0	0		
7 Siblings	4	3	0	0	0	0	0	7		
Grand Total	94	60	16	5	0	0	35	210		

Point in Time Report: Youth Served Placement	KVC Nebraska		
	November-09	November-10	June-11
Wards in the parental home	111	935	882
Southeast Service Area	61	650	607
Eastern Service Area	50	285	275
Total number of youth in out of home placement	**297**	**1721**	**1762**
Southeast Service Area	114	1042	1122
Eastern Service Area	183	679	640

*Transition began November 1st, 2009; transition completed January 30, 2010

The number is a reflection of the youth who are in the following types of care:
- o Approved Child Specific Foster Home
- o Continuity Foster Care
- o Emergency Shelter Foster Care
- o Foster Home-Traditional
- o Foster Home-Agency Based
- o Foster Home-Treatment
- o Relative Foster Home (Approved)
- o Relative Foster Home (Licensed)
- o Center for Developmentally Disabled
- o Emergency Shelter Center
- o Enhanced Treatment Group Home
- o Group Home
- o Group Home A
- o Group Home-Treatment
- o Medical Hospital
- o Mental Health Facility
- o Nursing Home
- o Omaha Tribal Relative (Licensed)
- o Psychiatric Hospital
- o Residential Treatment Facility

	November-09	November-10	June-11
Total number of youth in foster care placement	**229**	**1291**	**1354**
Southeast Service Area	72	767	852
Eastern Service Area	157	524	502

The following numbers are subsets for the total above

The number is a reflection of the youth who are in the following types of care:
- o Approved Child Specific Foster Home
- o Continuity Foster Care
- o Emergency Shelter Foster Care
- o Foster Home-Traditional
- o Foster Home-Agency Based
- o Foster Home-Treatment
- o Omaha Tribal Relative (Licensed)
- o Relative Foster Home (Approved)
- o Relative Foster Home (Licensed)

	November-09	November-10	June-11
Total number of youth in relative foster homes	**101**	**423**	**462**
Southeast Service Area	27	228	269
Eastern Service Area	70	183	182

The number is a reflection of the youth who are in the following types of care:
- o Licensed Relative
- o Approved Relative
- o Omaha Tribal Relative (Licensed)

Total number of youth in child specific (kinship) foster homes	**14**	**136**	**138**
Southeast Service Area	13	82	98
Eastern Service Area	1	54	40

Note: The youth in child specific (kinship) foster home numbers is a subset of the numbers reflected in the category of youth in foster care placements.

	November-09	November-10	June-11
Southeast Service Area	40	310	367
Eastern Service Area	71	237	222
Total Relative/Child Specific	**115**	**559**	**600**

	November-09	November-10	June-11
Total number of youth in non-relative foster homes	**118**	**726**	**765**
Southeast Service Area	32	439	485
Eastern Service Area	86	287	280

Total number of youth in ***non-relative foster care*** include youth in the following types of care:

- o Continuity Foster Care
- o Emergency Shelter Foster Care
- o Foster Home-Traditional
- o Foster Home-Agency Based
- o Foster Home-Treatment

	November-09	November-10	June-11
Total number of youth in served in Group Home Placement or another form of institution placement	**57**	**371**	**333**
Southeast Service Area	39	234	224
Eastern Service Area	18	137	109

Total number youth in ***Group Home*** include youth in the following types of care:

- o Center for Developmentally Disabled
- o Emergency Shelter Center
- o Enhanced Treatment Group Home
- o Group Home
- o Group Home A
- o Group Home-Treatment
- o Medical Hospital
- o Mental Health Facility
- o Nursing Home
- o Psychiatric Hospital
- o Residential Treatment Facility

	November-09	November-10	June-11
Total number of youth in served in detention facilities or the Youth Rehabilitation Treatment Centers (YRTC)	**28**	**151**	
Southeast Service Area	15	99	
Eastern Service Area	13	52	

Re-entry is defined as any HHS-Ward who has been in out of home care, has been reunified, and has re-entered out of home care in less than 12-months.

Point in Time Report: Re-entries (Federal Definition) KVC Nebraska

	November-09	November-10	June-11
Total number of re-entries	3	103	109
Southeast Service Area	3	70	79
Eastern Service Area	0	33	30
Of the total number of re-entries in November 2010, number of re-entries that occurred in 2009		58	
Southeast Service Area		42	
Eastern Service Area		16	
Of the total number of re-entries in November 2010, number of re-entries that occurred in 2010		45	
Southeast Service Area		28	
Eastern Service Area		17	
Of the total number of re-entries in June 2011, number of re-entries that occurred in 2009			12
Southeast Service Area			11
Eastern Service Area			1
Of the total number of re-entries in June 2011, number of re-entries that occurred in 2010			82
Southeast Service Area			58
Eastern Service Area			24
Of the total number of re-entries in June 2011, number of re-entries that occurred in 2011			15
Southeast Service Area			10
Eastern Service Area			5

103 youth re-entered out of home placement and were being served by KVC on November 30, 2010. Of these103 youth, 58 youth re-entered care during 2009 and 45 youth re-entered care during 2010.
The majority of the youth re-entering care during 2010 had a previous discharge date from out of home care during 2009, prior to when KVC began providing service coordination. Many of these cases are considered "legacy" cases that had been receiving services prior to the Families Matter Initiative.

109 re-entered out of home placement and were being served by KVC on June 20th, 2011. As the table to the left shows there were 12 re-entries from 2009; 82 re-entries from 2010, and 15 re-entries from 2011. The majority of re-entries into out of home care from 2009 and 2010 are youth who received case management from DHHS when they were reunified.

Of the 15 youth that re-entered care in 2011, all of the youth had been receiving services from KVC when they were discharged to reunification.

Aftercare is a contractural service provided to the families served by KVC-Nebraska. These families receive 12-months of continued support from KVC after their case is closed by DHHS.
*Note: No re-entries reported as it was the beginning of the contract.

Point in Time Report: Re-entries (Contractual Re-entry data) KVC Nebraska

Services	0*	2070	2660
Southeast Service Area	0*	1564	1788
Eastern Service Area	0*	506	872
	November-09	November-10	June-11
Total number of re-entries into DHHS care	**0***	**62**	**82**
Southeast Service Area	0*	48	64
Eastern Service Area	0*	14	18

Re-entry is defined as any youth, irrespective of ward status, that re-enters DHHS child welfare within 12-months of discharge from DHHS.

*Note: No re-entries reported as it was the beginning of the contract.

In November 2009, the NFC began to transition approximately one third on the Eastern Service Area youth and families. Thirty percent of families transitioned to the NFC in November 2009, twenty-five percent in December and January and twenty percent in February. By March 1, 2010, the entire one third of the Eastern Service Areas families were fully transitioned to the NFC.

The table below excludes November 2009 data since this month does not depict the total families the NFC would eventually transition effective March 1, 2010. In November 2009 there were 168 children served; 120 (71%) were HHS wards; 35 (21%) were OJS wards and the remaining three (2%) were voluntary placements.

This table better compares the entire served population.

Total Youth Served	Mar-10	Nov-10	Jun-11
number of children served	1115	1228	1239
number of HHS wards	680	714	678
number of OJS wards	174	151	128
number of voluntary placement agreements	12	16	21

Total Youth Served	Mar-10	Nov-10	Jun-11
number of children served	1115	1228	1239
number of HHS wards	61%	58%	55%
number of OJS wards	16%	12%	10%
number of voluntary placement agreements	1%	1%	2%

**Children served includes: Both OJS and HHS wards, child in a non-court case, evaluations only, HHS wards, HHS-OJS wards, Juvenile court wards, non-wards, parent/caretaker, unknown, voluntary placement agreements.*

The table below excludes November 2009 data since this month does not depict the total families the NFC would eventually transition effective March 1, 2010. In November 2009 there were only 58 (37%) wards that were in their natural homes. There were a total of 100 wards placed out of home. The breakdown of the out of home wards include: a total of 66 (66%) state wards were residing in foster care, 27 (41%) in foster family relative and 30 (59%) foster family non-relative. There were a total of 20 (20%) wards in congregate non-treatment, 8 (8%) in congregate treatment and three (3%) in detention and three (3%) on run.

This table better compares the entire served population.

Ward Only Data	Mar-09	Nov-10	Jun-11
number of in home	215	225	246
number in foster care	441	460	404
foster family relative	189	214	176
foster family non-relative	252	246	228
Congregate non-treatment	88	104	95

Congregate treatment	60	47	36
Detention	37	31	50
Runaway	13	23	12

Ward Only Data	**Mar-09**	**Nov-10**	**Jun-11**
number of in home	25%	25%	29%
number in foster care	69%	69%	68%
foster family relative	43%	47%	44%
foster family non-relative	57%	53%	56%
Congregate non-treatment	14%	16%	16%
Congregate treatment	9%	7%	6%
Detention	6%	5%	8%
Runaway	2%	3%	2%

**Wards are the only population used to measure this goal. Wards are defined as HHS wards, OJS wards, HHS/OJS wards, voluntary placement agreements and police holds.*

**Congregate Treatment = group home (treatment), enhanced treatment group home, psychiatric hospital, residential treatment and mental health facility. Congregate Non-treatment = group home, group home A, boarding home, emergency shelter care, center for developmentally disabled.*

	Nov-10	**Jun-11**
Children who re-entered in foster care	38	25
Children that re-entered before 11/2/09 when NFC began service coordination	27	4

**Re-entry is defined as any HHS-Ward who has been in out of home care, has been reunified, and has re-entered out of home care in less than 12-months.*

	Nov-09 thru Nov-10	**Dec-10 thru Jun-11**
Families who re-entered in Case Management with NFC	7	14

Division of Behavioral Health Children's Services Funded/Person's Served*

Mental Health

- Outpatient/Ax - 1810
- Professional Partner - 820
- Medication management - 22
- Respite care - 28
- Day Treatment - 4
- Home-based services - 8
- Therapeutic Consultation - 0
- Crisis Inpatient - 57

Substance Abuse

- Outpatient Assessment - 458
- Intensive Outpatient - 51
- Therapeutic Community - 36
- Youth Assessment - 15
- Partial care - 1
- Community Support - 18

Source: Unduplicated Number of Children Served in SFY10 in Magellan database. Information compiled September, 2011 by Ying Wang, Statistical Analyst III, Div. of Behavioral Health

Hastings Regional Center Number of Children Served FY06*

- Adolescent Chemical Dependency Unit for Youth Rehabilitation and Treatment Center-Kearney youth = approximately 99
- Hastings Regional Center (HJCDP) no longer provides psychiatric or mental health services. Hastings Regional Center provides chemical dependency treatment to youth who are State Wards from YRTC-K

***Hastings Regional Center no longer provides Acute Care**
HRC provides care to youth who are State Wards

State Wards in Care as of 9-3-11

Total Wards in State Care: ***6,056***

Wards in In-Home Care: ***2,020***

OJS: 604

HHS: 1,416

Wards in Other Out-of-Home Care: ***4,036***

OJS: 801

- *Population at YRTC-K: 167*
- *Paroled population at HRCCDP: 17*
- *Population at YRTC-G: 88*

HHS: 2,282

Wards Placed with Relatives: 953

- *OJS: 49*
- *HHS: 904*

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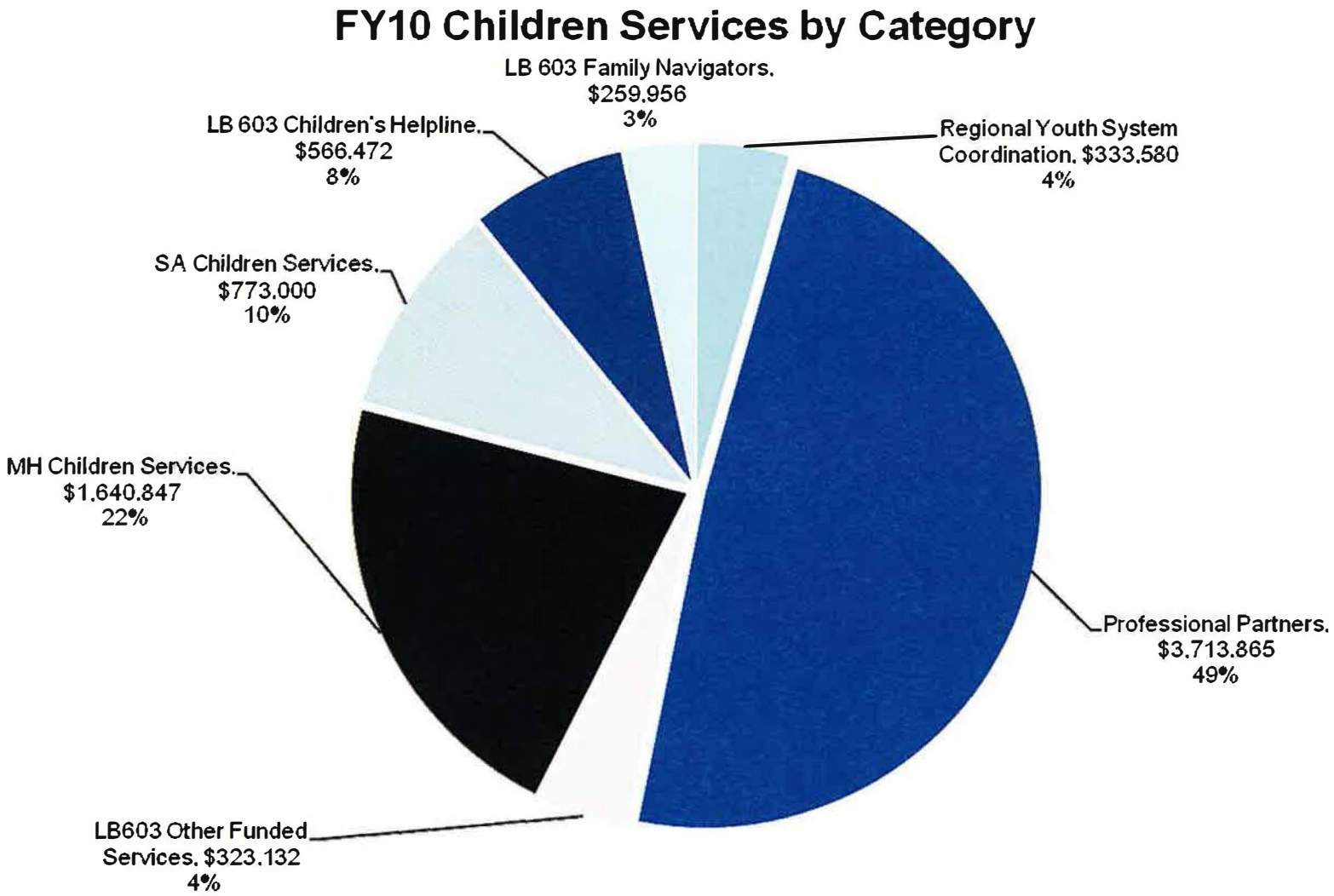
DHHS Funding Sources for Children's Behavioral Health Services

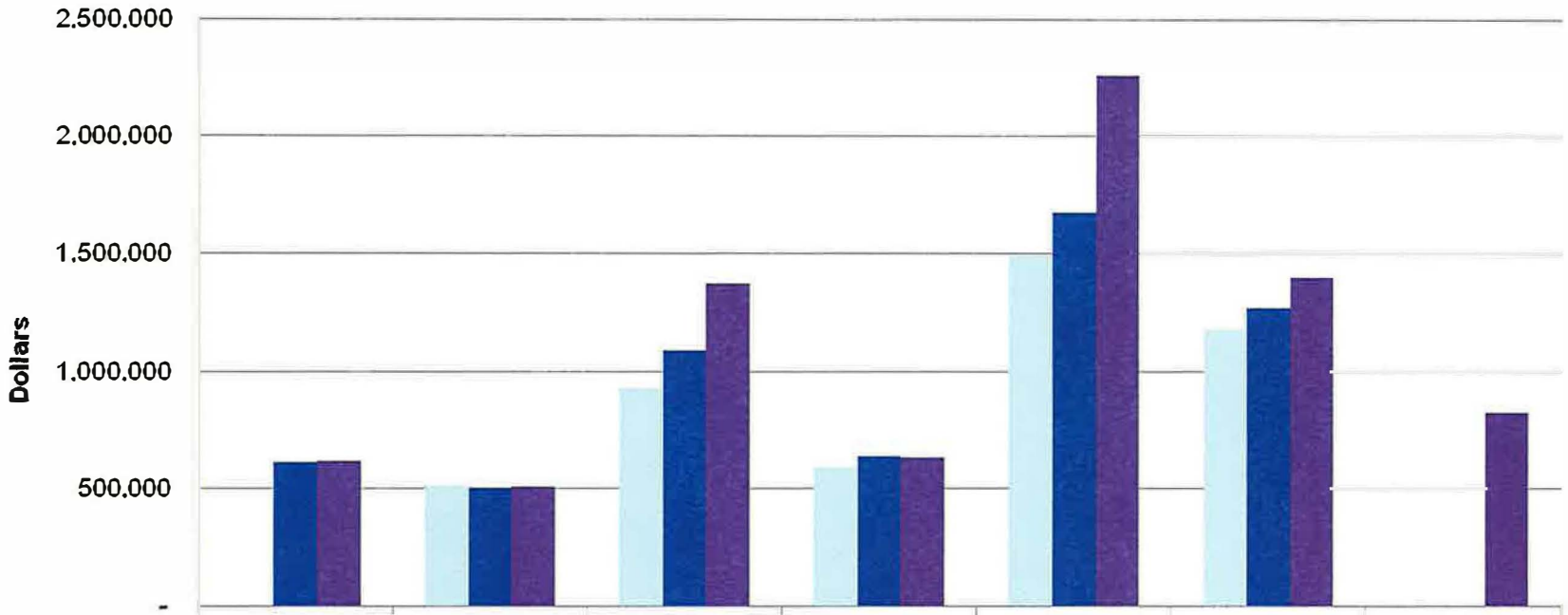
- **Behavioral Health Division: $7,610,852**
- **Medicaid Division: $108,009,496**
- **Children and Family Services Division : $4,368,603**

Behavioral Health Expenditures



Source: Monthly billing documents submitted by Regional Behavioral Health Authorities to the Division of Behavioral Health. Expenditures reflect only state and federal mental health and substance abuse funds paid through DHHS and do not include local or Medicaid funds. September, 2011

Behavioral Health Division Children's Expenditures (cont.)



	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Helpline/Family Navigators
FY08		$510,019	$926,909	$588,883	$1,496,008	$1,178,609	$0
FY09	$613,346	$500,272	$1,091,117	$635,798	$1,677,433	$1,271,494	$0
FY10	$614,887	$506,734	$1,375,045	$631,674	$2,256,202	$1,399,882	$826,428

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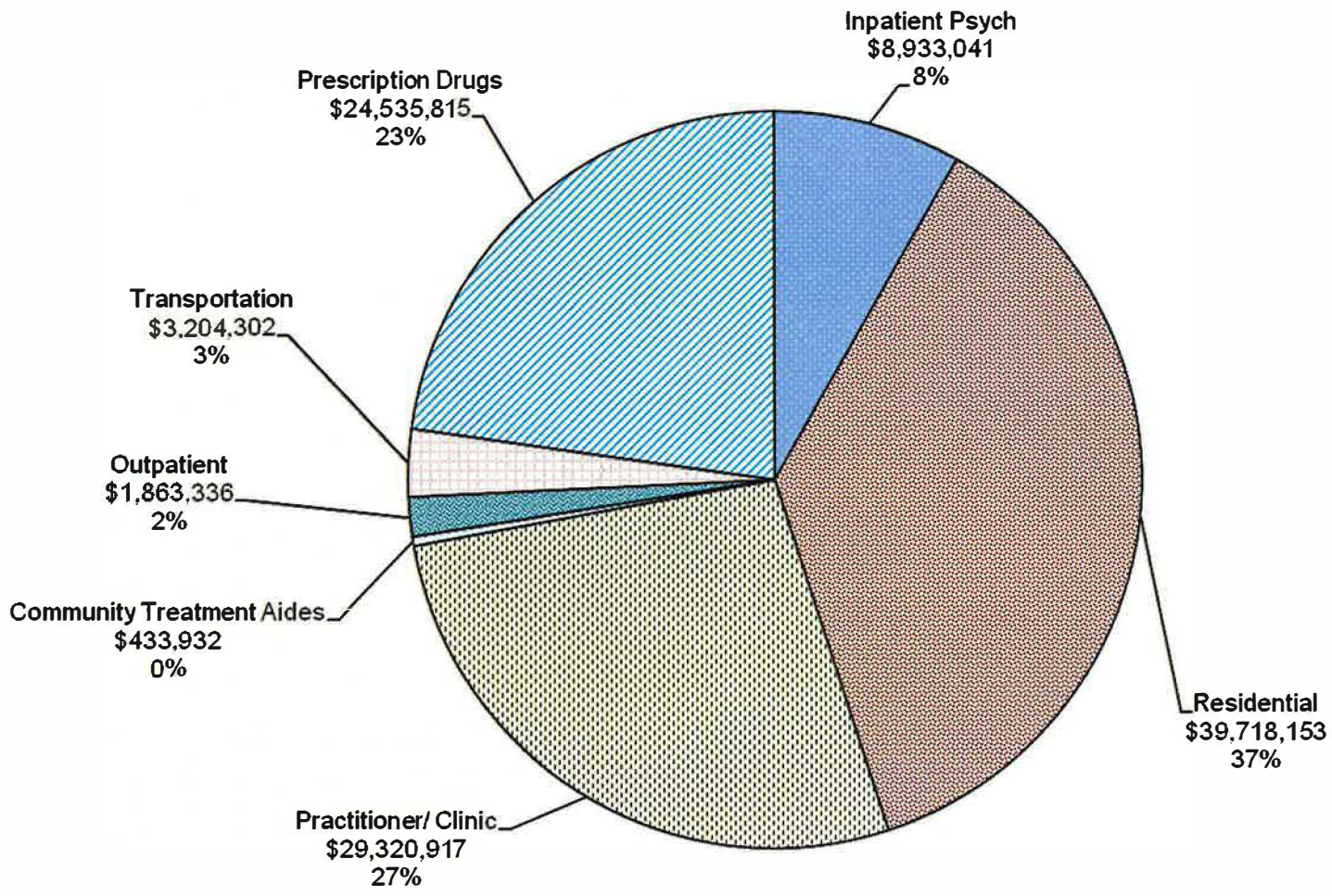
FY2010 Nebraska Medicaid/CHIP Expenditures for MH/SA Services
Children 20 and Younger
Total: $108,009,496



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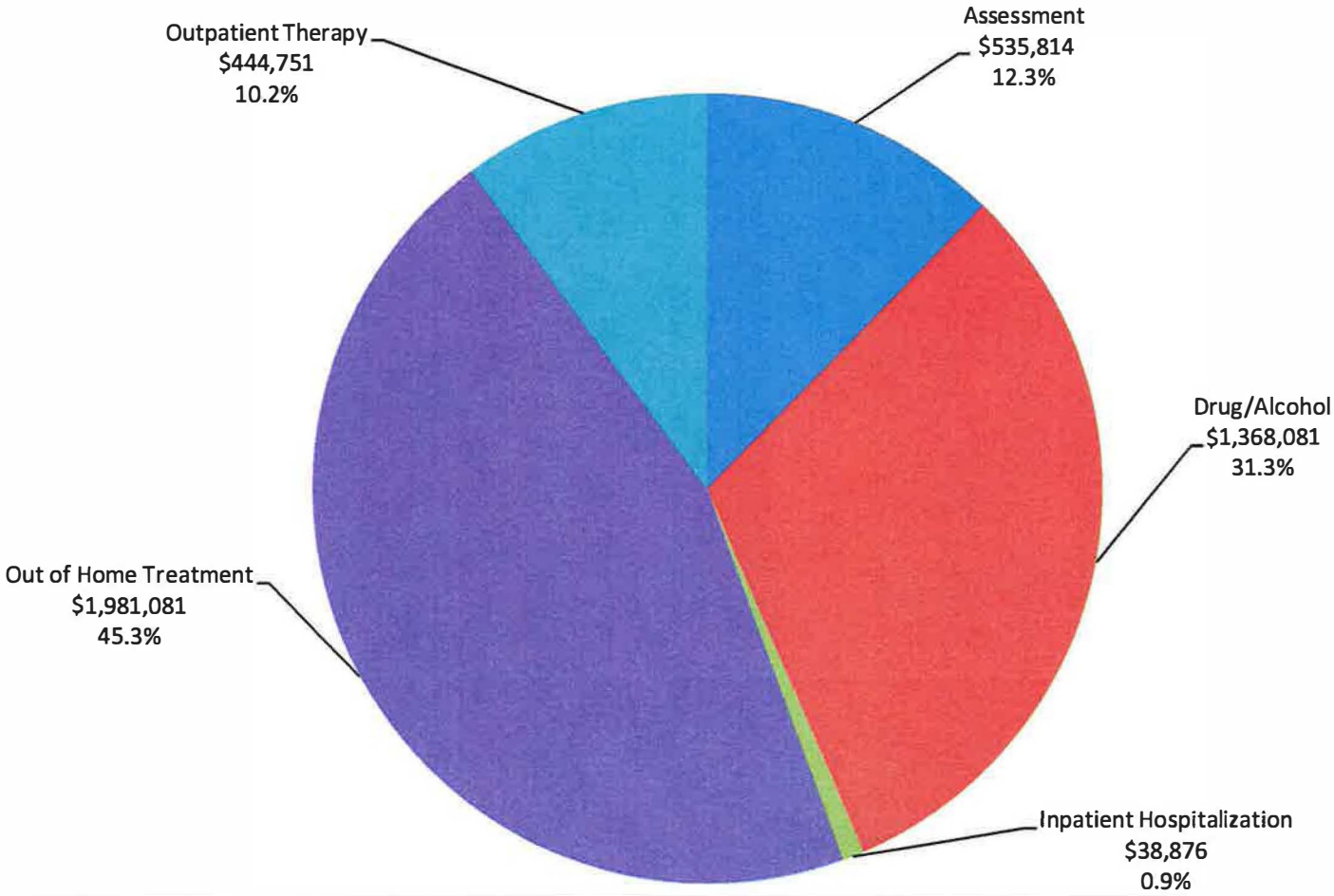
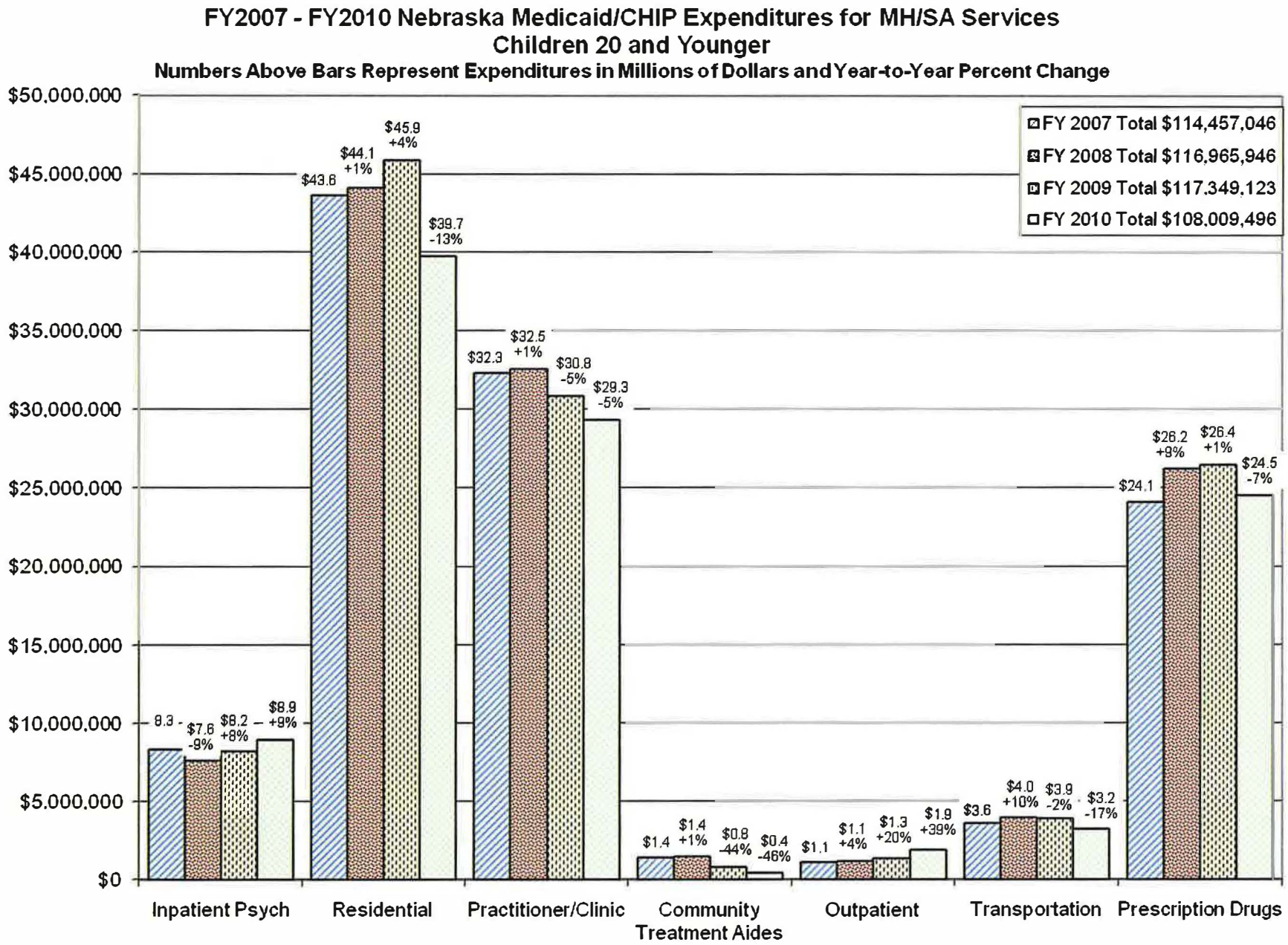
FY 2010 Nebraska Child Welfare Expenditures for MH/SA Services
Total Expenditure $4, 368, 603



Source: N-FOCUS Paid Claims
Total unduplicated number of State Wards served by HHS during FY'10 - 9,972


FY2007 - FY2010 Nebraska Medicaid/CHIP Expenditures for MH/SA Services
Children 20 and Younger
Numbers Above Bars Represent Expenditures in Millions of Dollars and Year-to-Year Percent Change
FY 2007 Total $114,457,046
FY 2008 Total $116,965,946
FY 2009 Total $117,349,123
FY 2010 Total $108,009,496
$50,000,000
$45,000,000
$40,000,000
$35,000,000
$30,000,000
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$0
8.3
$7.6 -9%
$8.2 +8%
$8.9 +9%
$43.6
$44.1 +1%
$45.9 +4%
$39.7 -13%
$32.3
$32.5 +1%
$30.8 -5%
$29.3 -5%
$1.4
$1.4 +1%
$0.8 -44%
$0.4 -46%
$1.1
$1.1 +4%
$1.3 +20%
$1.9 +39%
$3.6
$4.0 +10%
$3.9 -2%
$3.2 -17%
$24.1
$26.2 +9%
$26.4 +1%
$24.5 -7%
Inpatient Psych
Residential
Practitioner/Clinic
Community Treatment Aides
Outpatient
Transportation
Prescription Drugs

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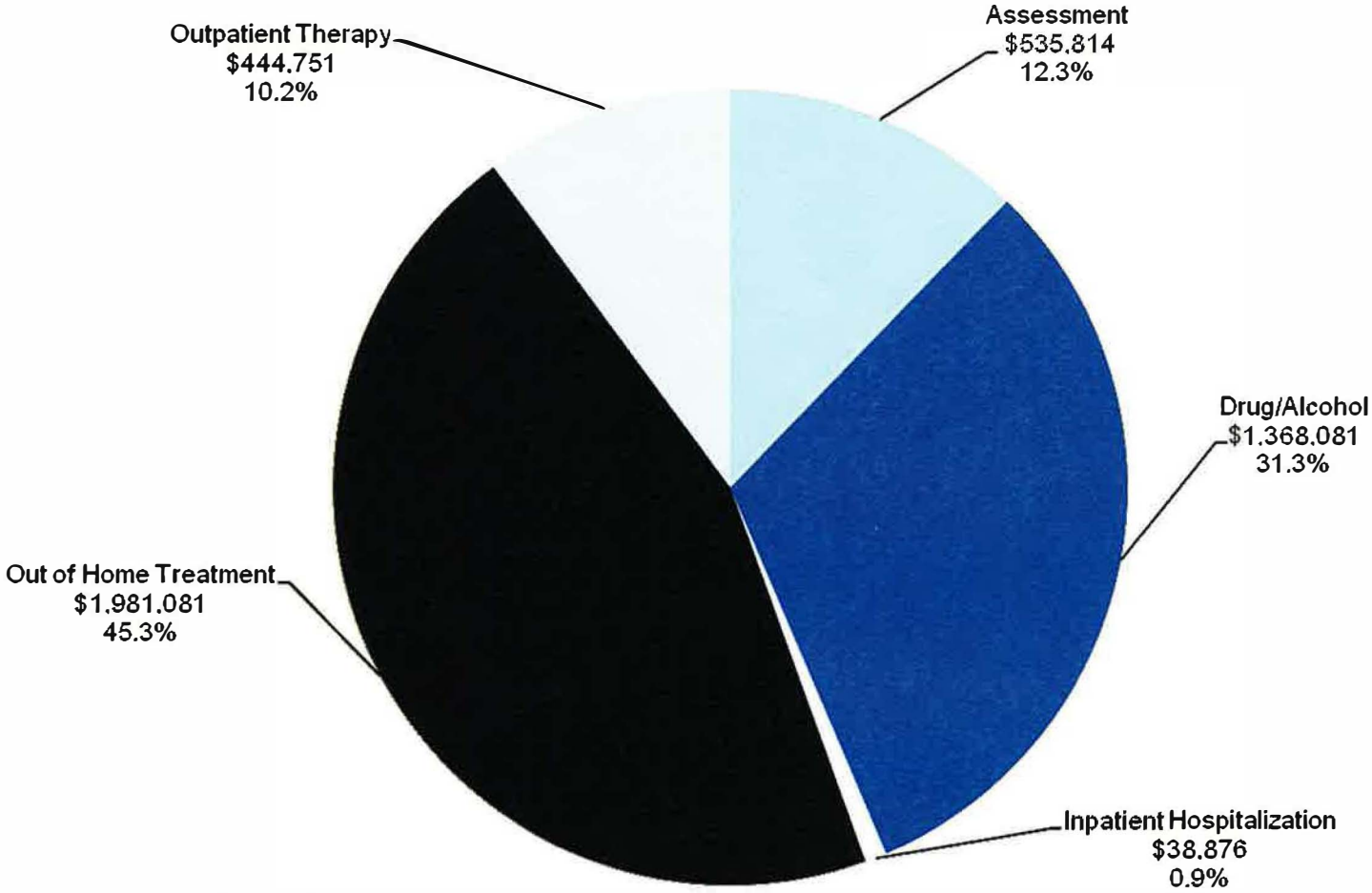
FY 2010 Nebraska Child Welfare Expenditures for MH/SA Services
Total Expenditure $4, 368, 603



Source: N-FOCUS Paid Claims
Total unduplicated number of State Wards served by HHS during FY'10 - 9,972

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Nebraska Medicaid Behavioral Health Expenditures by Service Date
Payments through August 2011
Out Of State Psychiatric Residential Care (SubAcute) Recipients by Location of Provider
Children Ages 0 to 19

	Out of State Payments excluding Border Providers			Out of State Payments to Border Providers*			Out of State Payments Total		
Time Period (Service Month)	Net Payment**	Days	Unduplicated Recipients	Net Payment**	Days	Unduplicated Recipients	Net Payment**	Days	Unduplicated Recipients
Jun 2011	$ 86,733	297	13	$ 32,774	151	8	$ 119,507	448	21
May 2011	$ 135,179	463	16	$ 53,494	248	10	$ 188,673	711	26
Apr 2011	$ 145,192	503	18	$ 63,362	300	10	$ 208,554	803	28
Mar 2011	$ 150,341	520	19	$ 72,260	335	11	$ 222,600	855	30
Feb 2011	$ 123,146	427	17	$ 66,004	299	11	$ 189,150	726	28
Jan 2011	$ 144,536	502	17	$ 56,244	267	12	$ 200,780	769	29
Dec 2010	$ 137,124	482	18	$ 63,632	295	10	$ 200,755	777	28
Nov 2010	$ 121,022	443	15	$ 47,454	220	9	$ 168,476	663	24
Oct 2010	$ 117,358	411	17	$ 38,179	177	7	$ 155,537	588	24
Sep 2010	$ 96,377	365	14	$ 37,532	170	7	$ 133,909	535	21
Aug 2010	$ 109,883	393	15	$ 46,160	214	8	$ 156,043	607	23
Jul 2010	$ 136,273	480	17	$ 42,236	196	8	$ 178,510	676	25
Jun 2010	$ 145,612	481	18	$ 40,350	188	8	$ 185,963	669	26
May 2010	$ 152,790	533	18	$ 32,195	161	6	$ 184,985	694	24
Apr 2010	$ 181,213	633	24	$ 21,892	102	4	$ 203,105	735	28
Mar 2010	$ 213,709	749	27	$ 30,349	144	5	$ 244,058	893	32
Feb 2010	$ 254,358	891	34	$ 33,295	156	6	$ 287,653	1,047	40
Jan 2010	$ 334,204	1,207	42	$ 34,315	155	5	$ 368,519	1,362	47
Dec 2009	$ 417,310	1,528	57	$ 47,727	222	8	$ 465,037	1,750	65
Nov 2009	$ 473,276	1,769	61	$ 42,258	191	8	$ 515,534	1,960	69
Oct 2009	$ 459,371	1,754	65	$ 40,134	184	8	$ 499,505	1,938	73
Sep 2009	$ 555,621	2,164	70	$ 43,725	227	8	$ 599,346	2,391	78
Aug 2009	$ 553,921	2,145	72	$ 51,954	240	10	$ 605,875	2,385	82
Jul 2009	$ 555,204	2,155	74	$ 54,438	237	10	$ 609,642	2,392	84

*Border providers include the following facilities located near Nebraska's border:
Sioux City , IA Jackson Recovery Centers
Sioux City , IA Boys & Girls Home
Torrington, WY St. Josephs Childrens Home

**Payments included through August 2011 - Monthly Data will change due to Claim Lag

SOURCE:
Advantage - Incurred View with Claims Paid as of August 2011

SUBSET:
Age in Years Claim 0-19, Provider Specialty = Psychiatry/MH/SA

Type of Service = 1- Inpatient Mental

Note: The 12-month rolling average of unduplicated recipients compared with prior year (including 2-month claim lag) indicates:

Recipients of Out of State Border Providers have increased	29.1%
Recipients of Out of State Non Border Providers have decreased	65.1%
Total Recipients of Out of State Providers have decreased	58.1%

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KVC Behavioral HealthCare Nebraska Inc. Human Resource Data for LR 37

Information Requested by Committee:

1. The number of caseworkers employed by KVC as of October 1. 176

2. The number of caseworkers with bachelor degrees is 142, the number of caseworkers with bachelor degrees in social work (BSW=5); the number of caseworkers with masters degrees (34), the number of caseworkers with masters of social work (MSW=4). Supervisors are excluded in this breakdown, only caseworkers who work directly with clients are included.

3. The average years of professional work experience is 12.97 years, the average years of professional work experience with child welfare 9.41 years.

4. The rate of turnover for caseworkers within KVC for July (8.81%), August (6.25%), and September (9.49%) 2011 (separately per month).

5. The average number of cases per caseworker for July (14.26 cases), August (14.03 cases), and September (14.18 cases) 2011 (separately per month).

Summary of Information:

Caseload size was calculated with the following family numbers as cases are assigned by family and not children. This includes total families by total Full Time Equivalent (FTEs) as Family Permanency Specialists. Caseloads in certain areas may be higher as a result of the turnover in that area. These caseload sizes are strictly based on numbers of families versus numbers of hired Family Permanency Specialists.

Date	Families	Children	FPS	Terms	Turnover	Avg. Case Load
7/31/2011	2267	4827	159	14	8.81%	14.26
8/31/2011	2244	4766	160	10	6.25%	14.03
9/30/2011	2241	4795	158	15	9.49%	14.18
10/27/2011	2263	4800	176	TBD	TBD	12.86

KVC Behavioral HealthCare Nebraska Inc. Human Resource Data for LR 37

Summary of Previous Employer for Current KVC Family Permanency Specialists:
Below is a listing of the employers Family Permanency Specialists transitioned from to be employed at KVC. Most of these staff were displaced as a result of Visinet and Cedars surrendering their state contracts.

Previous Employer		Total		
Boys' Town		5		
Cedars		18		
DHHS - CFS		17		
FCRB		1		
Lutheran Family Services		1		
NFC		1		
Other		46		
	Other - Apex	1		
	Other - Child Care	9		
	Other - Corrections	1		
	Other - DSN	1		
	Other - Education	15		
	Other - Epworth	2		
	Other - Heartland	2		
	Other - LRC	5		
	Other - Mental Health	3		
	Other - Nova	3		
	Other - Omni	2		
	Other - Owens	7		
	Other - PRTF	3		
	Other - Region V	5		
	Other - Region VI	2		
	Other - SRS	1	108	Total Other
Visinet		25		
Total		**176**		

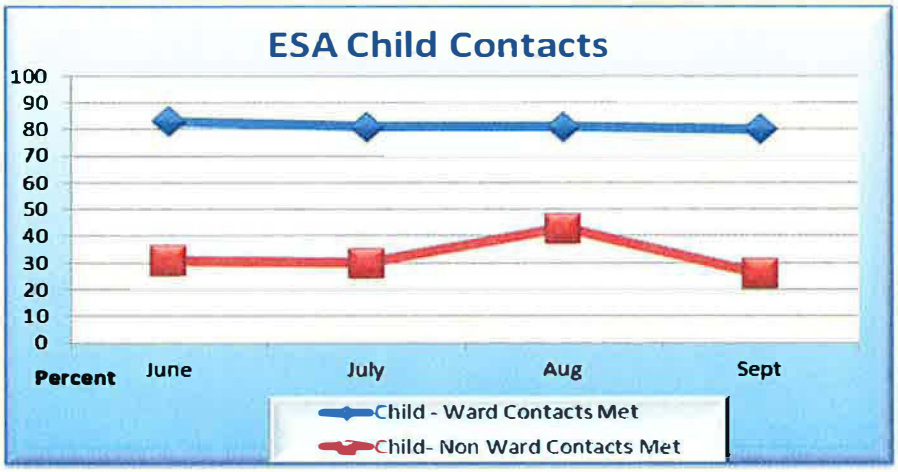
The number of cases that children have not had a face to face, one on one visit with the caseworker in the past: 1 month, 2 months, 3 months, more than 3 months.

Data for this question was obtained through Infoview, the report section from N-FOCUS. The data below is from the report titled "Service Coordinator Monthly Required contacts". The reports are generated on a monthly basis and report only the previous month's contacts. For example, the June report is run the 2nd week of July and reports on all documentation entered for January. There is no report on Infoview that reports on the number of contacts that are not documented in consecutive months. The data from Infoview reports on whether the following contacts were documented on N-FOCUS:

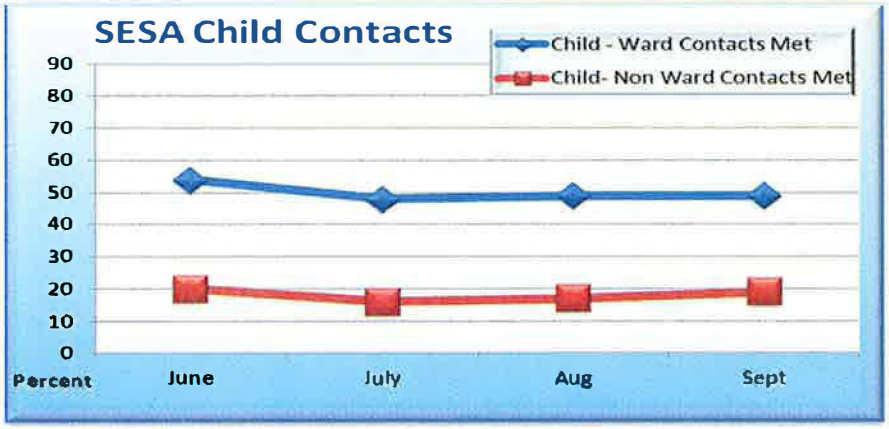
- Child Contact
- Parent Contact
- Provider Contact (applicable only for those youth in an out of home placement)

The graph below shows all child contacts that should have documentation for both wards and non-wards. The graph shows the percentage of child contacts where the child contacts were documented (Met) or not documented (Not Met) by for ESA and SESA for June, July, August, and September.

KVC-ESA has consistently documented child ward contacts 80% of the time (range = 80%-83%) and non-ward child contacts around 30% of the time (range = 26%-43%).



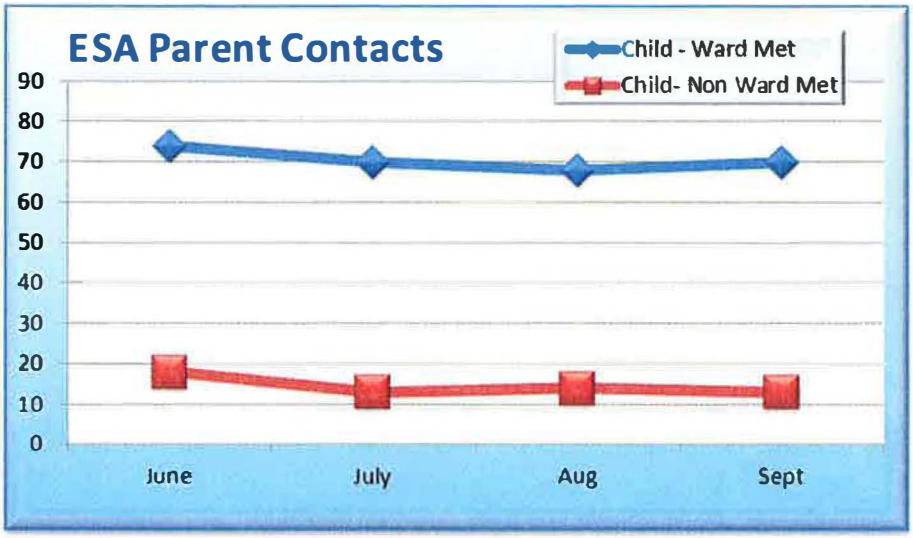
KVC-SESA has consistently documented child ward contacts around 50% of the time (range =48%-54%) and non-ward child contacts around 17% of the time (range = 16%-20%).



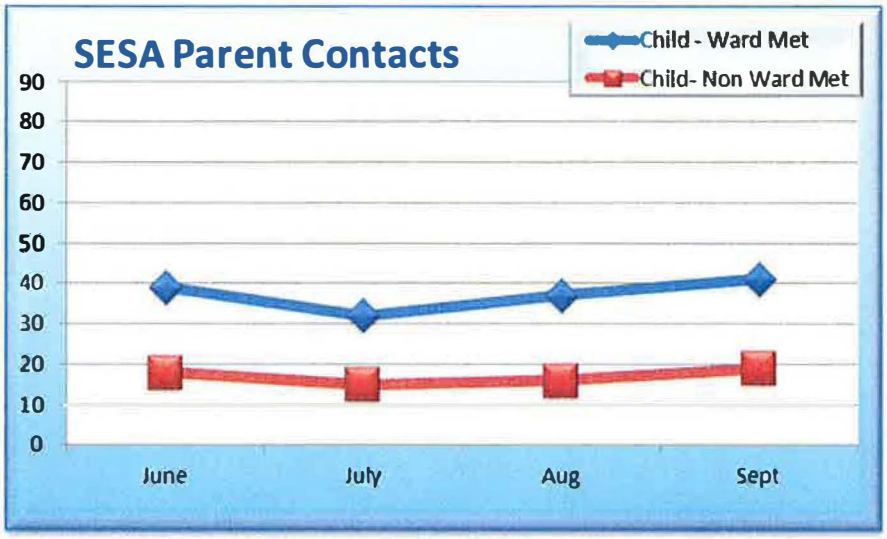
The number of cases that a parent has not had a face to face, one on one visit with the caseworker in the past: 1 month, 2 months, 3 months, more than 3 months.

Data was obtained using the same report for parent face to face contacts. The graphs below show the number of ***parental*** face to face contacts in each of the months beginning in June for both wards and non-wards.

In ESA, percentage of contacts range from 68- 74% for wards and 13-18% for non-wards.



In SESA, percentage of contacts range from 32-41% for wards and 15-19% for non-wards



The number of cases for which complete documentation in case files in NFOCUS is behind by 1 month, 2 month, 3 month, 4-6 months, more than 6 months?

There is no report in N-FOCUS that provides an overview of all required documentation that is behind in consecutive months. The reports that are available to us provide us with a monthly review of documentation that was entered by the 2nd week of the next month (e.g., the June monthly report provides us with information about documentation entered in May); the reports do not look at consecutive months where there is no documentation for a particular field and there is no report that shows documentation across date fields for consecutive months. There are a number of data entry fields that are expected to be completed.

In an attempt to help answer this question a manual audit of N-FOCUS documentation was conducted with a random selection of 567 cases in both service areas, 231 cases from ESA and 336 cases from SESA. The audit looked at whether documentation was entered and did not take time frames into consideration of when the data was entered. The following four (4) narrative sections were audited:

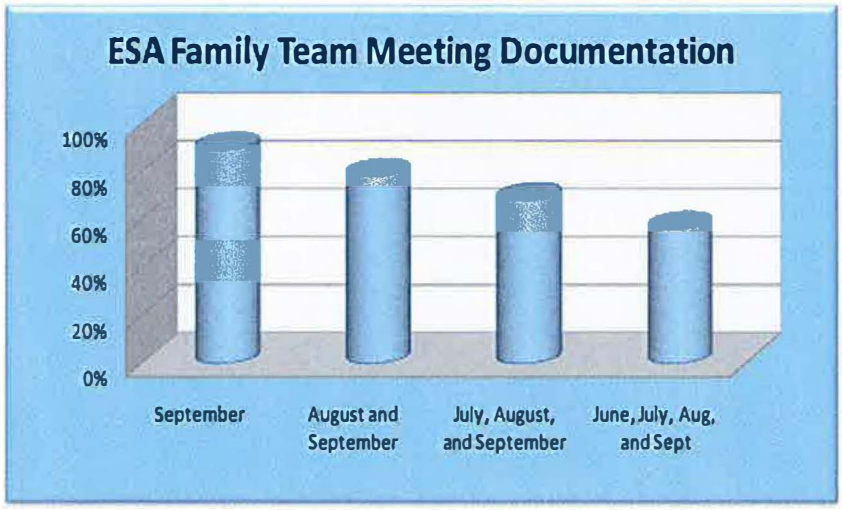
- Family Team Meeting
- Parent Contact
- Youth contact
- Provider Documentation

The data represents the percent of cases that had documentation for:

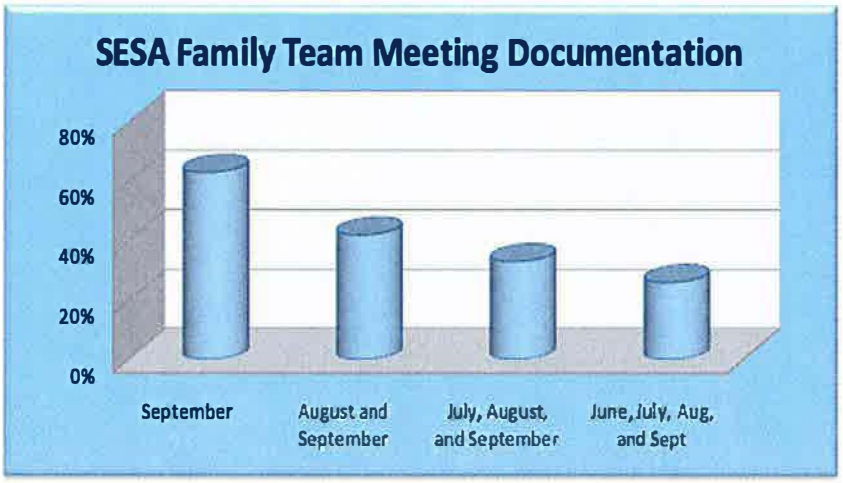
1. The month of September
2. Both September and August
3. July, August, and September
4. June, July, August, and September

Family Team Meetings

Cases were audited specifically for Family Team Meetings. The following graphs show the percentage of cases that had FTM documentation for September and for the consecutive months combined. For ESA 89% of the cases had documentation for September. 78% of cases had documentation for both the months of August and Sept; 68% for the months of July, August, and Sept; and 56% for the months of June, July, Aug, and Sep.

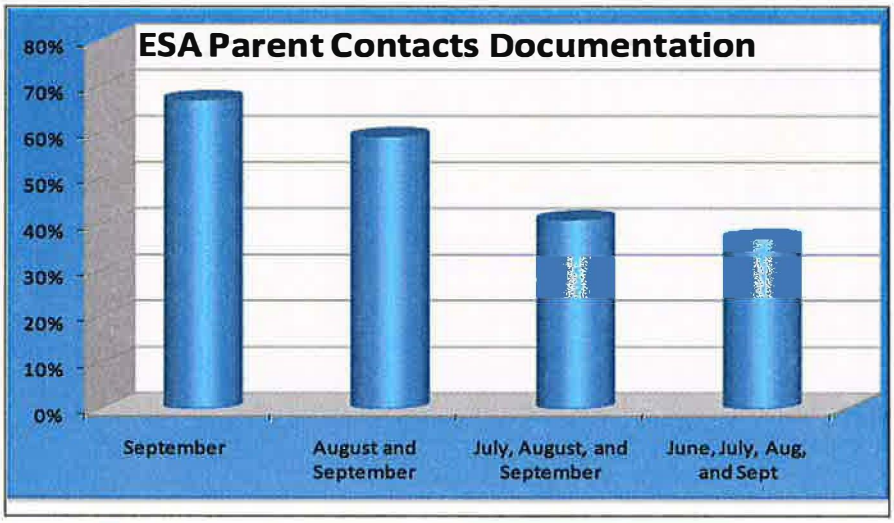


For SESA ,63% of the cases had documentation for September. 44% of cases had documentation for both the months of August and Sept; 33% for the months of July, August, and Sept; and 26% for the months of June, July, Aug, and Sep.

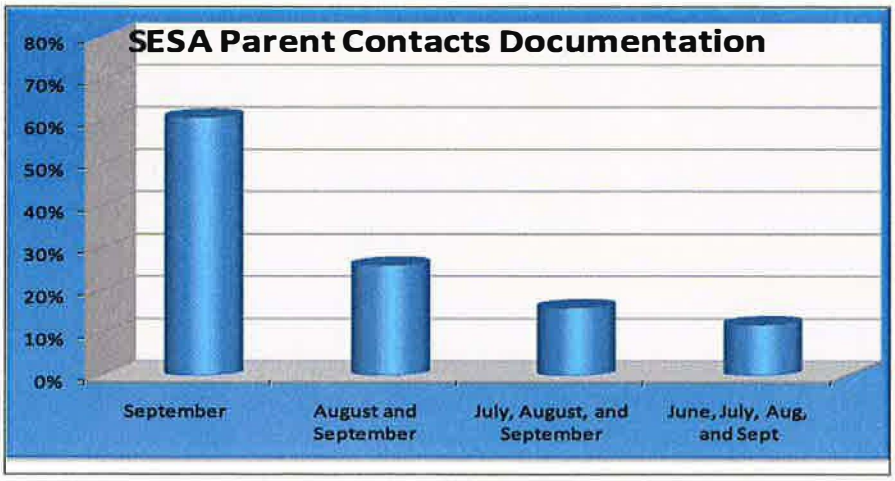


Parent Contacts Documentation

For ESA, September data shows that documentation was present for 67% of the cases. Documentation for consecutive months decreases as the graph shows. Percentages are based on the number of cases each month that require parental contacts. 59% of cases had documentation for both the months of August and Sept; 41% for the months of July, August, and Sept; and 37% for the months of June, July, Aug, and Sep.

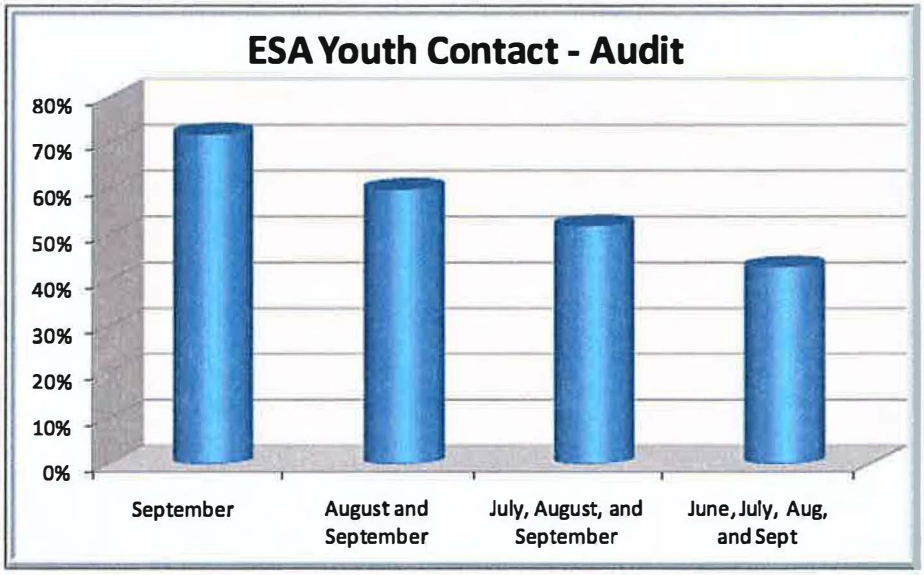


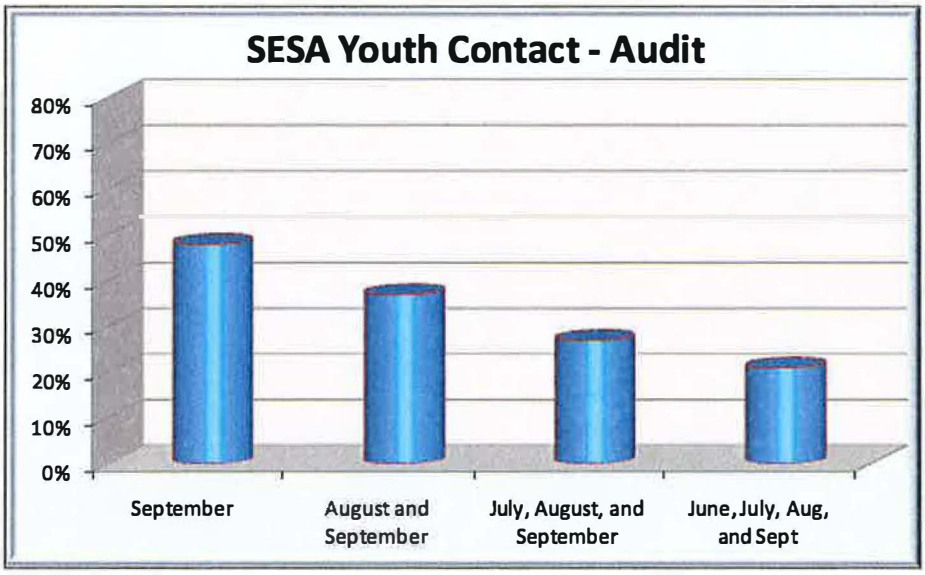
A similar pattern is seen for SESA Parent Contact documentation. 61% of the audited cases had documentation present for September; 26% of cases had documentation for both the months of August and Sept; 16% for the months of July, August, and Sept; and 12% for the months of June, July, Aug, and Sep.



Youth Contacts Documentation

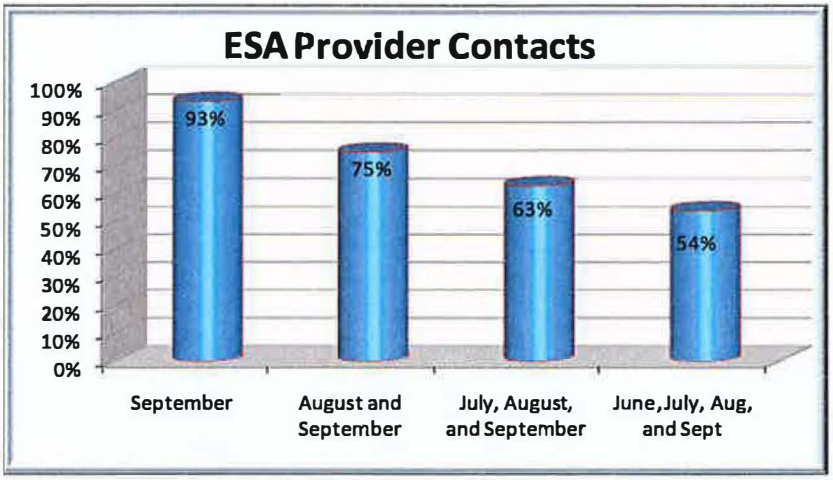
Using the same data from the randomly selected cases for a manual audit the same patterns were observed for youth contact. 72% in ESA and 48% in SESA of had documentation for September, with the percentages decreasing when looking at consecutive months of data.

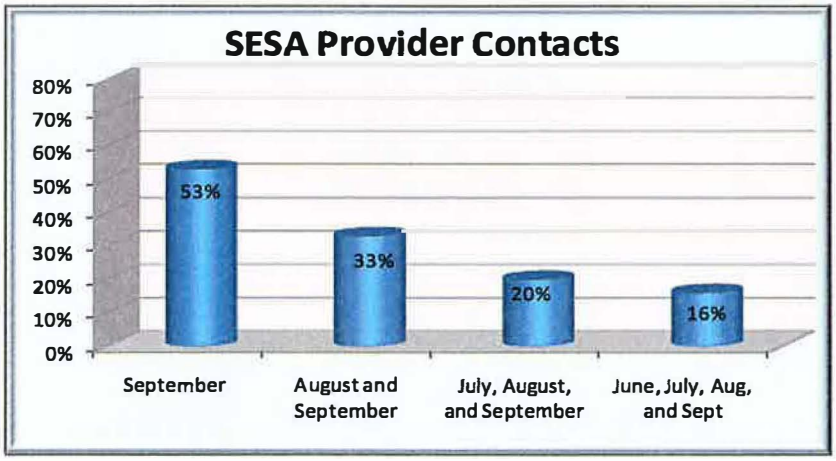




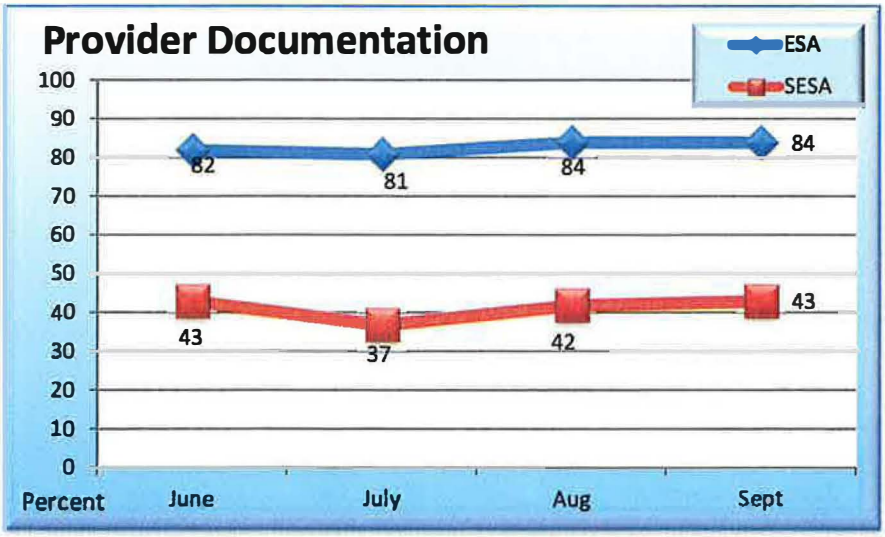
Provider Contacts Documentation

The following graphs are from the manual audit.





The following data is from the Infoview Report titled "Service Coordinator Required Contacts."

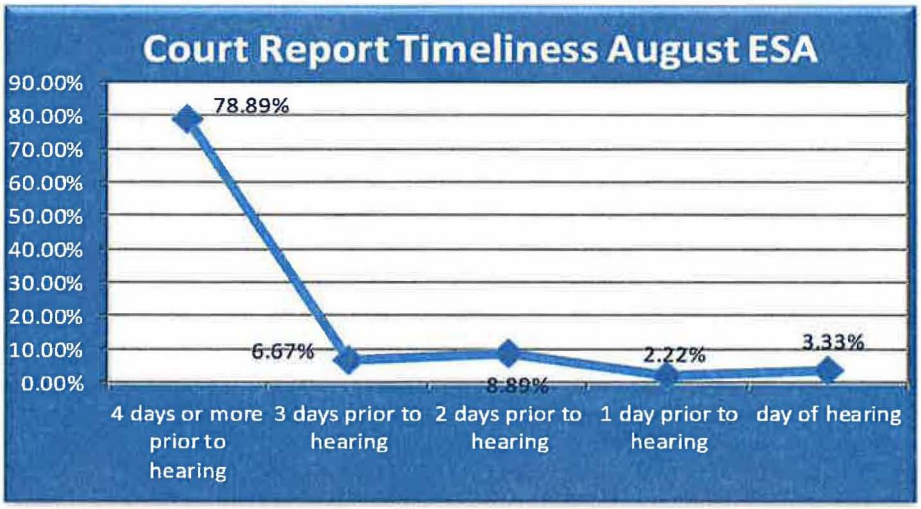


The percentage of Case Plan and Court Reports in August that were to all parties more than 3 days prior to court, 3 days prior to court, 2 days prior to court, 1 days prior to court, provided the day of the court hearing.

There is no tracking mechanism for court report timeliness in N-FOCUS. DHHS has started a tracking mechanism but this did not begin until September. KVC started a tracking this data in ESA in the Spring of 2011 and the August data is reported below. This tracking mechanism was started in SESA in August but we do not have complete data to report.

ESA& SESA Court Report Timeliness

The following graph (n=90) shows the timeliness of court reports based on the court report routing forms that were received. We do not have information on court report timeliness if the routing slip was not received and there is no report in N-FOCUS that allows us to determine which hearings require a court report.



The graph below shows data we received from DHHS regarding court report timeliness. 70% of the tracked court reports (n=276) were provided to the court on time. This was not tracked by number of days the report was received prior to the hearing.

- **The number of caseworkers employed by your agency as of October 1:**

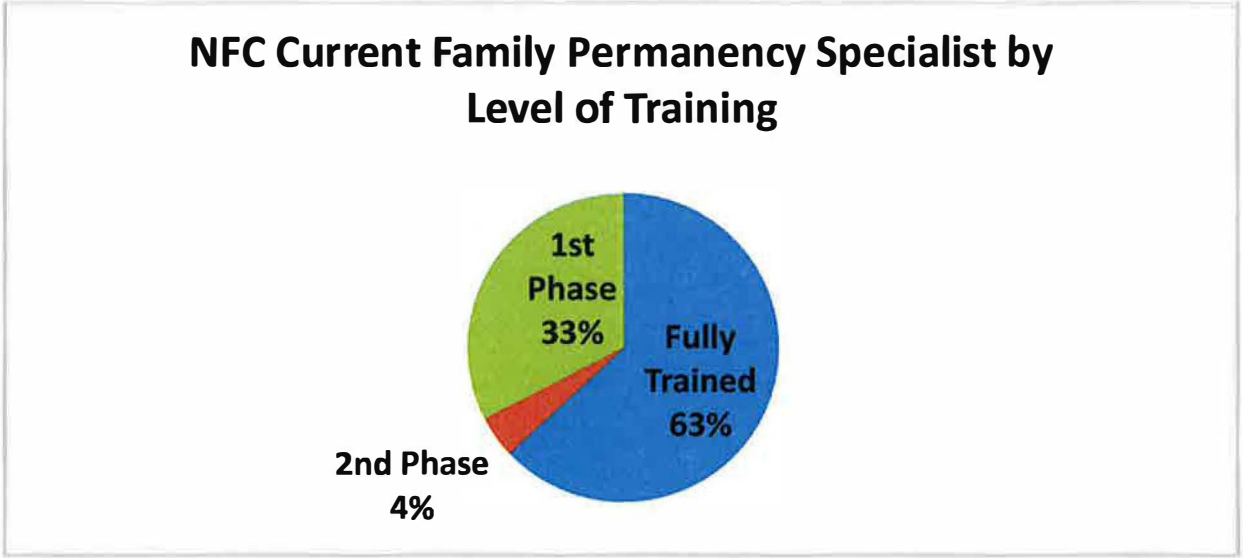
Nebraska Families Collaborative (NFC) currently has 92 totals Family Permanency Specialists (FPS) employed. Staff receive extensive training and mentoring prior to taking on a caseload and working directly with families. The training curriculum is comprehensive and covers what former DHHS worker training included. In addition the NFC conducts its own ongoing mandatory trainings for Family Permanency Specialists. The graph below is a breakdown of the following and data is derived from *NFC Human Resources Records Management System*.

Total training is approximately 10 weeks of classroom instructional training and field training.

Phase 1 of training: The NFC currently has thirty (30) staff attending this training.

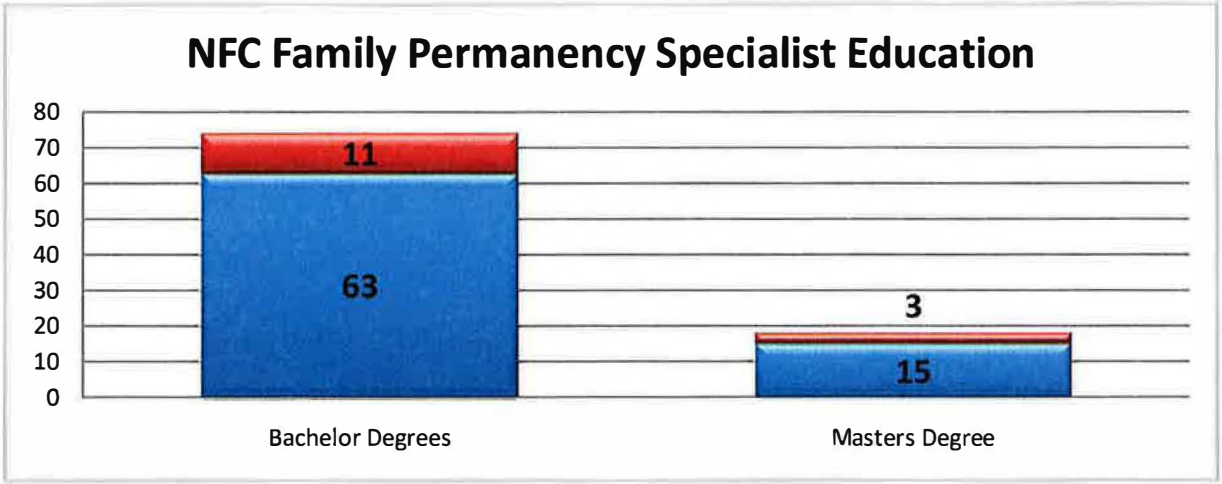
Phase 2 of training: Upon completion of Classroom instructional training staff receive mentoring and shadow experience directly in the field with a seasoned staff and may be assigned a modified smaller caseload of no more than four families. The NFC currently has four (4) staff attending this training.

Fully Trained: Staff complete both Phases 1 and 2 and are prepared to assume a full caseload. The NFC has fifty eight (58) staff that fully trained.



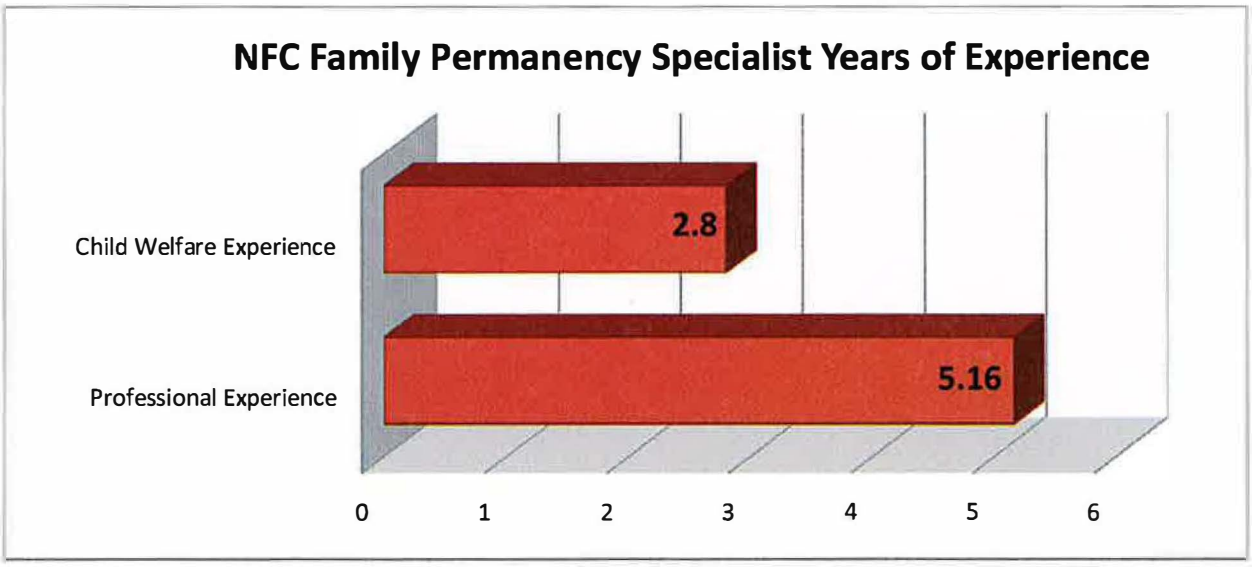
- **The number of caseworkers with bachelor degrees, the number of caseworkers with bachelor degrees in social work; the number of caseworkers with masters degrees, the number of caseworkers with masters of social work. (please do not include supervisors in this breakdown, only caseworkers who work directly with clients.):**

The NFC employs seventy four (74) Family Permanency Specialists with at least a Bachelor degree; eleven (11) of these staff specifically with a degree in social work. The NFC employs eighteen (18) Family Permanency Specialist with a Master's degree; three (3) specifically in social work. This data does not include the supervisor breakdown. Data is derived from *NFC Human Resources Records Management System*.



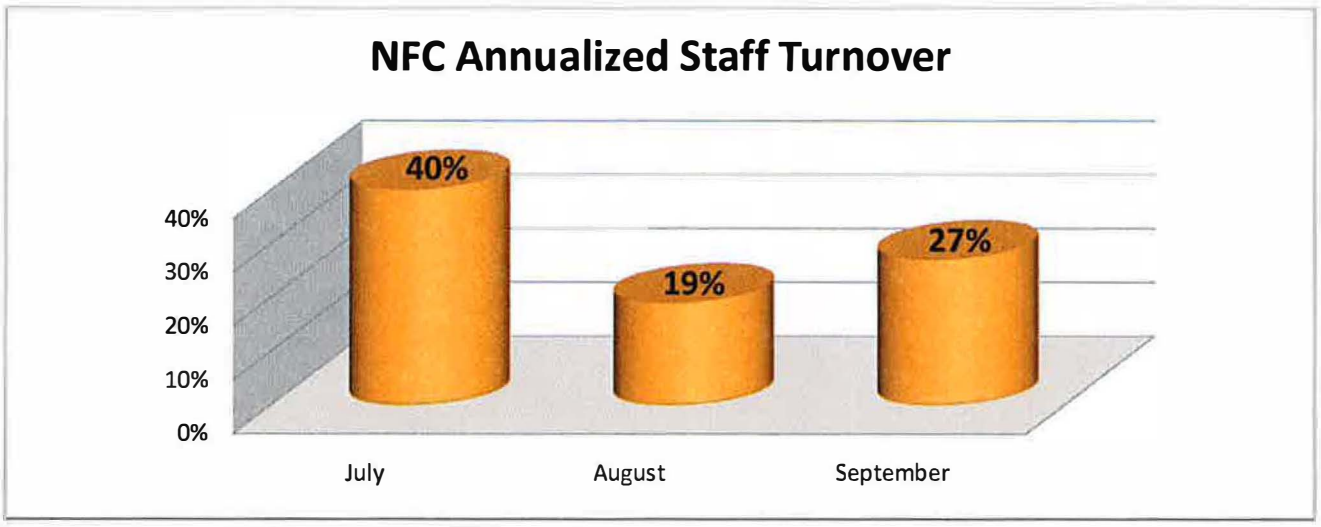
- **The average years of professional work experience, the average years of professional work experience with child welfare.**

The NFC recruit highly qualified staff with a strong desire to work directly with children and families and with previous employment and educational experience specific to child welfare and similar experience to the main roles and responsibilities required of Family Permanency Specialist. Data is derived from *NFC Human Resources Records Management System*.



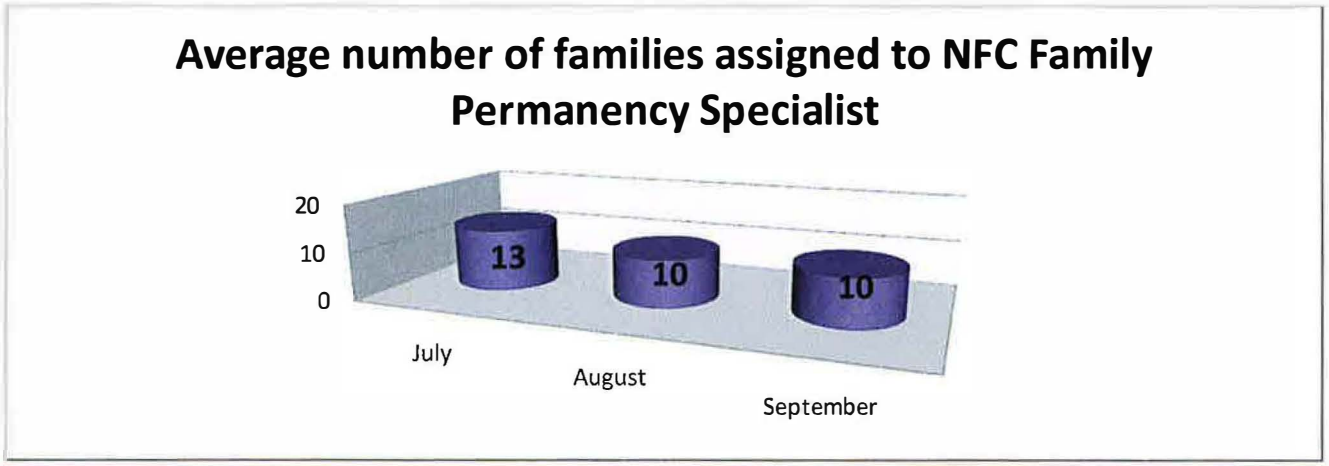
- **The rate of turnover for caseworkers in your agency for July, August, and September 2011 (separately per month):**

The NFC annualizes the rate of turnover by taking the actual turnover number of staff in a month and projecting out to an annualized rate by multiplying the actual turnover numbers by twelve. Below are the percentages for NFC's annualized turnover. Data is derived from NFC Human Resources Records Management System. There has been no turnover for all supervisors of the NFC.



- **The average number of cases per caseworker for July, August, and Sept. 2011. (separately per month):**

The NFC has conducted extensive research on best practices in regards to standards for caseloads both directly to families as well as supervision to staff. The Council on Accreditation, Child Welfare League of America and the National School of Social Work caseload recommendations also weighed in heavily in the determination of caseload size. The NFC caseload size is less than the recommended best practice caseload size of each of these entities. The NFC caseload allows Family Permanency Specialist to effectively plan, provide and monitor appropriateness of services delivery and to ensure professional accountability. Data is derived from the *NFC Penelope Management Information System*.

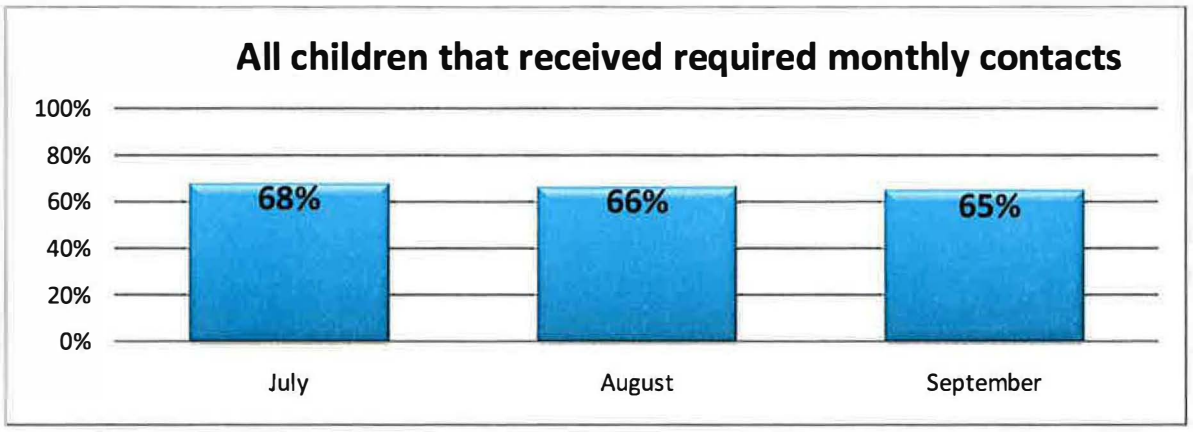


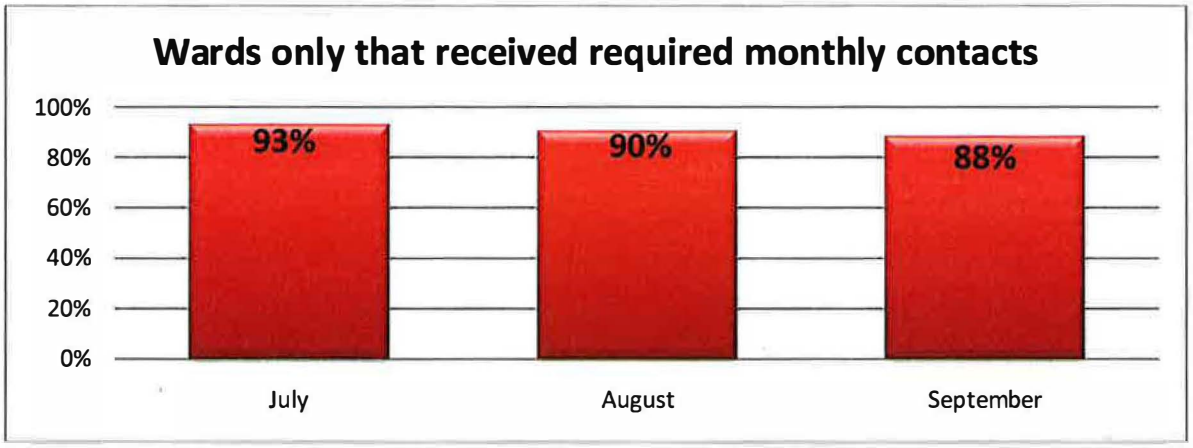
- **The number of cases for which complete documentation in case files in NFOCUS is behind by 1 month, 2 month, 3 month, 4-6 months, more than 6 months?**

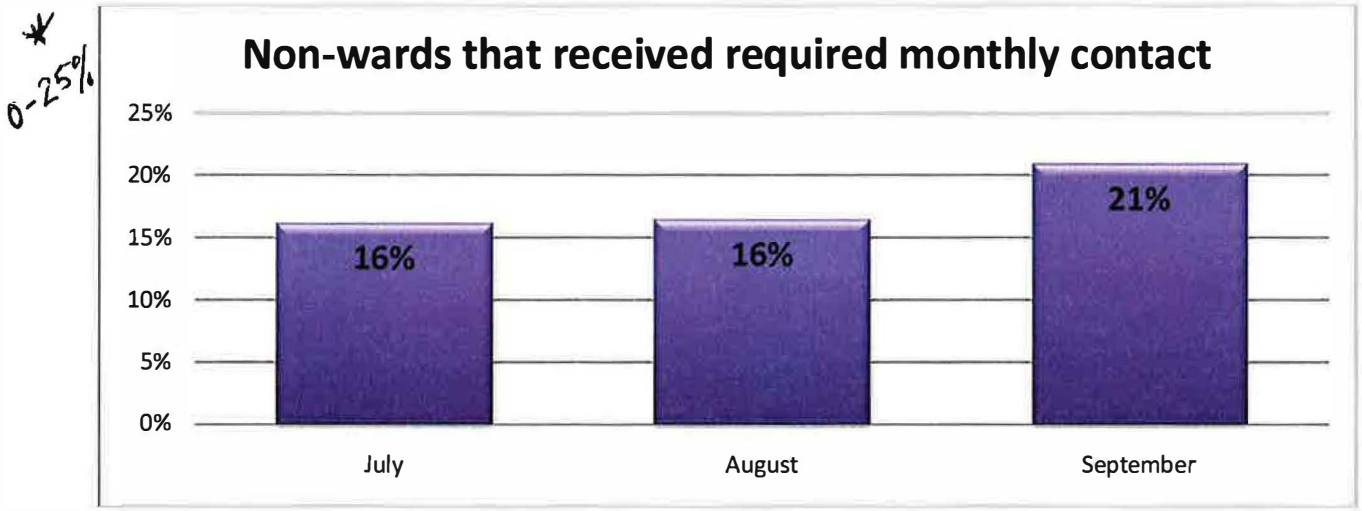
NFOCUS does not capture the requested data; therefore, this information is limited. However, per NFC policy, all Family Permanency Specialist are required to complete documentation within twenty four (24) hours. This requirement is tracked both at the supervisory level as well as incorporated in the NFC Performance and Quality Improvement Process.

- **The number of cases that children have not had a face-to-face, one on one visit with the caseworker in the past: 1 month, 2 months, 3 months, more than 3 months.**

NFOCUS does not capture the requested data by past month; therefore, the information provided is not outlined in the format requested. There is a report that captures whether or not the visit was completed in a given month. The following data is derived from the *Service Coordinator Monthly Required Contact report in Info view through N-FOCUS*. Below the graphs please find a detailed chart of **all children** and **ward only** data along with their parent visits that might better provide you with the information requested.

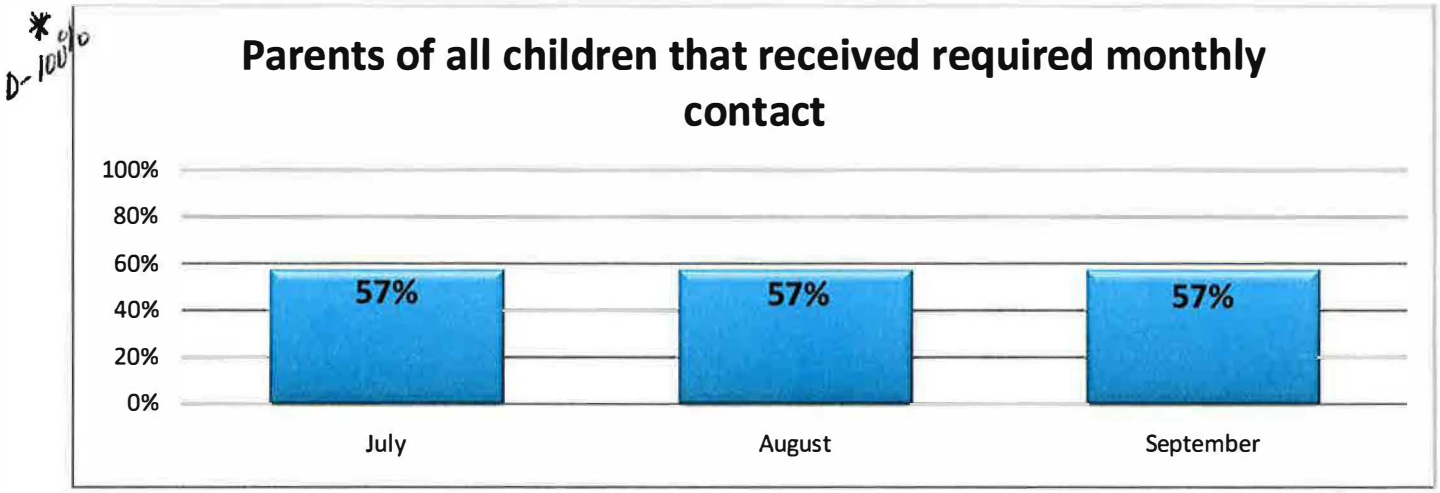


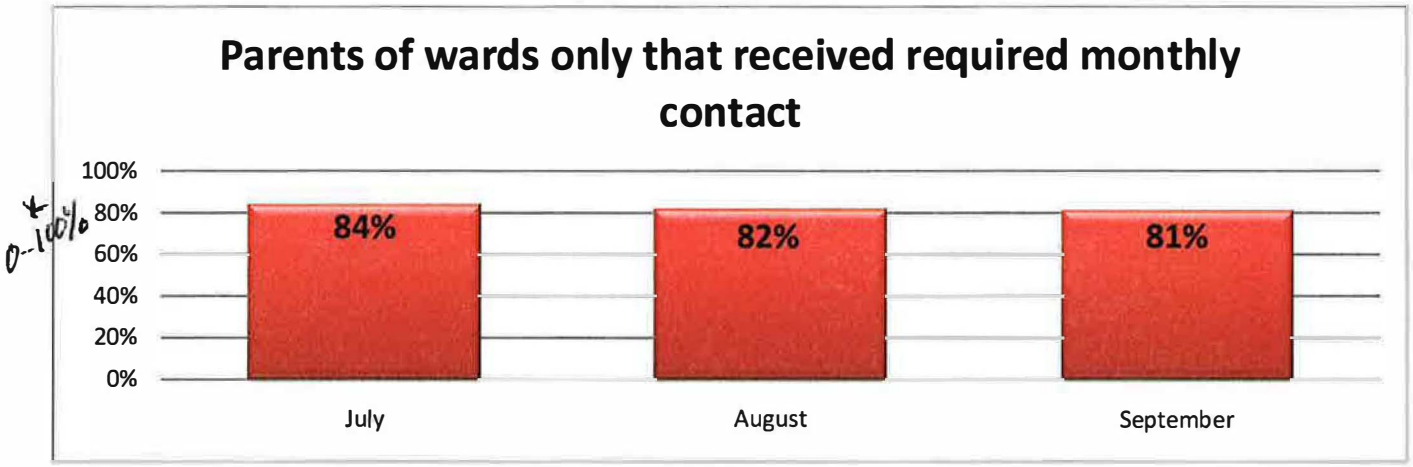


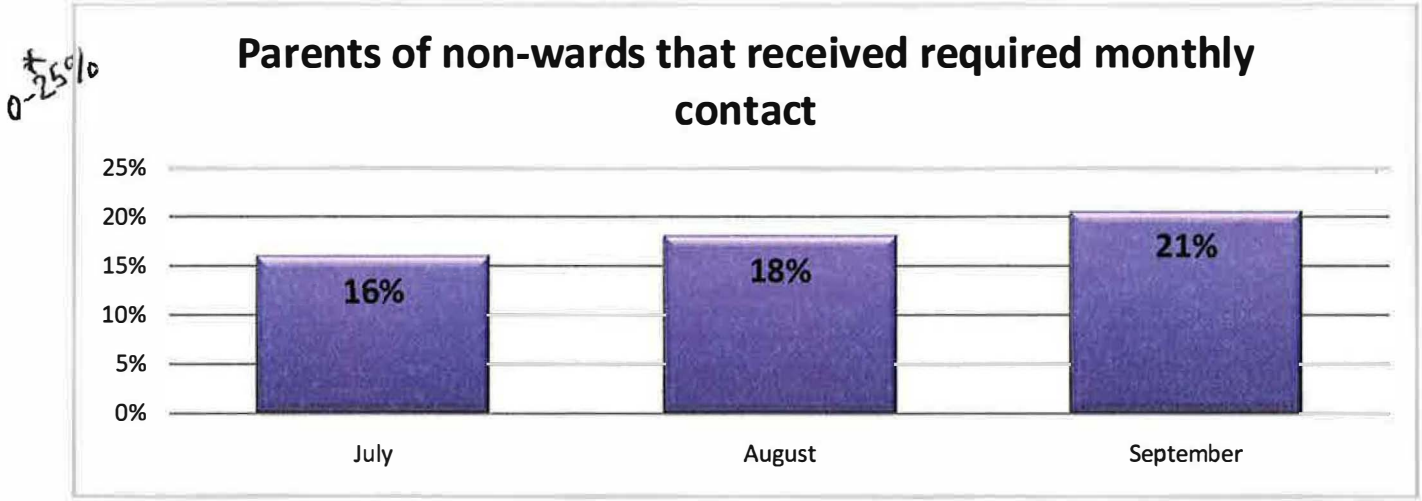


- **The number of cases that a parent has not had a face-to-face, one on one visit with the caseworker in the past: 1 month, 2 months, 3 months, more than 3 months.**

NFOCUS does not capture the requested data; therefore, this information is limited. There is a report that captures whether or not the visit was completed in a given month. The following data is derived from the *Service Coordinator Monthly Required Contact report in Info view through N-FOCUS*.



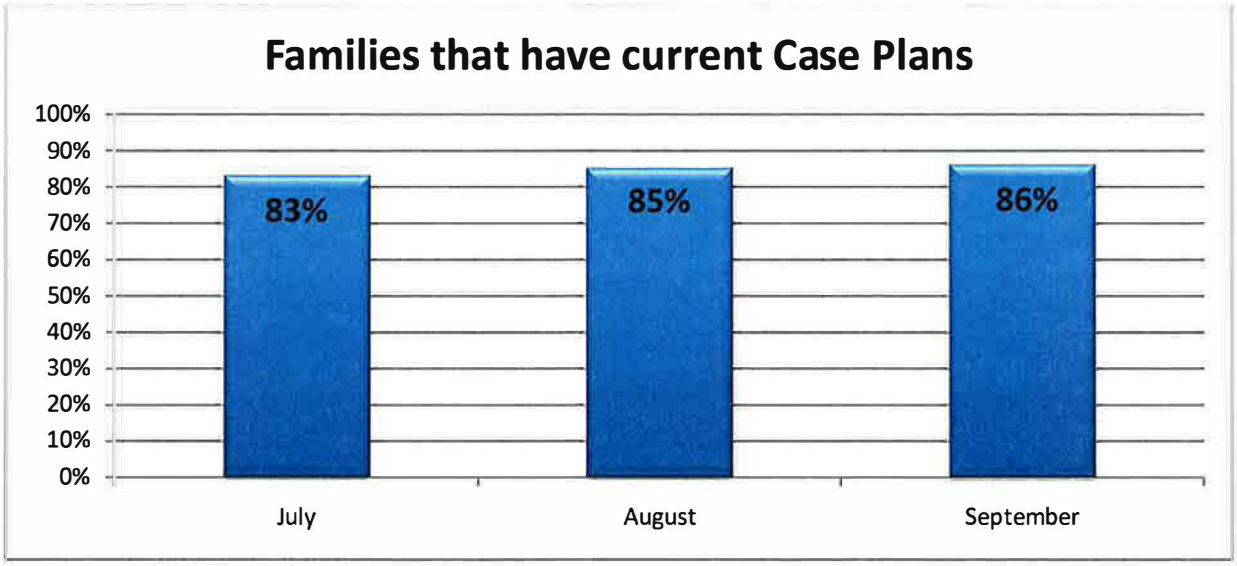




ALL Children	Met	Met	Not Met	Not Met		WARDS ONLY	Met	Met	Not Met	Not Met
July						July				
CHILD	783	67.56%	376	32.44%		CHILD	721	93.15%	53	6.85%
PARENT	528	57.08%	397	42.92%		PARENT	470	83.78%	91	16.22%
August						August				
CHILD	754	66.26%	384	33.74%		CHILD	693	90.35%	74	9.65%
PARENT	509	57.13%	382	42.87%		PARENT	447	81.57%	101	18.43%
September						September				
CHILD	781	65.08%	419	34.92%		CHILD	695	88.20%	93	11.80%
PARENT	550	57.17%	412	42.83%		PARENT	471	81.49%	107	18.51%

- **The percentage of Case Plan and Court Reports in August that were to all parties more than 3 days prior to court, 3 days prior to court, 2 days prior to court, 1 days prior to court, provided the day of the court hearing.**

NFOCUS does not capture the requested data; therefore, this information is limited. There is a report that captures whether or not the visit was completed in a given month. The following data is derived from the *Permanency Performance report in Info view through N-FOCUS*.



Below is the data from our own internal review and tracking of Court Report/Case Plans for Court hearings occurring in August and September. Our internal tracking monitors that FPS staff are: 1) turning in a draft to the HHSS – Child and Family Oversight Monitor (CFOM) 11 business days prior to court for review and 2) having a final court report/case plan provided to all legal parties, Judge, and HHSS Court – CFOM 5 business days before the court hearing.

	11th Day	5th Day
August	82%	86%
September	85%	93%

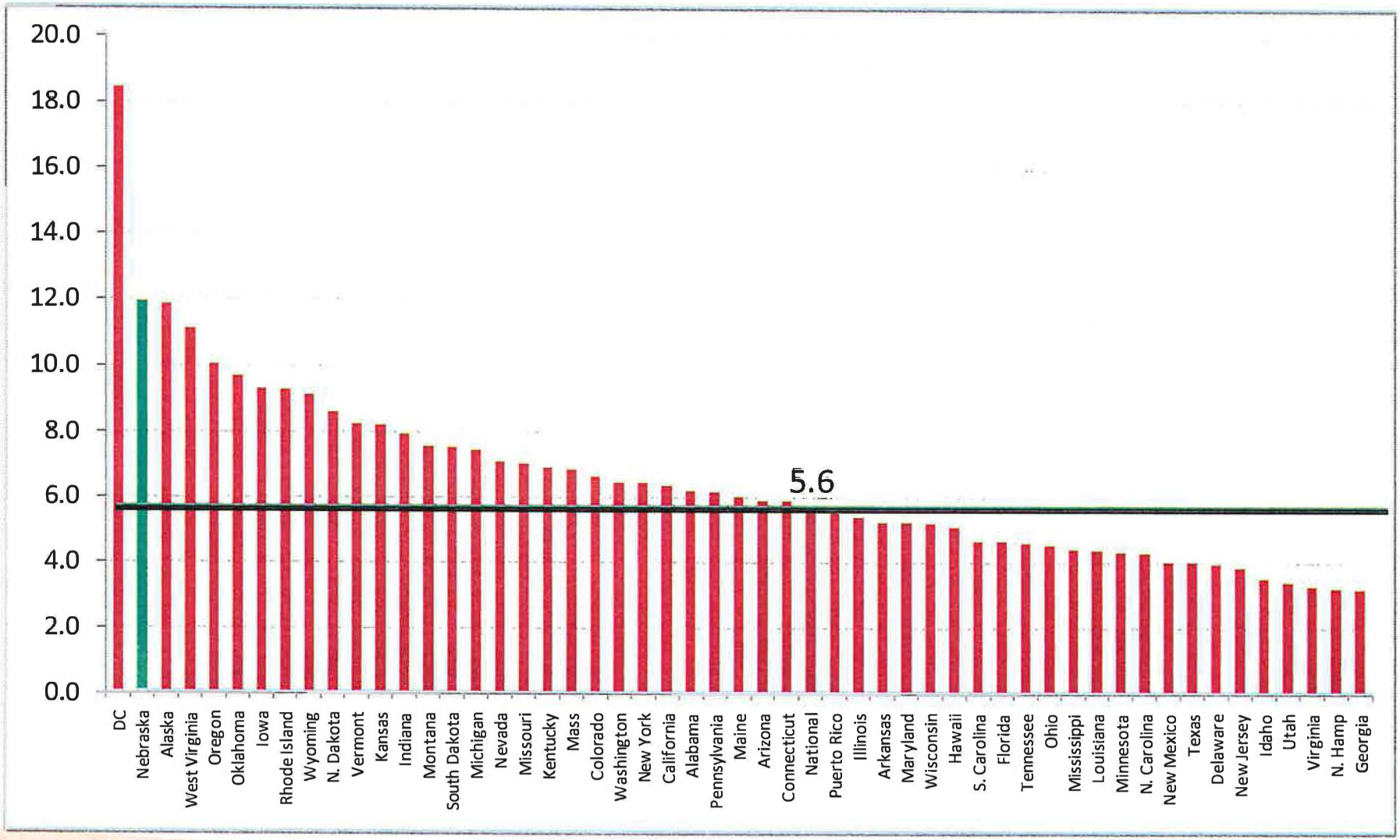
casey family programs

fostering families. fostering change.

Selected State and National Child Welfare Statistics

Prepared by Casey Data Advocacy. For more information contact Dr. Susan Smith at Ssmith@casey.org)

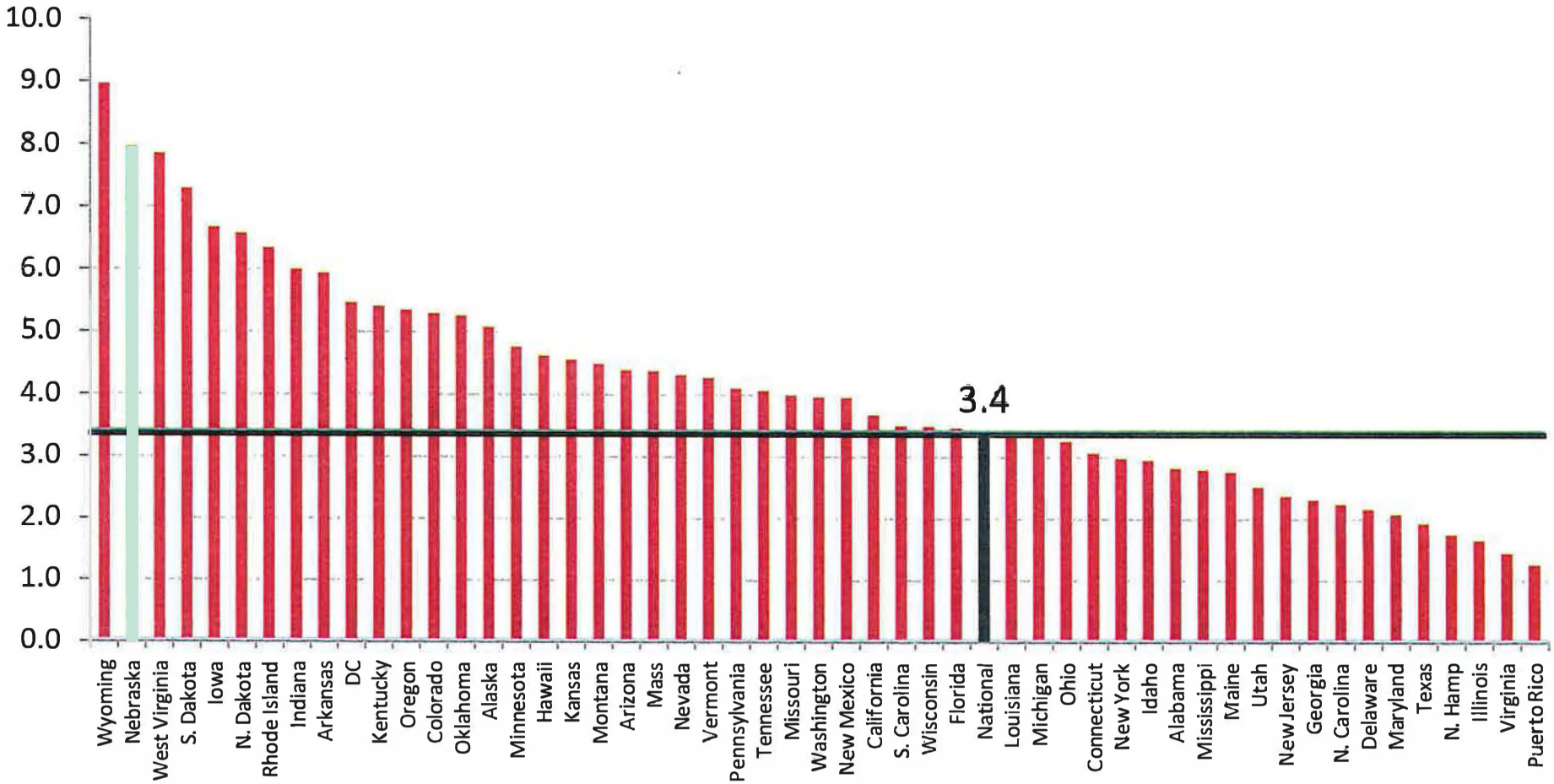
Rate of Children In Care per 1000 in Population: FY09



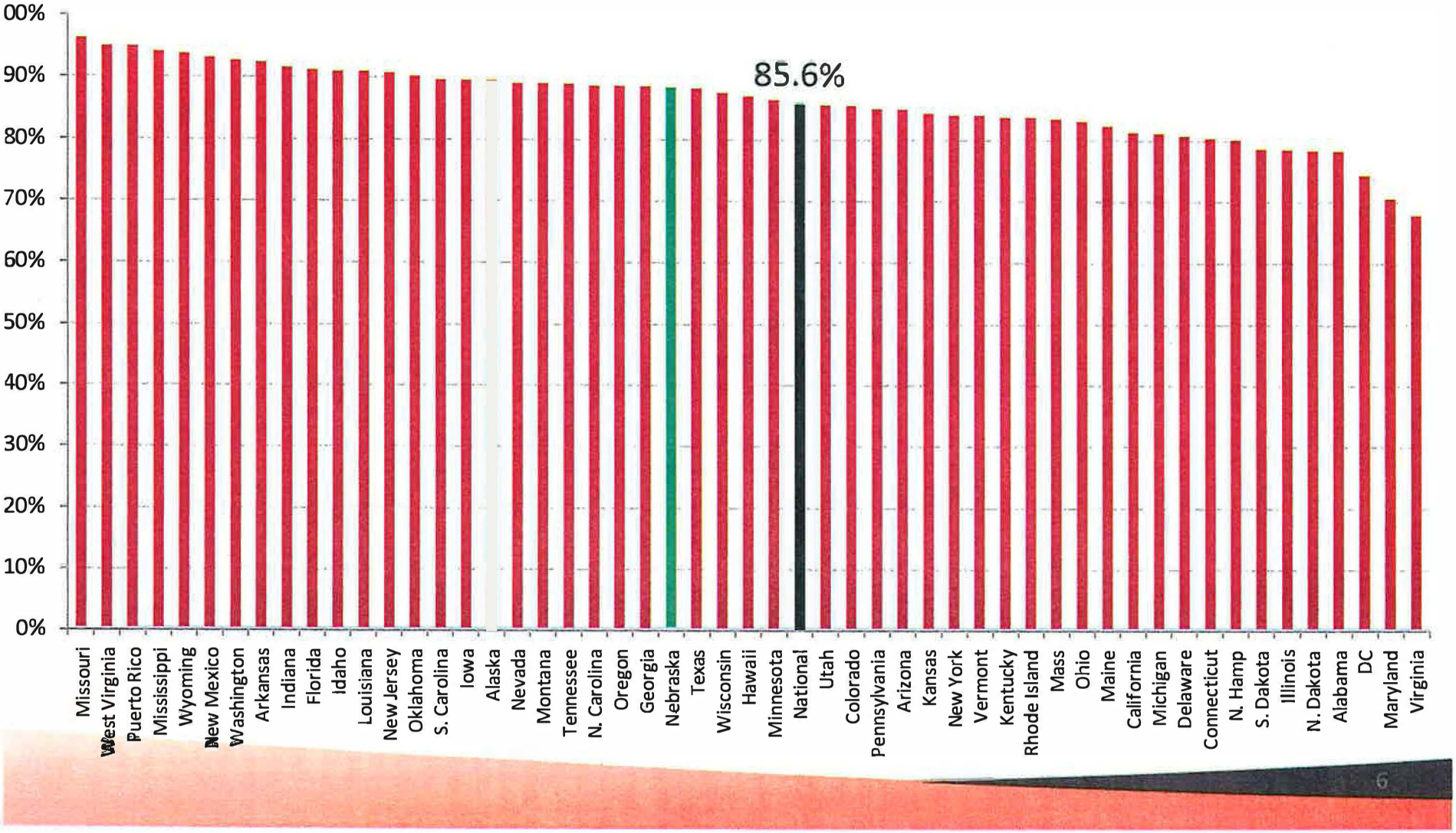
Source: data throughout slides is from NCANDS and AFCARS, unless otherwise noted

Rate of Entry, FY09

(per 1,000 children in population)

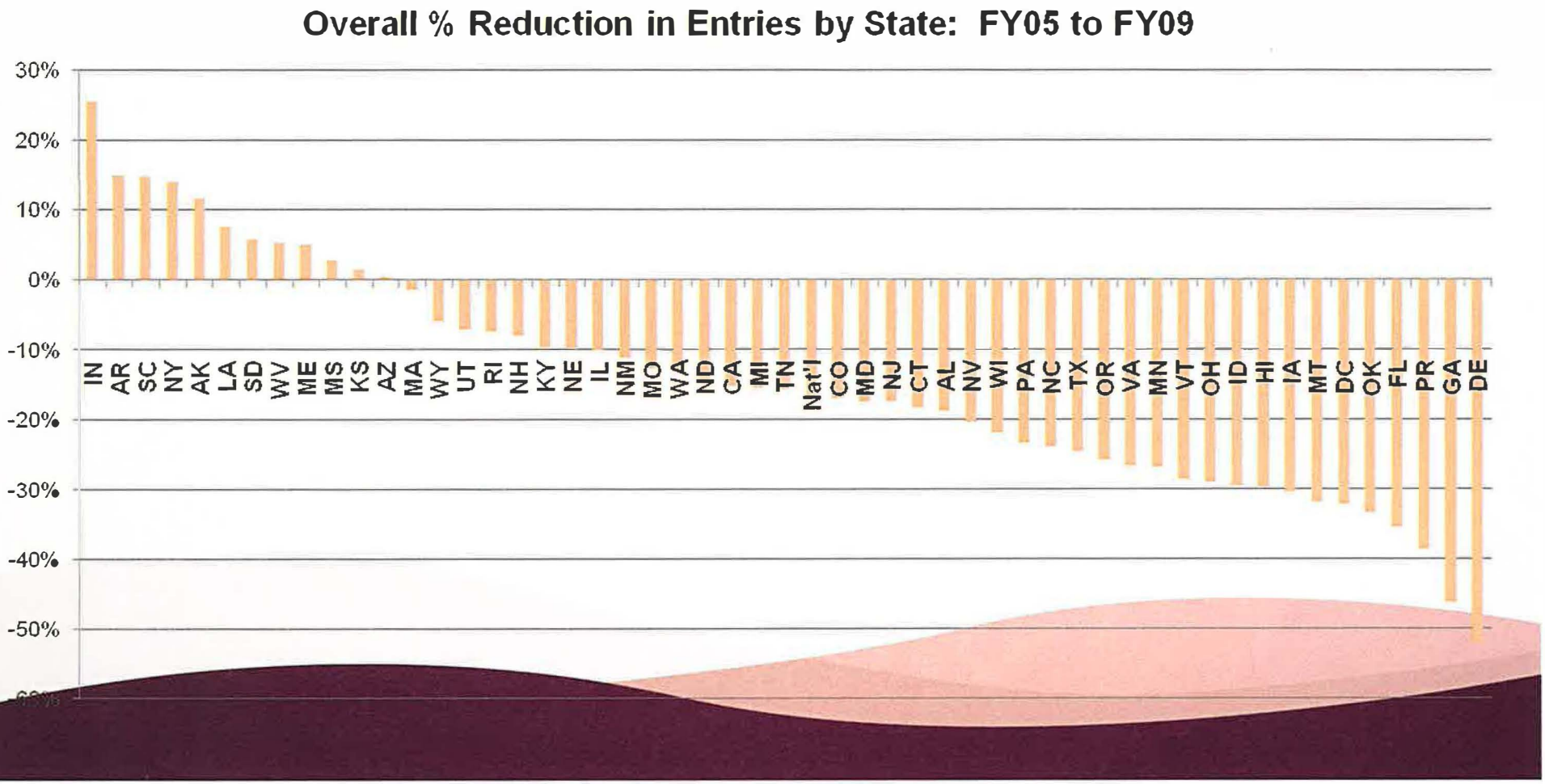


Exits to Permanency by State, FY09



Nationally, entries are declining

- Most states reduced # of entries (40 of 52)
  - Overall reduction: 51,755 entries (16.8% since FY05)



Appendices

ONE HUNDRED SECOND LEGISLATURE

FIRST SESSION

LEGISLATIVE RESOLUTION 37

Introduced by Health and Human Services Committee: Campbell, 25, Chairperson; Bloomfield, 17; Gloor, 35; Howard, 9; Krist, 10; Wallman, 30; Avery, 28; Coash, 27; Conrad, 46; Dubas, 34; Hadley, 37; Hansen, 42; McGill, 26; Mello, 5; Council, 11.

WHEREAS, in July, 2009, the Department of Health and Human Services began the child welfare reform initiative, known as Families Matter, to address the growing number of children in out-of-home placements. The department selected six separate private agencies as lead agencies to implement the reform initiatives which increased responsibilities of private agencies to provide services to children and families. The private agencies were also subject to a new reimbursement methodology that changed from fee-for-service to risk-based reimbursement. Significant changes ensued regarding how children and families are served by the child welfare and juvenile services system in Nebraska; and

WHEREAS, on October 15, 2010, the Department of Health and Human Services announced that the remaining private agencies would receive greater case management responsibility and that new lead agencies in the remaining service area would be sought. As a result, department staff that provide critical case management services and a last safety net if a private agency is unable to provide services in the future would be greatly reduced; and

WHEREAS, by November 1, 2010, only two lead agencies were still under contract with the Department of Health and Human Services to assist

with implementing the child welfare reform initiative. Departing agencies cited the loss of significant funds as they sought to carry out the terms of the contract. During hearings for Interim Study LR568, the Health and Human Services Committee of the Legislature heard additional concerns regarding lack of documentation in records, failure to pay providers and foster parents fully and promptly, confusion regarding division of responsibilities, quality of care and training, and long-term planning to sustain the child welfare reform initiative and ensure safety and protection of Nebraska's children. These difficulties have resulted in a lack of stability within the child welfare system.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED SECOND LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That the Health and Human Services Committee of the Legislature be designated to review, investigate, and assess the effect of the child welfare reform initiative which the Department of Health and Human Services began implementing July, 2009.

2. That the committee shall consult with the department, service providers currently or formerly under contract to the department, the Supreme Court, the Foster Care Review Board, and stakeholders representing state and local government, provider organizations, consumers, consumer advocates, and other parties as the committee deems helpful.

3. That the committee shall utilize existing studies, reports, and past presentations of information by the department to the Legislature; the Foster Care Review Board; and current and previous lead agencies and their subcontractors for their reports relating to the effort to improve the

child welfare system. The committee shall not be limited to such studies, reports, or legislation.

4. That the committee may hold public hearings on the implementation of child welfare reforms and, pursuant to section 50-406 and the rules of the Nebraska Unicameral Legislature, may exercise its authority to administer oaths, issue subpoenas, compel attendance of witnesses and the production of documents, and cause depositions of witnesses in the manner prescribed by law for taking depositions in civil actions in the district court.

Issues to be considered may include, but shall not be limited to:

(a) The goal formation, delineation of outcome measurements, coordination, and long-term planning of the child welfare reform initiative by the Department of Health and Human Services;

(b) The effectiveness of the public-private partnership in providing services to children and families involved with the department including the number of children attaining permanency through adoption;

(c) The system of accountability, funding, and financial sustainability of the child welfare reform initiative;

(d) The effect of the child welfare reform initiative on meeting the federal Child and Family Service Reviews of outcomes and indicators, permanency and well-being; and

(e) The option of requesting the Legislative Performance Audit Committee and the Auditor of Public Accounts to conduct a joint performance and fiscal audit or separate audits of child welfare reforms.

5. That the committee shall provide the Legislature a final report no later than December 15, 2011.

One Hundred Second Legislature
First Session- 2011

HEALTH & HUMAN SERVICES COMMITTEE

LEGISLATIVE RESOLUTION SUMMARY
LR 37

LR 37 (Health and Human Services Committee) Provide the Health and Human Services Committee be designated to review, investigate, and assess the effect of the child welfare reform initiative implemented by the Department of Health and Human Services. To summarize:

- In July 2009 the department selected six private agencies as lead agencies to implement child welfare reform, recently entitled Families Matter.
- The child welfare reform increased the responsibilities of these private agencies to provide services to children and families.
- The private agencies were subject to a risk-based rather than fee for service reimbursement.
- On October 15, 2010 the department announced the remaining agencies would receive grater case management responsibilities.
- The result of the case management transfer is the reduction of department staff that provides critical case management services and a last safety net if private agencies stop providing services in the future.
- By November 1, 2010 three agencies had ended the contracts with the state citing loss of significant funds and only two lead agencies remain.
- The HHS Committee interim study hearings on LR 568 revealed additional serious concerns about the long term planning and sustainability of the child welfare reform. These included lack of documentation in records; failure to pay foster care parents and service providers; confusion regarding work responsibilities; a lack of training and quality of care to ensure the safety and protection of Nebraska's children.
- The Legislative Resolution resolves that the Health and Human Services Committee:
    - Review, investigate and assess the effect of the child welfare reform initiative.
    - Consult with a broad array of public and private stakeholders.
    - Utilize existing and past studies, reports and information relating to the effort to improve the child welfare system.
    - Hold public hearing on the implementation of child welfare reform utilizing the authority provided by section 50-406 and the rules of the Nebraska Unicameral Legislature.
    - Consider issues surrounding the implementation of the child welfare reform including, but not limited to the goals, outcome measures, coordination, and long-term planning; effectiveness of public-private partnership to provide services; number of children attaining permanency through adoption; accountability, funding, and financial sustainability; fulfillment of the federal Child and Family Service Review outcomes and indictors; and the option of requesting the Legislative Performance Audit Committee and the Auditor of Public Accounts to conduct a joint performance and fiscal audit or separate audits of child welfare reforms.

Resource List:

Ackoff, R. L., "From Data to Wisdom," Journal of Applied Systems Analysis, Volume 16, 1989, pp. 3-9.

Allio, Robert J., "Russell L. Ackoff, Iconoclastic Management Authority, Advocates a Systemic Approach to Innovation."

American Federation of State County and Municipal Employees, AFL-CIO, April 2004.

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Nebraska Statutes Relating to Child Welfare

The following is a list of Nebraska statutes relating to child welfare. The list is a result of a Westlaw search of all Nebraska statutes using the query "child /p welfare" and a compilation of selected provisions pertaining to child welfare and juvenile justice compiled by Kathryn A. Olson of the University of Nebraska-Lincoln's Center on Children, Families, and the Law.

Because of the variety of words and phrases which can be used to define and describe "child welfare", this list cannot be considered to be "all inclusive"; however, I tried to identify the majority of applicable provisions, and I attached a copy of Ms. Olson's compilation for your reference.

Summary of Relevant Statutes

1. Chapter 28, Criminal provisions aimed at protecting a child or creating a separate crime classification or enhancing a penalty because the victim is a child

a. Neb. Rev. Stat. sec. 28-704—Abandonment of spouse or child

b. Neb. Rev. Stat. sec. 28-707—Child abuse

c. Neb. Rev. Stat. sec. 28-709—Contributing to the delinquency of a minor

d. Neb. Rev. Stat. secs. 28-710 to 28-727—Child Protection Act

e. Neb. Rev. Stat. secs. 28-728 to 28-733—Child abuse and neglect investigation teams

2. Chapter 29, Criminal procedural protections for children

a. Neb. Rev. Stat. sec. 29-121—"Safe haven" statute, leaving a child at a hospital

b. Neb. Rev. Stat. sec. 29-2204—Indeterminate sentence; court; duties; study of offender; when; costs; defendant under 18 years of age; disposition

c. Neb. Rev. Stat. sec. 29-2253—Authorize appointment of child juvenile probation officer and necessary deputy juvenile probation officers

d. Neb. Rev. Stat. secs. 29-2260 and 29-2260.01—Certain juveniles; disposition of certain offenders; juvenile intake services

e. Neb. Rev. Stat. secs. 29-2246 to 29-2269—Nebraska Probation Administration Act

f. Neb. Rev. Stat. secs. 29-2270 to 29-2273—Individuals less than 19 years of age; certain probation conditions

3. Chapter 42, Provisions aimed at protecting the child during divorce and custody proceedings

a. Neb. Rev. Stat. secs. 42-801 to 42-823—Conciliation Court, purposes of the conciliation court are to protect the rights of children and to promote the public welfare

4. Chapter 43, Provisions applicable to children

a. Neb. Rev. Stat. secs. 43-106 to 43-116—Adoption procedures

b. Neb. Rev. Stat. secs. 43-117 to 43-118.01—Wards and children with special needs

c. Neb. Rev. Stat. secs. 43-147 to 43-154—Adoption and medical assistance

d. Neb. Rev. Stat. secs. 43-155 to 43-160—Adoption and exchange of information contracts

e. Neb. Rev. Stat. secs. 43-161-43-165—Communication or contact agreements

f. Neb. Rev. Stat. secs. 43-245 to 43-2,129—Nebraska Juvenile Code

g. Neb. Rev. Stat. secs. 43-401 to 43-423—Health and Human Services, Office of Juvenile Services Act

h. Neb. Rev. Stat. secs. 43-4,124 to 43-4,134—Juvenile detention facilities

i. Neb. Rev. Stat. secs. 43-501 to 43-526—Assistance and services for delinquent, dependent, and medically handicapped children

j. Neb. Rev. Stat. sec. 43-529—Aid to dependent children

k. Neb. Rev. Stat. sec. 43-532 to 43-536—Declaration of family policy

l. Neb. Rev. Stat. secs. 43-701 to 43-709—Placement of a child; duty of department to protect child

m. Neb. Rev. Stat. secs. 43-901 to 43-908—Children committed to the Department of Health and Human Services

n. Neb. Rev. Stat. sec. 43-1011—Interstate Compact for Juveniles

o. Neb. Rev. Stat. sec. 43-1103—Interstate Compact for the Placement of Children

p. Neb. Rev. Stat. secs. 43-1226 to 43-1266—Uniform Child Custody and Jurisdiction and Enforcement Act

q. Neb. Rev. Stat. secs. 43-1301 to 43-1318—Foster Care Review Act

r. Neb. Rev. Stat. secs. 43-1501 to 43-1516—Nebraska Indian Child Welfare Act

s. Neb. Rev. Stat. secs. 43-1701 to 43-1743—Income Withholding for Child Support Act

t. Neb. Rev. Stat. secs. 43-1801 to 43-1803—Grandparent visitation

u. Neb. Rev. Stat. secs. 43-2001 to 43-2012—Missing Children Identification Act

v. Neb. Rev. Stat. sec. 43-2101—Age of majority

w. Neb. Rev. Stat. secs. 43-2401 to 43-2413—Juvenile Services Act

x. Neb. Rev. Stat. secs. 43-2501 to 43-2516—Early Intervention Act

y. Neb. Rev. Stat. secs. 43-2601 to 43-2625—Quality Child Care Act

z. Neb. Rev. Stat. secs. 43-2920 to 43-2943—Parenting Act

aa. Neb. Rev. Stat. sec. 43-3001—Child in state custody; acess to information and records

bb. Neb. Rev. Stat. secs. 43-3401 to 3403—Early Childhood Interagency Coordinating Council

cc. Neb. Rev. Stat. secs. 43-3501 to 43-3507—County Juvenile Services Plan Act

dd. Neb. Rev. Stat. secs. 43-3701 to 43-3716—Court Appointed Special Advocate Act

ee. Neb. Rev. Stat. secs. 43-3801 to 43-3812—Protect foreign national minors having multiple nationalities

ff. Neb. Rev. Stat. secs. 43-3901 to 43-3912—Uniform Child Abduction Prevention Act

5. Chapter 68, Public Assistance

a. Neb. Rev. Stat. secs. 68-901 to 68-969—Medical Assistance Act

b. Neb. Rev. Stat. secs. 68-1202 to 68-1210—Provision of social services, including child welfare services

c. Neb. Rev. Stat. secs. 68-1401 to 68-1406—Genetically Handicapped Persons Act

d. Neb. Rev. Stat. secs. 68-1727 to 68-1734—Family resource centers and services for children and families under the Welfare Reform Act (Neb. Rev. Stat. secs. 68-1701 to 68-1735)

7. Chapter 71, Public Health and Welfare

a. Neb. Rev. Stat. secs. 71-801 to 71-818—Behavioral Health Services Act

b. Neb. Rev. Stat. secs. 71-1901 to 71-1906.01—Foster care licensure

c. Neb. Rev. Stat. secs. 71-1908 to 71-1923—Child care licensure

d. Neb. Rev. Stat. secs. 71-2201 to 71-2208—Maternal and Child Health and Public Health Work Fund

e. Neb. Rev. Stat. secs. 71-2225 to 71-2230—State CSF and State WIC programs

8. Chapter 79, Schools and School Districts

a. Neb. Rev. Stat. secs. 79-201 to 79-210—Compulsory school attendance

a. Neb. Rev. Stat. secs. 79-10,137 to 79-10,139—School breakfast program

b. Neb. Rev. Stat. secs. 79-1101 to 79-1104—Early childhood education

c. Neb. Rev. Stat. secs. 79-1110 to 79-1178—Special Education Act

d. Neb. Rev. Stat. secs. 79-11,121 to 79-11,132—Rehabilitation services

e. Neb. Rev. Stat. secs. 79-2111 to 79-2114—Elementary learning centers

9. Chapter 81, State Administrative Departments

a. Neb. Rev. Stat. sec. 81-1326—Disclosure of information relating to certain children

10. Chapter 83, State Institutions

a. Neb. Rev. Stat. secs. 83-101.06 to 83-116—Management of state institutions, including youth rehabilitation centers (Neb. Rev. Stat. sec. 83-107.01)

b. Neb. Rev. Stat. secs. 83-305 to 83-357—Regional centers

c. Neb. Rev. Stat. secs. 83-363 to 83-380.01—Cost of patient care in state institutions

d. Neb. Rev. Stat. sec. 83-905—Secure youth confinement facility

Child Welfare Reports

Reports to be completed by Department of Health and Human Services (HHS):

- 43-405(6), OJS/costs;
- 68-1207.01, caseloads;
- 71-1904, waiver of foster care training requirements;
- 71-3407, child death review;
- 71-825, children and family support hotline;

Reports required by statute:

- 43-296, requires entities receiving juveniles under the Nebraska Juvenile Code to report information to HHS;
- 43-543, Family policy; annual statement required as part of annual budget request
- 43-1303, requires Foster Care Review Board to maintain a statewide register of all foster care placements and report this information monthly to HHS;
- 71-827, requires the Children's Behavioral Health Oversight Committee of the Legislature to annually report to Governor and Legislature.

Federal Children and Family Services Division:

- The Child and Family Services Plan (CFSP)
- The Annual Progress and Services Report (APSR)
- Child Abuse Prevention and Treatment Act (CAPTA)
- Children's Justice Act (CJA)
- IV-E Pre-Print
- Case Worker Visitation Report
- Family Violence and Prevention Services Act Report
- Runaway and Homeless Youth Report (SSRHY)
- The Adoption and Foster Care Analysis and Reporting System (AFCARS)
- The National Child Abuse and Neglect Data System (NCANDS)
- National Youth in Transition Database (NYTD)
- AFCARS Improvement Plan Quarterly Report (AIP)
- Program Improvement Plan Quarterly Report (PIP)

DHHS Finance Division federal child welfare reports:

- CFS-101-Child Welfare
- ACF (Administration of Children & Families)-800-Child Care (caseloads)
- Pooling Factor Report-Child Care
- ACF-696: Quarterly Child Care Report/Financial; done by NFOCUS
- ACF-4125: Children in Foster Homes, Ages 5 to 17; done by NFOCUS

Compiled by Kate Gaul, Legislative Research

Listing of Research Library Documents Relating to Child Welfare/Juvenile Justice

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LR 513: Nebraska Behavioral Health Services Act (2010)

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Choices and Challenges: Report of the Study Commission on Programs and Services for Dependent Youth and Youth Offenders in Nebraska (1984)

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LB 1073: Nebraska Juvenile Justice Task Force Report (1998)

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LR 405: A Study to Examine the Placement of Juvenile Offenders (1996)

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Juvenile Detention and Probation Services Implementation Team Final Report and Recommendations (2002)

LR 440: A Study to Examine the Use of Mediation for Juvenile Offenders (1996)

Nebraska Department of Correctional Services: Juvenile Statistical Report (1995)