



Child Welfare Privatization: Finding the Line between Fact and Fiction

*The Texas Alliance for Child and Family Services Responds to the
Center for Public Policy Priorities' Report*

October 28, 2008

The Texas Alliance of Child and Family Services (the Alliance) is a 33 year-old nonprofit organization dedicated to strengthening services to children and families in Texas. As a statewide association the Alliance strives to accomplish this goal by advocating for adequate funding, strong protections for children and families, and innovative, responsive service delivery and care coordination. Alliance members are organizations that provide the full array of direct services to vulnerable clients, many of whom are under the conservatorship of the Texas Department of Family and Protective Services (DFPS). Members of the Alliance also include non-service provider organizations and professionals who support our mission.

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The Center for Public Policy Priorities (CPPP) recently released report, *Drawing the Line between Public and Private Agency Responsibilities in Child Welfare: The Texas Debate*, presents information and draws conclusions regarding the privatization of child welfare services that appear extreme, do not mesh fully with the latest research, and, most importantly, are destructive to the public-private partnership so critical to the Texas system. The rhetoric in the report is at times unduly antagonistic to private nonprofit agencies, which form the backbone of the Texas service delivery system. This is troubling at a time when we need to improve the dialogue, learn from each other, and *work together* as partners to improve outcomes for those impacted by abuse or neglect.

In order to ensure that Texas legislators and others charged with planning any future privatization reform have accurate information about what's working and what's not in other jurisdictions, the Texas Alliance of Child and Family Services (the Alliance), a statewide association committed to quality child welfare services, reached out to independent experts and researchers who have no vested interest in the end result of the Texas privatization debate. We asked them to review and comment on the CPPP's findings and recommendations for the sole purpose of helping us understand the factual landscape regarding the privatization of child welfare services and the extent to which the CPPP report accurately reports other states' experiences. In the following pages, we highlight what they had to say.¹

The Report Is Best Viewed As an Opinion Piece Rather Than Research

Madelyn Freundlich, a respected expert in child welfare privatization notes, "This report is not an examination of the Texas debate as the title suggests, but rather, it is an opinion piece about the privatization of child welfare services and case management in which the CPPP makes the case against privatization. The Foreword suggests that it is an 'exploration' in the spirit of collaborative work between public and private agencies; the text, however, reveals neither an exploration nor a spirit of collaboration. As an opinion piece, it can be expected that it will draw on only those data and arguments that support the CPPP's position—and the report must be read in that light. Of great concern are the numerous misstatements and mischaracterizations that are made, even given the biased perspective that one expects from an opinion piece. "

While selectively citing the "negative" portions of some USF studies, the Center failed to interview any of the USF team members who have conducted the multi-year evaluation of Florida's privatized Community-Based Care system.

Mary Armstrong, lead evaluator for Florida's Community-Based care system, University of South Florida (USF)

¹ See Attachment C for a brief description of the individuals who contributed to this report.

Throughout the report, the CPPP alludes to its qualitative research involving interviews with “stakeholders” in both Florida and Kansas. What the report fails to do is provide any details on its methodology, leading our experts to question the design and scope of this research. The report fails to provide such information as: How many stakeholders were interviewed in each state? What were the characteristics of each sample? How were the stakeholders chosen? Absent these data, it is not appropriate to rely on what “some” or “several” stakeholders said or believed. The methodological limitations work against the paper’s claim that the CPPP relied on “research” and further demonstrates that the paper is, in reality, an opinion piece.

The “National Context” Is Outdated and In Some Instances Simply Wrong

Many of the report’s findings are based upon studies conducted a decade or more ago when only Kansas had privatized child welfare services and little was known about the impact of child welfare privatization. States and counties have learned much in the intervening years; but readers are not told about the important lessons learned. For example, there is no reference in the CPPP report to the synthesis of research contained in a series of topical privatization papers developed under the auspices of the Office of the Assistant Secretary for Planning and Evaluation (ASPE), U.S. Department of Health and Human Services. There is scant mention of the work of the National Quality Improvement Center on the Privatization of Child Welfare Services (QIC-PCW) and when one QIC-PCW study was cited, findings were misinterpreted.

Whether by accident or intent, the report distorted the findings of the QIC-PCW study that looked at the extent of child welfare privatization. By under-reporting the prevalence of privatization, readers of the CPPP report might conclude that contracting for case management and other core services is a risky idea that is resoundingly rejected by states. Such an impression would be untrue.

Charlotte McCullough, nationally recognized researcher in child welfare privatization

As one example of inaccuracies, Charlotte McCullough, a nationally recognized pioneer in child welfare privatization research, noted factual errors in the CPPP’s description of the nature and extent of privatization. The report stated that the QIC-PCW found that “44 states are not currently privatizing case management services (p.19).” What the QIC-PCW actually found is that of the 44 states and the District of Columbia that participated in their 2005 study, eight jurisdictions do privatize case management for some target populations or geographic areas and five have large scale privatization efforts.² Furthermore, while the CPPP report correctly notes that nine states that participated in the QIC 2005 study indicated they had rolled back former privatization initiatives, the CPPP report failed to mention that one state indicated large scale plans to privatize in the next year, another described an expansion of a current effort, and several states noted other privatization initiatives in the planning or early implementation phase.

² *National Needs Assessment & Knowledge Gap Analysis Findings* (September 20, 2006). The National Quality Improvement Center on the Privatization of Child Welfare. Full report available at: <http://www.uky.edu/SocialWork/qicpcw/documents/QICPCWKnowledgeGapsAnalysisFindings.pdf> .

The Report Arbitrarily Defines Which Child Welfare Services Cannot Be Privatized

The report defines which services can and cannot be privatized and for which services performance-based contracts are appropriate without a reasoned basis for these conclusions. The report makes the claim that case management is a primary function of government and that privatization of that service therefore “breaks the critical link between democracy and the most fundamental government decisions, putting the objective of child protection—to keep children out of harm’s way—seriously at risk (p.9).”

Ms. McCullough notes, “If the inherently governmental argument had been made against the privatization of protective service investigations, even proponents of privatized services would not have disagreed. Where the argument derails is when the report blurs the investigation function with case management services.”

Today, all states retain the child investigation and protection functions that officials believe to be critical to meeting their legal responsibility for the safety and well-being of children in the child welfare system. Otherwise, across the country, private providers, to varying degrees, deliver direct services to families, including case management.³

In addition to its “inherently governmental argument,” the report also asserts that private agencies would somehow function outside federal and state laws, a claim that Ms. Freundlich rejects. “There is no reason that legislatively directed mandates could not be implemented under privatized arrangements.... The concerns about the loss of responsiveness ‘to the democratic process’ does not make sense since privatizing services would in no way subvert the rule of law and it is disheartening to see the report make such assertions.”

The report repeatedly blends child protective services investigations with foster care and adoption services in an attempt to generate fears about private agencies’ ability to properly provide the services that children and families need. These statements mischaracterize the nature of child welfare privatization.

Madelyn Freundlich, nationally recognized expert on child welfare privatization

Interestingly, the CPPP failed to reference a recent ASPE report that specifically addresses the roles of public and private agencies in child welfare and recognizes the role of private agencies in case management. Among other things, that report notes, “Rules within Titles IV-B and IV-E allow states to make their own decisions about how to assign certain responsibilities to private providers. Several states or jurisdictions have transferred, or are in the process of transferring, significant if not primary case management authority to private providers. Kansas, Florida, and

³ U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation (March 2008), Topical Paper #3: Evolving Roles of Public and Private Agencies in Privatized Child Welfare Systems, p. 5. Available online at: <http://aspe.hhs.gov/hsp/07/CWPI/roles/index.htm> .

Illinois, for example, maintain that the federal requirements for states to have ‘overall responsibility’ for cases can be fulfilled through administrative oversight, quality assurance, and monitoring. Several direct service contracts in Washington D.C. and New York City have moved in this direction as well. In these states or jurisdictions, a public agency caseworker does not review day-to-day case management decisions for some contracts; instead, contract monitors from the state or county monitor large numbers of cases and/or evaluate overall contractor performance.”⁴

The Description of Privatized Case Management Bears No Resemblance to Reality

All of the experts the Alliance contacted were troubled by the way in which “case management” was defined. The experts noted that CPPP would have readers inaccurately believe that case managers—whether in a public or private agency—single handedly plan and make decisions for children in foster care. Even within public agencies, case managers have no such authority.

The CPPP report argues that only public workers can perform case management functions, in part because case managers “prosecute the legal case to its final conclusion,” which directly affects the “people’s rights.” This statement is simply false. While everyone is in agreement that case managers and their supervisors play key roles in planning and making decisions for children, it is the courts that make the final decisions as to whether a child will enter foster care and if so, the permanency outcome for the child. Attorneys prosecute cases; the case manager is a witness who provides reports and at times is called to testify. The same realities hold true for case managers in both public and private agencies.

Case management is poorly defined in the CPPP article. It is represented throughout the article that case managers are making legal decisions on behalf of families and acting independently of any state agency. In fact, our case managers do not make legal decisions on behalf of children and families...

*James Patrick, Chief Operating Officer,
Children’s Home Society of Florida (CHS)*

This point was underscored by James Patrick, Chief Operating Officer of Children’s Home Society of Florida, “Our [private agency] case managers do not make legal decisions on behalf of children and families. The State of Florida retained Children’s Legal Services (CLS), and it is the attorneys that present the cases in court. It is ultimately the judge who makes decisions on reunifications, termination of rights and all other judicial orders impacting the family. Our case managers in most cases are co-located with CLS and meet in staffings just as state employees used to do to review the cases and recommend an appropriate course of action to the judge based on the parents’ compliance with the case plan. Our role is to work directly with families through a case planning process and make recommendations to the court based on our observations and interactions with the parent(s) and child(ren). This is no different than the role public employees played in the child welfare system in Florida before privatization.”

⁴ Ibid.

All states that have privatized some (or all) of their post-investigation case management functions for some (or all) children in state custody have proceeded on an understanding of ultimate decision-making responsibility through public agency oversight and monitoring. Florida, Kansas, and other states with privatization initiatives have undergone subsequent federal reviews of both programs and their Title IV-E eligibility determination practices. **There is no evidence that these states have lost Title IV-E funds as a result of privatization. Nor is there evidence that the federal government has put these states on notice that their practices and policies fail to comply with Title IV-E regulations.**

It is clear that the report is attempting to engender fears about the arbitrary use of power by private agency case managers – which are wholly unfounded in light of the true role of case managers.

Madelyn Freundlich

The report would also have readers believe that following the child protective service investigation, “private agencies take over.” Even when a state chooses to privatize all services post-investigation, public agencies in no way abdicate their oversight responsibilities. Even under a “fully” privatized system, the public agency retains ultimate case authority through oversight. All states set performance standards, and then monitor performance through contract monitoring and quality assurance systems. Other responsibilities retained by the public agency include contract procurement, program funding, research and policy agenda setting.⁵

Had the CPPP report looked to the previously referenced QIC-PCW Needs Assessment study, it would have found ample evidence that its claims regarding all-powerful private agency case managers were inaccurate. The QIC-PCW includes specific examples of how different states handle legal decision-making and court-related responsibilities when private agencies assume responsibility for case management. For example, the QIC-PCW looked at seven jurisdictions with privatized case management systems. Rather than finding the private agency “taking over the case,” the QIC-PCW reported that each had systems in place to ensure that decisions were reviewed by appropriate concerned parties, with designated attorneys presenting the state’s case, and the courts playing the dominant decision-making role.

In summary, all privatized systems must be based on a clear understanding of the importance of the legal protections for children and families served by the child welfare system. However, in contrast to the impression left by the CPPP report, there has been no evidence that courts abdicate their authority or responsibilities when private agency workers assume case management duties.

The Report Is Full of Contradictory Claims and Half Truths

While most of the anti-privatization rhetoric in the CPPP report is focused on case management, the report does not hesitate to offer an opinion about potential danger in other areas, including the following:

⁵ Ibid.

The Child Welfare Workforce & Caseloads

The report states, “Privatization leads to the loss of Child Protective Services’ greatest asset—its workforce—which undermines the long-term goal of improving CPS (p. 11).” It goes on to state, “Contrary to the claims of private providers, CPS caseworkers are not likely to join the private provider workforce if their jobs are privatized (p. 11).”

When it comes to worker turnover, the report gets it half right. The child welfare system does have a chronic workforce problem that cuts across public and private agencies. Workforce issues do obviously have to be carefully considered when any state moves towards privatization. However, if privatization is done properly, there is no reason to believe that privatization negatively impacts the workforce. The report fails to present a balanced discussion of the real issues and ignores the progress that some private agencies have made in addressing worker turnover and spiraling caseloads.

Mr. Patrick took exception to the portrayal of the workforce and caseload issues in post-privatization noting, “We have seen a significant decline in turnover since we assumed our first case management contract in October, 2003. Just in the past year, our turnover has dropped 8%. The workforce has become more stable over time with the lengths of stay for child welfare case managers increasing from 2.7 years in 2004 to 3.7 years in 2007.” He also noted other inaccuracies:

- ♦ The CPPP article suggests that state employees are negatively impacted in the transition to private providers and do not transition to private agencies. This was simply not the case in Florida. The vast majority of DCF employees were hired by private agencies that assumed case management responsibilities. In Florida, private agencies had to increase the workforce beyond what the public system had in order to lower caseloads and increase retention. Florida accomplished this by over-hiring which reduced caseloads and led to greater retention
- ♦ The report states that the Texas CPS turnover rate for “CPS workers” is 34% and it reports that in 2005, the average turnover rate in Florida was 31% (p. 26). The report fails to note that 2005 was a transition year. Even in the worst possible time to evaluate turnover, Florida’s rate was lower than Texas. The CPPP report cites that Florida

It is unfair to call Florida or Kansas or any other state with a privatization effort a failure for not “eradicating” all the problems within the system. No system, public or private, could honestly say they have done this. But what Florida has achieved in the area of case manager retention and caseload sizes cannot be minimized either. Despite some fairly significant barriers, privatized case management providers were able to attract state workers and build a strong workforce in Florida.

James Patrick, CHS

By achieving accreditation standards in case management caseloads, we are seeing an increase in retention of employees. So while we have not “eradicating” the problems in the child welfare system, we have made significant strides in providing services in a manner that is consistent with accreditation standards and best practice.

James Patrick, CHS

caseloads in 2005 were on average 24 per worker (p. 26). For this same time period, in Texas, the caseloads averaged 44.5 for children in substitute care services (Texas Department of Family and Protective Services Data Book 2007, in the FY ending 2006). It is not clear in the CPPP report whether caseloads are on the decrease or increase in Texas, but Florida data clearly reveal that caseloads have dropped under privatization, and they continue to drop, as indicated in Figure 1.

Figure 1 Source: FSFN - Clients Active As Dependents Report, December, 2007, and July, 2008

RANGE (across Districts/Regions):	December, 2007	July, 2008
	13 to 20	11 to 18

Foster Care and Adoption Services

While the CPPP report rejects privatized case management out of hand, it takes a more balanced approach to contracting for foster care and adoption services. Many of its observations about how states should proceed in privatizing these services are self-evident, non-controversial, and fully supported by a decade of research.

However, the report soon veers into statements about what a state *should not* do, such as dismantle its public foster care and adoption infrastructure. As Ms. McCullough notes, “The justifications for the strong warning against reducing the public sector presence are interesting hypotheses which may reflect the opinion of the authors but they are not backed by any empirical evidence “

Performance-based Contracting

The report acknowledges that performance-based contracting, if done right, may improve service delivery (p.11). But it then states unequivocally and without any evidence that “[performance-based contracting] is less effective when used to improve case management.”

The odd reasoning for the assertion appears to be that it is hard to translate competing priorities into measurable outcomes that could be included in contracts. No one would assert that that child welfare practice is not fraught with complexity; but it is as if the authors are totally unaware of

the Child and Family Service Review (CFSR) outcomes and how states have used those as a starting point for the development of performance-based contracts for case management and other core child welfare services. Instead, the report relies upon and misinterprets cautions

The CPPP draws a line in the sand and states that performance-based contracts are not appropriate for case management services. There is no empirical evidence to support this assertion. In fact, this claim stands in stark contrast to the impressive outcomes some states have achieved when performance-based contracts were introduced. Illinois comes to mind.

Charlotte McCullough

raised by studies that are over a decade old, pre-dating most of the current performance-based contracts.

Ms. Freundlich notes, “In two places, the report compares setting outcomes for case management with asking a district attorney to convict the guilty and not the innocent. This analogy is false, despite the CPPP’s repetition of it. Performance-based contracting most certainly could be used to hold private agencies accountable for providing effective case management, as properly defined. Several outcomes come to mind: determining the permanency plan for the child within X months; ensuring that children visit with their parents X times a month, unless the court orders otherwise; ensuring caseworker visits with children X times a month. “

The report also raises the issue of conflict of interest that allegedly results from performance-based contracts. Ms. Freundlich also takes exception to this claim. “What exactly is the conflict of interest that CPPP is so concerned about? CPPP says that it is the fact that private agencies earn financial incentives and face financial disincentives based on their performance on achieving the stated outcomes—which seems to represent a confluence, not a conflict, of interests. In fact, the very structure of financial rewards and penalties based on outcomes which are typical in performance-based contracts, has been the centerpiece of countless proposals to restructure federal and state child welfare financing to remove the ‘per diem’ incentives to keeping children in foster care.”

Of concern is CPPP’s apparent belief that the state is incapable of selecting private providers with a solid mission, governance structure, infrastructure and service capacity to well serve children and families. It seems to assume that every private agency is driven by financial concerns, which might be an argument in relation to for-profits but is harder to accept with respect to not-for-profits.

The Report Misrepresents the Florida Community -Based Care Experience

The overview of the privatization efforts in both Kansas and Florida is supposedly based upon the author’s site visits and interviews with unnamed stakeholders in 2007 and the analysis of data on each state’s pre- and post-privatization performance. Given the similarities between Texas and Florida in terms of population size and expenditure, our experts focused their critique on the report’s depiction of Florida and did not comment on the description of Kansas.⁶ However, given the number of inaccuracies in the CPPP’s description of Florida’s experience,

⁶ While we do not include details on the inaccuracies relative to Kansas, Charlotte McCullough notes that the description of Kansas is seriously flawed. “Either the authors are unaware of how Kansas significantly restructured its current contracts in 2005 or they simply choose to focus on earlier contracts that were in place in 2000. In either case, given the inaccuracies in the description of the payment and performance features, I am concerned about any conclusions CPPP reached as it is impossible to tell whether CPPP is up-to-date on what is occurring in the state.”

we strongly urge readers of the CPPP report to view the Kansas conclusions with a degree of skepticism.

Mary Armstrong, the lead USF evaluator for the multi-year, multi-faceted evaluation of the Florida Community-Based Care system, notes the CPPP's selective use of data in evaluation reports and the lack of inclusion of data that showed positive trends. "It is true that the findings in Florida are 'mixed' and not all positive but I think it's important to present all the findings together so that a complete picture is presented." For example, the report presents several examples of lead agencies not meeting the state standards and goals for performance indicators. Dr. Armstrong concedes this is true but she also points out that what the report fails to present are findings on how lead agencies are making progress in coming closer to the state standards.

Even though the authors of the report obviously used USF's evaluation reports because these reports are cited, the findings are not accurately portrayed and often only the negative findings are presented.

Mary Armstrong, USF

Placement stability is mentioned in the CPPP report as an area where Florida has not performed well. While the report correctly identifies this as an area needing improvement, it also fails to note the progress that has been made. Citing a Florida DCF business plan from FY 06, CPPP reports the average percentage of children statewide with three or more placements within the first 12 months as 18.8% (p 26). Dr. Armstrong notes, "The CPPP does not report that for FY 06-07, the percentage of children with three or more placements within 12 months had dropped to 13%."

Dr. Armstrong also notes that the CPPP fails to present the analysis of findings that was included in the USF reports that CPPP cites. This information, she maintains, is helpful for public and private agencies to have in order to fully understand current performance and improve future performance. For example, USF found that lead agencies in Florida that had shorter average lengths of stay and a higher proportion of children exiting care had the highest proportions of recurrence of maltreatment and of children re-entering care. She notes, "The presentation of these findings creates a dialogue among the public and private partners about strategies to deal with this complex relationship among findings. The findings also create an opportunity, in the context of a public-private partnership, to discuss key shared values (e.g. children whenever possible should be at home with their families) and sharing of the risks related to these values."

The CPPP also put a negative spin on data that was not consistent with the USF's evaluation interpretation of findings. For example, one USF study mentions a finding that children who were reunified were four times more likely to re-enter foster care than children who were discharged for other reasons, such as relative placements and adoption. Dr. Armstrong states, "The [CPPP] report leaves the reader with the impression that this is somehow 'bad'. Our interpretation of this finding is that reunified families need intensive services and support, especially in the first six months post-discharge."

Finally, Dr. Armstrong notes that the CPPP report cites a 2006 Florida OPPAGA report finding that DCF contract oversight was inadequate, but what it does not mention is that OPPAGA released a subsequent report with findings that contract oversight has much improved. “As we know, this trend supports previous findings from other privatization reforms, such as health and behavioral health managed care, where the state agency needs to learn how to transition from provider to purchaser roles.”

The CPPP report seems to be inconsistent in its insistence on the one hand, that privatization is not a panacea (a very legitimate statement), and its critiques, on the other hand, that privatization in Kansas and Florida did not solve all the problems of the child welfare system. As Ms. Freundlich notes, “It would appear that CPPP would expect privatization in Kansas and Florida to resolve all problems in child welfare in order to deem any aspect of privatization in those states a success. “

Furthermore, Mr Patrick noted, “We believe that it is unfair and misleading to present data points from different periods during transition without showing the overall trend of data from pre- to post-privatization. CPPP reported only a snapshot of data during a period when the system was still transitioning to a privatized model. More recent data presented in state evaluation reports show clearly that Florida is trending in the right direction.”

The CPPP report implies that any progress made in Florida was due to increased funding and not privatization. Mr. Patrick sees three factors contributing to the state’s success: (1) a Title IV-E waiver, (2) increased funds, and (3) privatization. “Because of the reduction in caseloads due to permanency, the CBC’s in Florida invested the savings in these ‘front end’ services which further reduced the numbers of children in care. These services were customized at a community level based on the local needs. The Title IV-E waiver is important to allow the funding flexibility so that dollars follow children and families, rather than funding ‘programs’ that provide reimbursement for children residing in ‘out-of-home care.’ The increased funds were needed to draw down the federal funds for all the increased adoptions and services provided by diversion workers on the front end. We essentially needed more state dollars to maximize our federal earnings. So our funding increased, but so did our federal revenue maximization.”

Could Florida have done this without privatization? No. Private providers were able to create new services, generate resources and savings from achieving permanency goals and reinvesting in their community...They do this through consulting with their local Boards (of community leaders). They do this without having to go through a legislative budget request process...as most governmental agencies do to shift resources. In fact most business decisions are vastly simplified. CBC’s are simply able to operate more like a true business and can react quickly to the changing needs of families in a community and shift resources to meet these changing priorities.

James Patrick, CHS

(Note: Children’s Home Society did a thorough analysis of the CPPP report and included charts with more accurate and timely data to show the distortions in the Florida description. The CHS analysis is included in its entirety as Attachment B).

The Report Distorts the Success of Texas in Meeting Key Outcomes

States could be compared on a variety of factors that would lead to very different conclusions about their overall performance, including historical, political, social and cultural factors. The CPPP’s comparison of Texas, Kansas and Florida actually shows what one would expect when any set of states are compared—some states do better and some do worse on different outcome measures regardless of the degree to which services have been privatized.

The Child and Family Services Review (CFSR) is the federal government’s program for assessing the performance of state child welfare agencies with regard to achieving positive outcomes for children and families. The CFSR assesses state performance on 23 items relevant to seven outcomes and 22 items pertaining to seven systemic factors. The Children’s Bureau conducts the CFSR at five-year intervals to assess the performance of state child welfare agencies, track outcomes for children and families in each state, and assist states in enhancing their capacity to improve outcomes for children and families in the child welfare system. The CFSR uses data from 1) a statewide assessment prepared by the state using aggregate administrative data (AFCARS and NCANDS), 2) the State Data Profile prepared by the Children’s Bureau, 3) reviews of a pre-determined number of cases from different regions in the state, and 4) interviews or focus groups with state and local stakeholders to evaluate processes and outcomes for children and families in the child welfare system. Kansas, Texas and Florida have all completed their second CFSR, although only Kansas has received the final report from its onsite visit. The statewide assessments are available from all three states.

The CPPP report makes comparisons of Texas to Florida and Kansas on several key CFSR permanency and safety indicators and boldly concludes, “Texas’ public system performs as well as or better on key child and family outcomes as privatized systems, despite spending less per child.” That conclusion, however, appears to be based upon questionable and non-comparable data drawn from different state data systems and reports, with some findings from the first round of CFSRs thrown in for good measure.

Without knowing the data sources, it is difficult, if not impossible, to know how valid these comparisons are. Are the same algorithms, with the same definitions, used in both states? It is simply impossible to tell with the incomplete citations provided.

Mary Armstrong, USF

While the CPPP report correctly notes that final reports from the second round of CFSRs for Texas and Florida are not yet available, it does not appear that CPPP used the statewide assessments from those states to reach its conclusions. CPPP appears to have relied upon a variety of different reports and a hodge-podge of data sources with many of the citations lacking the detail required to verify the data.

Rather than trusting the indecipherable data described in the CPPP report, we decided to examine safety and permanency outcomes/indicators using each state's assessment that was prepared prior to the second round of the federal Child and Family Services Reviews.⁷

The state assessments for Texas and Florida include data from FY 05 through the 12-month period ending March 31, 2007. The data for Kansas' second CFSR goes from FY 03 through the 12-month period ending September 30, 2005. By using the standardized statewide assessments we can look at performance across all three states in FY 05 and we can compare Texas and Florida for the 12-month period ending in March 31, 2007 (for which comparable Kansas data are not available). We do not claim this analysis based solely on the statewide assessments is a substitute for the level of detail and findings that are in the final reports. We do believe, however, that this approach which relies upon more recent, common data elements is preferable to the hit and miss approach used by the CPPP.

Texas Surpasses Florida and Kansas in 4 CFSR Measures (all three states meet national standards)

Using more comparable and current data, the CPPP report is correct in its praise of Texas' performance in a few areas in FY 05 and for the 12-month period ending March 31, 2007.

- ◆ Exits to adoption in less than 24 months – national median = 26.8%: Texas achieved adoption in a shorter time than either Kansas or Florida in both FY 05 and in the 12-month period ending March 31, 2007. However, it is important to note that all three states met the national median.
- ◆ Exits to adoption, median LOS – national median = 32.4 months: Again, Texas outperforms both Florida and Kansas in FY 05 and for the 12-month period ending March 31, 2007, but again all three states met the national median.
- ◆ Re-entries to foster care in less than 12 months – national median = 15%: Texas reported a lower rate of re-entry within 12 months in both FY 05 and for the period ending March 2007. However, again, it is important to note that both Florida and Kansas were also lower than the national median.
- ◆ Absence of maltreatment – national median = 94.6%: Texas reported a higher rate for absence of maltreatment in 2005 than either Kansas or Florida and for the period ending March 31, 2007, Texas performed better than Florida. Kansas also met the national median in 2005 (Kansas data not available for 2007). Florida did not meet the national median for the 12-month period ending March 31, 2007.

⁷ All of the data reported here is included in the Children's Bureau website as the state assessment for Round 2, http://basis.caliber.com/cwig/ws/cwmd/docs/cb_web/SearchForm.

Texas Lags Behind Florida and/or Kansas in 14 CFSR Measures

Texas' boasting rights evaporate on all of the following measures in which the state was bested by either Kansas or Florida, or both. In some instances from FY 05 to the period ending March 31, 2007, Texas appears to be trending toward poorer outcomes:

- ◆ Exits to reunification, median stay in foster care – national median = 6.5 months: Florida and Kansas performed better than Texas in FY 05 and Florida performed better for the 12-month period ending March 31, 2007. None of the three states met the national median.
- ◆ Exits to reunification in less than 12 months – national median = 69.9%: Texas outperformed Florida and Kansas in FY 05, but in the period ending March 31, 2007, Texas (65.9%) was behind Florida (66.5%). Neither state met the national median.
- ◆ Entry cohort reunification < 12 months – national median = 39.4%: Florida (46%) performed better than Texas (33.9%) or Kansas (28.9%) in FY 05 and for the period ending March 31, 2007, Florida at 44.4% far surpassed the national median and Texas at 36.9%.
- ◆ Absence of child abuse and neglect in foster care (12 months) – national median = 99.68%: Kansas met the national median and performed better than Texas on this measure in 2005. Neither Texas nor Florida met the national standard for the period ending March 31, 2007; though Texas performed fractionally better than Florida (Texas was 99.55% versus Florida at 99.43%).
- ◆ Median time to investigate (hours) an allegation of child abuse and neglect: Florida's performance, less than 24 hours in both FY 05 and for the 12-month period ending March 31, 2007, far surpassed Texas (>96 but <120 hours) for the period ending March 2007.
- ◆ Children in care 17+ months adopted by end of year – national median = 20.2%: Florida outperformed Kansas and Texas on this measure in FY 05. For the period ending March 31, 2007, Florida was at 36.7% to 19.6% for Texas.
- ◆ Children in care 17+ months achieving legal freedom within 6 months – national median = 8.8%: Again Florida outperformed both Texas and Kansas in FY 05 and far outperformed Texas in the period ending March 31, 2007, with 23.7% to Texas' 4.3%.
- ◆ Legally free children adopted in less than 12 months – national median = 45.8%: Florida performed better than Texas or Kansas in FY 05. For the 12-month period ending March 31, 2007, Florida had 60.9% to Texas' 35.8%.
- ◆ Exits to permanency prior to 18th birthday for children in care 24+ months – national median = 25%: Florida and Kansas surpassed Texas in FY 05 and met the national

median. For the period ending March 31, 2007, Florida was at 33.3% compared to 18.7% for Texas.

- ◆ Exits to permanency for children with TPR – national median = 96.8%: Florida outperformed Texas and Kansas in FY 05 and for the period ending March 31, 2007, but none of the three states met the national median.
- ◆ Children emancipated who were in foster care for 3+ years – national median 47.8% (LOWER is preferable): Kansas outperformed both Florida and Texas in FY 05 (37.5% to Texas' 63.4%). For the period ending March 31, 2007, Florida (43%) outperformed Texas (59.6%).
- ◆ Two or fewer placement settings for children in care less than 12 months – national median = 83.3%: Florida outperformed both Texas and Kansas in FY 05 and in the period ending March 31, 2007, Florida was at 80.9% to 80.1% in Texas. None of the three states met the national median.
- ◆ Two or fewer placements for children in care for 12-24 months – national median= 59.9%: Florida's performance surpassed both Texas and Kansas in FY 05, and for the period ending March 31, 2007, Florida was at 59.8%, just short of the national median, while Texas was at 52.6%.
- ◆ Two or fewer placements for children in care for 24+ months – national median=33.9%: While CPPP was quite critical of Florida for its placement stability problems, Florida at 34.3% surpassed Texas and Kansas on this measure in FY 05. For the period ending March 31, 2007, Florida (27.5%) again surpassed Texas (20.8%) but both states failed to meet the national median.

The CPPP report is correct when it states that results in Florida and Kansas are mixed. What the report does not state is the same is true for Texas' system and for all other states for that matter.

When comparable data are used, the CPPP report is simply inaccurate when it claims that Texas performed as well as Florida and Kansas on CFSR measures. At best, we found that Texas outperformed Florida and Kansas on only four CFSR measures and in three out of the four areas, all states met the national median. In all remaining CFSR composite measures we reviewed, Texas was outperformed by either Kansas or Florida.

Since 2005, Florida's caseload has decreased as Texas' caseload has increased. Florida's entry rate has been higher than Texas' entry rate but Florida has been far more successful in moving children through its system to permanency. For the time period covered by the second statewide assessment, Texas continued to have more children entering care than leaving care, causing the caseload to increase.

Charlotte McCullough

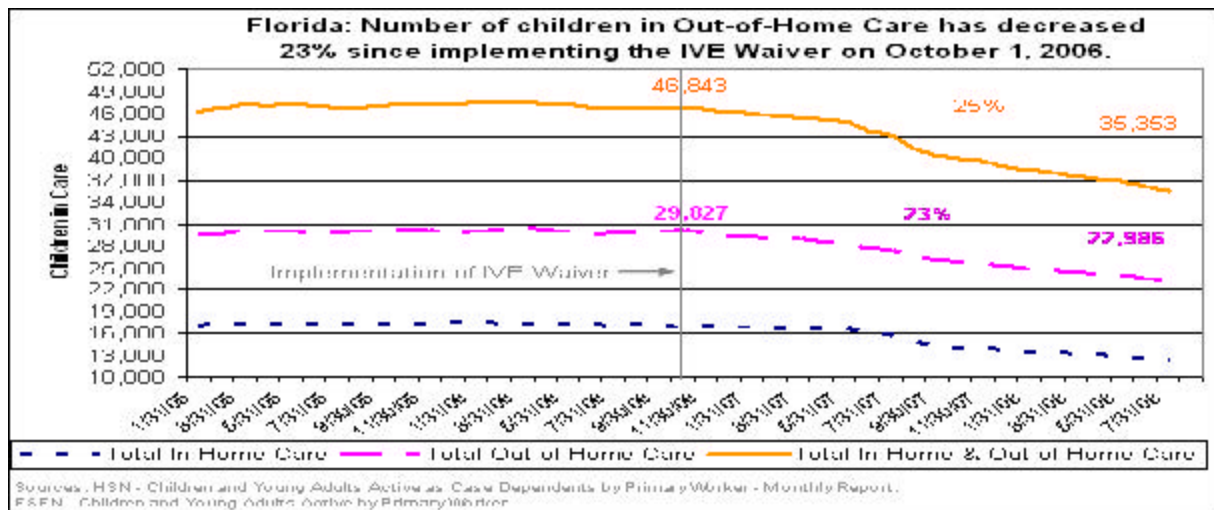
Is Texas Heading in the Right Direction?

What the CPPP report also failed to mention are trends in caseloads over time in Texas as compared to Florida. Ms. McCullough examined the case flow information from the statewide assessment for both Texas and Florida. She notes,

- ◆ When you look at the children in foster care on the first day of year using the FY 05 data, you find that Florida’s foster care caseload was higher than that of Texas (27,762 in Florida to 24,175 in Texas).
- ◆ But, despite the fact that Florida has higher numbers of children entering the system, the caseloads on the last day of March 2007 show Florida with significantly fewer children in foster care than Texas (28,314 in Florida as compared to 30,971 in Texas).
- ◆ For the 12-month period ending March 31, 2007, Texas’s caseload grew by 1,712 while Florida had a net loss of 382 children.⁸

Mr. Patrick notes, “Florida has been so successful in achieving permanency that the number of children in care (both in home and out of home) has dropped significantly, as depicted in Figure 2.” It would be of interest to see a similar graph of the Texas system over the same time period.

Figure 2 Source: DCF Performance Dashboard, www.myflorida.com⁹



⁸ See Attachment A for further caseload detail.

⁹ The Alliance is grateful to the Children’s Home Society of Florida for providing Figure 2. See Appendix B for full CHS comments.

The Examination of Spending in Texas, Florida and Kansas Is Not Accurate

The CPPP report argues throughout the report that the Texas system is underfunded—an assertion that child advocates would support. On the other hand, the report exaggerates how far Texas lags behind Florida and Kansas and for that matter other states. With incomplete citations provided, it was difficult to ascertain why the CPPP believed Texas ranked 47th nationally.

The CPPP report does not give complete sources for many of its expenditure claims, and in at least one instance, the source that is cited by the CPPP for its claim regarding child protection ranking appears to be incorrect (the report cited by CPPP does not rank states on child protection spending and therefore it could not be the source for Texas ranking). The report cited focuses on the changes in spending in all categories across states from 2002-2004. It shows that Texas (like most states) increased spending across the board in all funds that support child welfare. The actual source for the CPPP ranking of Texas as 47th in spending may be a different Urban Institute report that examines spending from different lenses—from the rate of spending per child in the general population, to spending related to victims of abuse or neglect and spending for children in foster care, to the percent of general fund expenditure overall. As depicted in Table 1, it is true that report ranks Texas as 47th in spending per child in the general population (which is the only finding the CPPP report choose to highlight) but the report also found that **Texas spends more per foster child than either Kansas or Florida and well over what is spent in 21 other states.** This finding is not included in the CPPP report.

Regarding cost, the report casts in a negative light Florida's increase in spending per child on child welfare in 2005 and 2006. Given that Florida previously ranked very low nationally on child welfare spending, and even in FY 2005 ranked 36th in state spending, this argument is strange. It is unclear why an advocate organization would decry spending more resources on high-risk children and families.

Mary Armstrong

Table 1: Various Measures of State Fiscal Commitment to Child Welfare and National Ranking (SFY2000)¹⁰

State	Per child in general population (rank)	Per victimized child (rank)	Per foster child (rank)	Percent of general fund expenditures (rank)
Florida	\$201 (32 nd)	\$20,214 (27 th)	\$19,390 (44 th)	1.45 (31 st)
Kansas	\$258 (20 th)	\$20,606 (26 th)	\$26,212 (37 th)	1.03% (39 th)
Texas	\$110 (47 th)	\$14,078 (38 th)	\$35,358 (29 th)	.88% (41 st)

¹⁰ Geen, Rob. Improving Child Welfare Agency Performance through Fiscal Reforms: An Assessment of Recent Proposals. Paper prepared for the Joint Center on Poverty Research Conference Child Welfare Services Research and Its Policy Implications March 20-23, 2003. Washington, DC.

Sources include: Number of reported and victimized children (DHHS 2000); Foster children (AFCARS), and State General Revenue (NASBO, 2002).

Rather than looking solely at the overall level of spending from one state to another, it is arguably more useful to examine how states allocate funds to support at-risk children and families, prevent the necessity for out-of-home care placement, and achieve more timely and lasting permanency for children. The following recent studies provide different perspectives on spending in Texas and other states.

The Nelson A. Rockefeller Institute of Government's State Spending on Children's Services project issued a report in 2007 ranking state spending for children from 1992, 1998, 2003 and 2004. It analyzed how spending has changed over time. Spending data is presented in three categories:

- ◆ *Education:* Elementary and secondary education
- ◆ *Health:* Medicaid, MCHBG, SCHIP
- ◆ *Non-Health/Non-Education:* Adoption Assistance, Child Welfare Services (Title IV-B, Subpart 1), Promoting Safe and Stable Families (Title IV-B, Subpart 2), Foster Care, AFDC, JOBS, Emergency Assistance, TANF, AFDC Child Care, Transitional Child Care, At-Risk Child Care, CCDF, Child Support Enforcement, and EITCs

The report finds that Texas is certainly not among the big spenders for children, but it also ranks above twenty other states. **As depicted in Table 2, Texas ranks 30th in total spending per child across the three categories. Florida ranks 40th and Kansas ranks 27th. All three states are below the national average.** In terms of spending as a percent of GSP, Texas ranks above Florida and below Kansas.

Table 2: Total Spending Per Child as Percent of Gross State Product, Indexed and Ranked (FY 2003)¹¹

State	Total spending for children - % GSP	Rank	Total spending per child	Rank
Texas	4.33	28	\$5,239	30
Florida	3.59	44	\$4,614	40
Kansas	4.49	18	\$5,425	27
U.S.	4.29%		\$5,803	

¹¹ *State Funding for Children: Spending in 2003 and How It Changed From Earlier Years* (April 2007), Nelson A. Rockefeller Institute of Government, Albany, NY.

To compare Texas' spending over time with that of Florida and Kansas, data was downloaded from the national resource database managed by the Child Welfare League of America (CWLA). As depicted in Table 3, all states have increased funding significantly between 1998 and 2004. The increases in Florida and Kansas were primarily the result of increased federal and state funds; in Texas the increase comes primarily from federal and local funds (increases of over 120% for each) and less from state funds (a 21% increase).

Table 3: Federal/State/Local Funding From 1998-2004

Year	1998	2004	1998, 2004	1998	2004	1998, 2004	1998	2004	1998, 2004
State	<u>Child Welfare Expenditures Funded with Federal Funding</u>	<u>Child Welfare Expenditures Funded with Federal Funding</u>	<u>Percent Change in Federal Child Welfare Expenditures</u>	<u>Child Welfare Expenditures Funded with STATE FUNDING</u>	<u>Child Welfare Expenditures Funded with STATE FUNDING</u>	<u>Percent Change in State Child Welfare Expenditures</u>	<u>Child Welfare Expenditures Funded with LOCAL FUNDING</u>	<u>Child Welfare Expenditures Funded with LOCAL FUNDING</u>	<u>Percent Change in Local Child Welfare Expenditures</u>
FL	\$354,888,359	\$485,593,314	36.8%	\$144,389,973	\$404,417,285	180.1%	N/A	\$6,962,229	N/A
KS	\$64,685,152	\$119,978,058	85.5%	\$52,762,917	\$109,801,245	108.1%	N/A	N/A	N/A
TX	\$254,182,298	\$559,992,577	120.3%	\$219,723,197	\$266,052,861	21.1%	\$4,681,114	\$17,644,802	128.2%

Source: <http://ndas.cwla.org> ; Downloaded 9/2/08

Table 4 provides state specific information about total child welfare financing and the proportion of federal Medicaid and Title IV-E dollars to the total amount of child welfare funding that each state receives from the federal government. The Medicaid funding includes only Medicaid spending for Medicaid Targeted Case Management and Rehabilitative Services for children in the child welfare system and does not include health care costs covered by Medicaid. **Table 4 reveals that Texas relies upon Medicaid for 13% of its child welfare funding (the national average is 10%).** Florida only taps Medicaid for 1% and Kansas uses 20%, which is double the national average.

Table 4: Child Welfare and Medicaid Funding By State (SFY 2002)

State	Total Child Welfare Spending (Federal, State & Local)	Total Federal Child Welfare Spending ^	Federal Title IV-E Spending	% of Federal Title IV-E Spending to Total Federal Child Welfare Spending	Federal Medicaid Spending *	% of Federal Medicaid Spending to Total Federal Child Welfare Spending
Florida	766,109,440	436,772,421	183,180,612	42%	3,978,767	1%
Kansas	183,960,499	114,299,519	38,346,048	34%	22,963,462	20%

Texas	824,978,690	540,113,780	160,891,955	30%	70,498,771	13%
U.S. Total	22,156,246,128	11,304,449,369	5,553,276,701	49%	1,102,120,905	10%

Source: The Urban Institute. *The Cost of Protecting Vulnerable Children IV*. Available online.
 *Federal Spending includes dollars from Title IV-E, Title IV-B, TANF, SSBG, Medicaid, SSI, and Survivor's Benefits.

In summary, what we discovered is that Texas, Florida and Kansas have increased spending for their child welfare systems over the past few years. Texas spends more than both Florida and Kansas in some spending categories and less in others. In terms of national rankings, none of the three states are ranked highly for their child welfare spending and each struggles to have adequate resources to support services that will meet federal and state child and family safety, permanency and well-being requirements.

With the funds that are available, all states have made some progress on CFSR outcomes but the results are mixed—Texas’ performance exceeds that of Florida and Kansas in some areas, and lags behind in others. None of the three states is expected to pass the second round of the CFSRs.

Final Thoughts

The National Quality Improvement Center on the Privatization of Child Welfare (QIC-PCW) has cautioned against the use of loaded terms and hyperboles in weighing the pros and cons of privatizing child welfare services, “Instead of public vs. private service delivery, states are better served by asking how best to actualize the community’s potential, both public and private, toward providing the best response to child welfare issues” (QIC, 2006 Needs Assessment p. 26).

It is unlikely that the Alliance would have gone to the effort to fact check the CPPP report if it had not been as confrontational about public vs. private service delivery, and not been as extreme in depicting private nonprofit organizations as driven by financial and conflicting concerns. These are the nonprofit organizations, with whom the Texas Department of Family and Protective Services (DFPS) contracts for services, that raised over \$28 million in 2006 (the latest cost report information) to support state payment rates and improve services to the children they serve.

In fact, the QIC-PCW research found that while many were concerned that privatization would focus on the fiscal aspects of child welfare to the detriment of client needs and outcomes, this does not appear to have happened. Studies report that all parties involved, both public and private, are driven by improving outcomes in the best interests of the children and families (QIC, 2007 Program and Fiscal Design, p.24).

At a time when Texas continues to struggle to meet outcomes for children and families that are satisfactory by national standards, we must do everything possible to strengthen, not

undermine, the public-private collaboration called for to solve the serious problems we are facing.

In the coming weeks, the Alliance will release its proposed recommendations for partnering with DFPS in new ways to solve the long-standing problems that are referenced in the CPPP report and addressed in this document. We in the nonprofit community look forward to honest, candid, and respectful dialogue with the DFPS and other child welfare stakeholders. We believe that a stronger public-private partnership is needed for us to begin to reverse negative trends and improve services for all children and families served by the child welfare system.

Children and families in Texas deserve no less than our best collective efforts.

Attachment A: Statewide Assessments for the 2nd Round of the CFSR

Point-in Time Permanency Profile	FY 05 ¹²			12-Month Reporting Period 07 ¹³	
	# of Children			# of Children	
	TX	FL	KS	TX	FL
1. Foster Care Population Flow					
Children in foster care on 1 st day of year	24,175	27,762	5,659	29,259	28,726
Admissions during the year	16,595	21,911	3,084	16,483	20,918
Discharges during the year	12,161	20,047	2,931	14,771	21,300
Children in care on last day of the year	28,609	29,626	5,812	30,971	28,344
Net change during the year	4,434	1,864	153	1,712	-382
II. Placement Types for Children in Care	# (%) of Children			# (%) of Children	
	TX	FL	KS	TX	FL
Pre-Adoptive Home	1,017 (3.6)	301 (1)	251 (4.3)	848 (2.7)	334 (1.2)
Foster Home (relative)	6,397 (22.4)	13,229 (44.7)	1,202 (20.7)	8,681 (28)	12,700 (44.8)
Foster Home (non-relative)	12,405 (43.4)	11,575 (39.1)	2,753 (47.4)	12,761 (41.2)	10,846 (38.3)
Group Homes	2,540 (8.9)	1,070 (3.6)	157 (2.7)	2,607 (8.4)	1,082 (3.8)
Institutions	3,219 (11.3)	2,868 (9.7)	225 (3.9)	3,378 (10.9)	2,800 (9.9)
Supervised IL	29 (.1)	33 (.1)	22 (.4)	14 (0)	32 (.1)
Runaway	791 (2.8)	460 (1.6)	70 (1.2)	613 (2)	477 (1.7)
Trial Visit Home	1,955 (6.8)	0	553 (9.5)	1,816 (5.9)	0
Missing Placement information	259 (.9)	90 (.3)	2 (0)	252 (.8)	73 (.3)
Not Applicable	0	0	577 (9.9)	0	0

¹² The second CFSR for Kansas was conducted the week of June 11, 2007. The data for Kansas' second statewide assessment included the period from October 1, 2004-September 30, 2005 (AFCARS and NCANDS Data). The FY 05 data from both Florida and Texas are data each state included in its second statewide assessment. There is no Kansas data comparable that of Texas and Florida for the 12-months ending March 31, 2007.

¹³ Texas had its second CFSR on March 24-28, 2008; the second CFSR for Florida was conducted on January 7-11, 2008.

Attachment A: Statewide Assessments for the 2nd Round of the CFSR

	FY 05			12-Month Reporting Period 07	
Length of Time To Achieve Permanency (Median Months)					
	Median months			Median months	
	TX	FL	KS	FL	TX
Reunification	10.7	9.5	12.7	8.5	11.5
Adoption	24.2	32.1	30.9	29.3	24.1
Guardianship	0	12.2	14.5	12.2	0
Statewide Aggregate Data Used to Determine Substantial Conformity: Composites 1 through 4					
Permanency Composite 1: Timeliness and Permanency of Reunification (Standard 122.6 or higher)					
	TX	FL	KS	FL	TX
State score on Permanency Composite 1	127.2	110.1	115.6	111.7	120.1
Exits to reunification in less than 12 months – national median = 69.9%	70.8%	60.9	60.9%	66.5% X	65.9%
Exits to reunification – median stay = 6.5 months	9.7	10.1	9.3 X	9.1 X	10.3
Entry cohort reunification < 12 months – national median = 39.4%	33.9%	46%	28.9%	44.4%	36.9%
Re-entries to foster care in less than 12 months – national median = 15%	4.6%	11%	7%	13%	5.5%
Permanency Composite 2: Timeliness of Adoptions (Standard 106.4 or higher)					
State score on Permanency Composite 2	98.4	111.2	86.3	124.2	97.4
Exits to adoption in less than 24 months – national median = 26.8%	49.1%	29.8%	29.2%	36.7%	49.3%
Exits to adoption, median LOS – national median = 32.4 months	24.2	32.1	30.9	29.3	24.1

Green indicates best score, yellow indicates met national standard, red X means compares favorably but does not meet national standard.

Attachment A: Statewide Assessments for the 2nd Round of the CFSR

Permanency Composite 2 (cont)					
	FY 05			12-Month Reporting Period 07	
	TX	FL	KS	FL	TX
Children in care 17+ months adopted by end of year – median = 20.2%	18.5	23.8%	23.7%	36.7%	19.6
Children in care 17+ months achieving legal freedom within 6 months – national median = 8.8%	4.1%	12.4%	7.4%	13.7%	4.3%
Legally free children adopted in less than 12 months – median = 45.8%	37.2%	54%	28%	60.9%	35.8%
Permanency Composite 3: Permanency for Children/Youth in Foster Care a Long Time (Standard 121.7)					
State score	87.7	123.2	123.9	125.7	93.1
Exits to permanency prior to 18 th birthday for children in care 24+ months – national median = 25%	17.8%	32.2%	29.8%	33.3%	18.7%
Exits to permanency for children with TPR – national median = 96.8%	87.3%	92.1%	91.1%	90.9%	88.2%
Children emancipated who were in foster care for 3+ years – national median 47.8% (LOWER is preferable)	63.4%	48.8%	37.5%	43.5%	59.6%
Permanency Composite 4: Placement Stability (National standard 101.5 or higher)					
State score	77.3	92.9 X	77.5	88.1 X	82.9
Two or fewer placement settings for children in care less than 12 months – national median= 83.3%	77.3%	81.7% X	74.2%	80.9% X	80.1%
Two or fewer placements for children in care for 12-24 months – median = 59.9%	48.1%	61.7%	49.4%	59.8%	52.6%
Two or fewer placements for children in care for 24+ months – median = 33.9%	16.9%	34.3%	22.9%	27.5% X	20.8%

Attachment A: Statewide Assessments for the 2nd Round of the CFSR

Child Safety Profile	# (%) of Children			# (%) of Children	
	TX	FL	KS	FL	TX
Disposition of CA/N Reports					
Substantiated & indicated	38,787 (24)	76,648 (51.8)	1,954 (13.8)	78,610 (50.9)	42,233 (26)
Unsubstantiated	92,508 (57.1)	71,174 (48.1)	12,192 (86.2)	75,672 (49)	91,051 (56.2)
Other *	30,600 (18.9)	182 (.1)	0	263 (0.2)	28,857 (17.8)
Statewide Aggregate Data Used to Determine Substantial Conformity with CFSR					
Absence of maltreatment – national median = 94.6%	95.9	88.7%	94.6%	89.7%	96.1
Absences of CA/N in Foster care (12 months) – national median = 99.68%	99.45	99.46%	99.87%	99.43%	99.55X
Median hours time to investigate (hours)	>120 but <144	<24	>24, <48	<24	>96 but <120
Statewide Data Used to Establish Substantial Conformity in Round 1					
Recurrence of maltreatment (6.1 % or less)	4.1	11.3	5.4	3.9	10.3
Incidence of CA/N in foster care (.57% or less)	.44	.42%	.07%	.37%	.45%

* Other: Used by states for cases that fall outside the substantiated and unsubstantiated categories such as those “closed no finding,” “not a victim”, “no alleged maltreatment,” and/or “unknown/missing.”

Attachment B: The Children's Home Society of Florida

October 21, 2008

Dear Ms. Holman:

Recently, the Center for Public Policy Priorities (CPPP), released a report entitled, "Drawing the Line between Public and Private Responsibility in Child Welfare: The Texas Debate"; hereinafter referred to as "CPPP report." In this report, CPPP compared the privatization experiences of Kansas and Florida to the currently publicly funded system of child welfare in the State of Texas. As a private case management and child welfare service provider in Florida, we were distressed by the conclusions drawn by CPPP.

CPPP concluded that:

1. "Permanency for Florida's children has improved, but the rates of re-entry and re-abuse have increased" (CPPP, p. 25)
2. "Rapid privatization would make our adoption capacity crisis worse" (CPPP report, p. 36)
3. "In states that have substantially privatized child protection, these efforts have produced 'mixed results', and no state has completely or even substantially eradicated problems within its system. First and foremost, privatization has failed to solve the main problem plaguing the child welfare system—high case worker turnover, heavy caseloads, and inadequate resources for services to families." (CPPP report, p. 19)

Children's Home Society of Florida has been operating since 1902. Being the oldest and largest child welfare provider in Florida, our organization has seen many changes in the delivery of child welfare services. We agree with the CPPP article in that there is a clear distinction between a service provider (recruiting, licensing and operating foster and group care services, recruiting adoptive families and placing children) and case management of children in care. But that is about the only point on which we agree with the CPPP report.

Children's Home Society of Florida has operated programs in both a publicly funded system of care (providing foster and adoptive services) and now in a privatized system (where we continue to operate those services and privatized case management). We are currently providing case management to nearly 25% of the children in Florida in the child welfare system.

In reviewing this report, we felt compelled to respond to a number of inaccuracies and misleading information pertaining to the privatization movement in the State of Florida. The three conclusions above made by CPPP are not supported by the most recent data and what we know to be true for children and families in our state.

In addition to these three inaccuracies from the CPPP report, in general, we have great concern over the tone of the CPPP article and a perceived bias of the reviewers against privatization. Should you have any questions about this response, please contact me at: andry.sweet@chsfl.org or 321-397-3000.

Sincerely,

Andry E. Sweet
Vice President of Operations,
Children's Home Society of Florida

Response to CPPP Report

Before responding to inaccuracies of the CPP report, we feel that we must clarify the definition of case management in Florida. Case management is poorly defined in the CPPP article. It is represented throughout the article that case managers are making legal decisions on behalf of families and acting independently of any state agency. In fact, our case managers do not make legal decisions on behalf of children and families. The State of Florida has retained Children's Legal Services (CLS), the attorneys present the cases in court. It is ultimately the judge who makes decisions on reunifications, termination of rights and all other judicial orders impacting the family. Our case managers in most cases are co-located with CLS and meet in staffings just as state employees used to do to review the cases and recommend an appropriate course of action to the judge based on the parents' compliance with the case plan. Our role is to work directly with families through a case planning process and make recommendations to the court based on our observations and interactions with the parent(s) and child(ren). This is no different than the role public employees played in the child welfare system in Florida before privatization.

Response to (1) "Permanency for Florida's children has improved, but the rates of re-entry and re-abuse have increased" (CPPP, p. 25)

Re-entry rates have actually improved, the percent of children not re-entering the system has actually increased (see Figure1). The data presented in the CPPP report was misleading in that it used one data point from 2005. The State of Florida target is 93% of children will not re-enter care within 6 months of exit from care. CBC lead agencies have been meeting this measure since June, 2006.

The CPPP article cites that at the end of FY 2005, 11% of children were victims of re-abuse or neglect within 6 months of exiting care. However, in reviewing the "Report to the Legislature: Evaluation of the Department of Children and Families Community-Based Care Initiative, Fiscal Year 2005-2006," University of South Florida, January, 2007, it was noted that "Children included in this cohort may not have ever been served by a CBC lead agency" since they were served in FY 2004-2005, prior to full privatization. In fact, according to the most recent statistics, Florida is meeting the 7% target, 93.1% of children are not re-abused or neglected within 6 months following exit from care, according to the "Report to the Legislature: Evaluation of the Department of Children and Families Community-Based Care Initiative, Fiscal Year 2006-2007," University of South Florida, January, 2008.

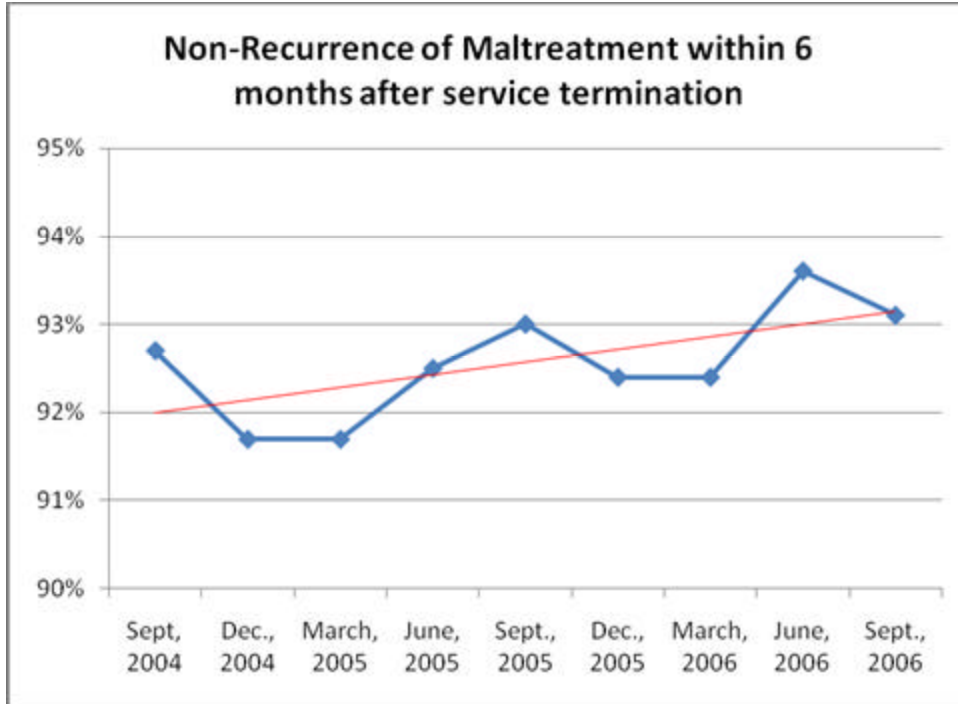


FIGURE 1
Data Source:
Table 4. Non-Recurrence of Maltreatment within 6 months after service termination between July, 2004 and September, 2006. "Report to the Legislature: Evaluation of Community Based Care Initiative, Fiscal Year 2006-2007", University of South Florida, January, 2008., page 74

According to CPPP, Florida's privatization has yielded, "mixed results" on "key outcome measures related to the safety and well-being of children." Because of the complexity of moving services from the public to the private sector, the seemingly best indicator to measure success would be data from the first full year post-privatization. CPPP used the Performance Evaluation reports from USF for FY 2005-2006 (the final year of transition when many CBC's became fully operational). While it is possible CPPP did not have the data from the most recent fiscal year, the report on the first full year "post privatization" 2006-2007 was released in January, 2008; and yet the report produced by CPPP was completed in August, 2008.

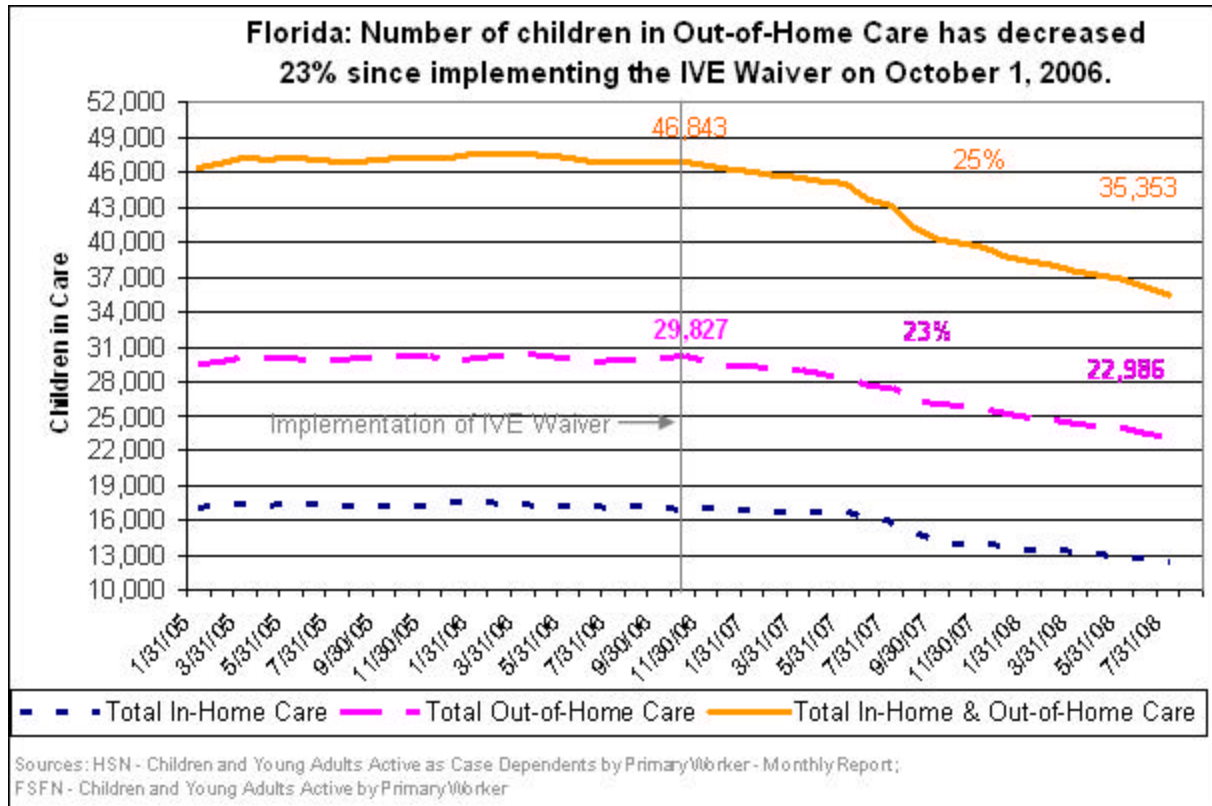
Specifically, the CPPP report cites that "no lead agency performed at or above the State average across all safety and permanency outcomes." "Report to the Legislature: Evaluation of the Department of Children and Families Community-Based Care Initiative, Fiscal Year 2005-2006," University of South Florida, January, 2007.

The most recent report from the University of South Florida, "Report to the Legislature: Evaluation of the Department of Children and Families Community-Based Care Initiative, Fiscal Year 2006-2007," released January, 2008, acknowledges that Florida (as is the case with most states) CBC lead agencies "as a whole did not meet the performance targets," but that "agencies were more successful at meeting the performance target for the outcomes of safety and permanency. Statewide, lead agencies achieved a compliance rate of above 80% on Safety Outcome 1: *Children are, first and foremost, protected from abuse and neglect*, Safety Outcome 2: *Children are safely maintained in their homes whenever possible and appropriate*, and Permanency Outcome 1: *Children have permanency and stability in their living situations*. Furthermore, two lead agencies achieved the state and federal 95% compliance standard for Safety Outcome 1, three lead agencies exceeded the standard for Safety Outcome 2, and six lead agencies reported above 90% compliance on Permanency Outcome 1."

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In fact, Florida has been so successful in achieving permanency that the number of children in care (both in home and out of home) has dropped significantly. There are more than 10,000 fewer children in care today than there were during transition (January, 2005), see figure 2.

Figure 2 Source: DCF Performance Dashboard, www.myflorida.com



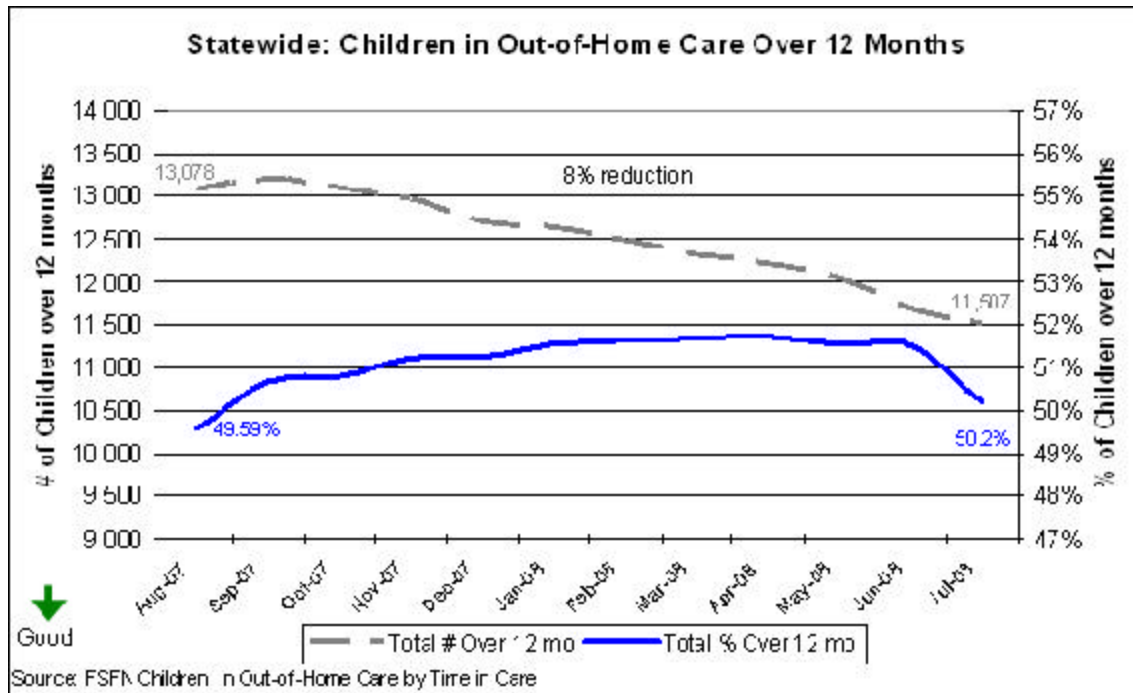
Out of Home Care

The CPPP article cites from the "Report to the Legislature: Evaluation of the Department of Children and Families Community-Based Care Initiative, Fiscal Year 2005-2006," University of South Florida, January, 2007, that the percentage of children in out-of-home care more than 12 months has remained higher than the State of Texas. However, the report does not cite that the overall number of children in out-of-home care has dropped 25%, and that the percent in care over 12 months has dropped 8% (over 2,500 children who were in the system more than 12 months) have achieved permanency.

There could be a variety of factors to explain why the percentage of children hasn't decreased at the same rate of the overall number of children in out-of-home care over 12 months. Because of the significant drop, it is possible that the children remaining in out of home care are far more severe and complex cases. In several places in the CPPP article, they point out that in Florida there is an increase in the "percentage" of children in out-of-home care more than 12 months, and an increase in percentage of children with 3 or more placements. The percentages are higher, but that is indicative of the fact that we are managing far fewer children in out-of-home care and of those in care, there is a greater severity of childhood emotional trauma and behavioral problems which would inflate this percentage. The reality is that the numbers of these "out-of-home care" children are trending downward, see Figure 3.

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Figure 3 Source: DCF Performance Dashboard, www.myflorida.com



According to "Report to the Legislature: Evaluation of Community-Based Care Initiative, Fiscal Year 2006-2007," University of South Florida, January, 2008, "Over the time period January-March 2004 through April-June 2006, the percent of children who exited out-of-home care within 12 months increased by 7% across all lead agencies.

Is it the Title IV-E waiver, increased funding or was it privatization?

The CPPP article suggests that, in Florida, we have had some limited success, but that it is due to the changes we made (not necessarily associated with privatization). The CPPP report suggests that increased funding played a significant role in our ability to improve outcomes in some areas. Some may suggest that the significant drop in caseload was due to the implementation of the IV-E waiver. This waiver allows the State of Florida CBC's to use federal Title IV-E funds for children both in home and out of home. The flexibility also allowed for out-of-home care funds to be used on the "front end" of the system of care.

Many CBC's developed Diversion, Community Intervention/Prevention, and Alternative Response Systems to work with families referred by Protective Investigators. These three strategies allowed investigators to refer to an alternative family resource specialist that would provide case management type activities and help divert the family from the court system wherever possible.

Because of the reduction in caseloads due to permanency the CBC's "invested" the savings in these "front end" services which further reduced the numbers of children in care. These services were customized at a community level based on the local needs.

So was it the waiver, increased funding or privatization? It's all three. The waiver is important to allow the funding flexibility so that dollars follow children and families, rather than funding "programs" that provide reimbursement for children residing in "out-of-home care." The increased funds were needed to draw down the federal funds for all the increased adoptions and services provided by diversion workers on the front end. We essentially needed more state dollars to maximize our federal earnings. So our funding increased, but so did our federal revenue maximization.

Could we have accomplished this significant reduction without the waiver? Yes, but the reduction in out-of-home care would have taken longer, because we would not have been able to reinvest right away in the "front end." We would have lost the federal IV-E match because of having fewer children in out-of-home care. We sustained our federal Maintenance of Effort primarily through an increased rate of adoptions—more than twice the rate in the year prior to privatization.

Could we have done this without privatization? No. The importance of private providers implementing the waiver is that the CBC's work with local partners, county and city governments, United Way's and other community investors who want to address child abuse in their community. Private providers are more able to create new services, generate resources and savings from achieving permanency goals and reinvesting in their community. And they do this through consulting with their local Boards (of community leaders). They do this without having to go through a legislative budget request process or seek budget amendments from several layers of management as most governmental agencies do to shift resources. In fact most business decisions are vastly simplified. Purchasing equipment, leasing space, payroll and accounting are managed by the local CBC. These processes in state agencies are more often centralized and bureaucratic and can slow down changes in system of care needs for a community. CBC's are simply able to operate more like a true business and can react quickly to the changing needs of families in a community and shift resources to meet these changing priorities. And in Florida, that is what they are doing.

Response to (2) "Rapid privatization would make our adoption capacity crisis worse" (CPPP report, p. 36)

Florida's adoption rate has increased substantially since privatization. Last FY (ending June, 2007) Florida's privatized system exceeded all previous adoption records set by the State of Florida. SOURCE: Press Release, Department of Children and Families, June 30, 2008, "Florida sets New Record for Number of Children Placed in Adoptive Homes." In fact, 3,674 adoptions were finalized in 2007-2008, exceeding the previous adoption record set before privatization in 2003-2004 of 3,389 adoptions. The percent of children adopted within 24 months has increased from 27.9% in 2004 to 41.5% in 2007.

Children's Home Society of Florida has been providing adoption services for over 100 years. Since privatization, the number of children adopted through our agency has skyrocketed. In fact, we finalized more adoptions fiscal year, ending June, 2008 (1,079 adoptions), than we have in any other single year in our history as a child placing agency.

Response to (3) "In states that have substantially privatized child protection, these efforts have produced 'mixed results,' and no state has completely or even substantially eradicated problems within its system. First and foremost, privatization has failed to solve the main problem plaguing the child welfare system—high case worker turnover, heavy caseloads, and inadequate resources for services to families." (CPPP report, p. 19)

It is unfair to call Florida a failure for not "eradicating" the problems within the system. No system, public or private, could honestly say they have done this. But what Florida has achieved in the area of case manager retention and caseload sizes cannot be minimized either.

Despite some fairly significant barriers, privatized case management providers were able to attract state workers and build a strong workforce in Florida.

In Florida Statute, the State of Florida required private agencies to run accredited case management programs. Case management was not accredited in the public sector in Florida. Our biggest challenge was not convincing public case managers to come work for us; it was that we had to hire more case managers than were currently available in the public sector. To complicate matters, there were significant vacancy rates under the Department of Children and Families before privatization occurred. Therefore, during transition, in partnership with our CBC's across the state, we ensured that every state employee eligible for employment with us was made a job offer. We honored salaries in almost every case, and were able to offer benefits on the first day of employment, waiving the waiting period (as we would with most new employees). CBC Lead Agencies attracted longer-term employees into contract and quality management positions that were oftentimes at a higher salary than they made with the State.

It is true that many of the benefits the state offered were better than private providers. In our employee recruitment phase, private providers came together and created a matrix of benefits offered by each agency, so state employees had information on how we all compared to each other. They had a choice of benefit options and made applications to providers that best fit their individual needs.

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We made educational exception waivers for supervisors and managers that did not have master's degrees. We offered tuition reimbursement programs to help them get their master's degree for their position.

Most of the public sector case managers did transition to CBC Lead Agencies and providers of case management services. Some who had many years with the state, who were closer to retirement and didn't want to lose their state retirement benefits, decided to stay with the state in other positions.

Because we needed more workers than the state had to offer, we created partnerships with universities to create IV-E internships with their schools of social work. This program allowed paid internships for fresh recruits. In CHS, we used some of our entry level positions in other programs (group homes, prevention programs, homemaker programs) as "feeder programs" for case management. Youth child care workers and family support workers who earned their bachelor degrees through our tuition reimbursement program were groomed to enter the case management program.

The CPPP article suggests that in some CBC's vacancies were as high as 22% and the overall vacancy rate was 9%. The year that was cited by CPPP was 2005, which as mentioned before was during our final transition year. We did not have enough workers to fill positions needed to meet our accredited standards of less than 20 children per worker. Why? There were simply not enough state case managers (even if 100% filled positions were transferred) to lower caseloads to the 20:1 standard. The CPPP article suggests that state employees are negatively impacted in the transition to private providers, and do not transition. This was simply not the case in Florida.

In Florida, we had to increase our workforce to lower caseloads to increase retention. In 2006, we evaluated the relationship between caseload size and turnover and found a statistical correlation ($r=0.89$) between caseload size and turnover of staff—meaning when caseloads are higher, our turnover was higher. We initially had to increase staffing (over hire), which in turn reduced caseloads, which in turn retained staff. We filled vacancies until caseloads dropped to approximately 15-16 children, and then through normal attrition downsized.

So evaluating our success at retaining case managers by looking at our vacancy rate is really looking at a moving target. Our caseloads have dropped, so it is true we did not fill vacancies, but because it was not warranted. When this started to occur, CBC's fought for the IV-E waiver so they could begin ramping up diversion programs. Employees who had been in case management for years were excited about working with families on the "front end" and many were able to move into these positions as we converted traditional case managers into this new field. We have found that by creating these additional opportunities, we have increased job satisfaction, and kept staff who were looking for new challenges.

CPPP suggests that the Texas CPS turnover rate for "CPS workers" is 34%. The report referenced, produced by the State of Texas, defined their turnover rate as: "DFPS turnover is calculated using the method required by LBB performance measure for CPS caseworker turnover: (the total number of full time, regular employees who terminated during the period and remained terminated DIVIDED BY the average number of full time, regular filled positions on the last day of each quarter in the period) TIMES 100 to produce a percentage."

It is unclear if this is a rolling quarterly turnover rate or an annual rate. Despite that, CPPP reports that in 2005, the average turnover rate in Florida was 31% (CPPP report, p. 26). Again this was in a transition year. So even in the worst possible time to evaluate turnover, our rate was lower than Texas.

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For Children's Home Society of Florida, we have seen a significant decline in turnover since we assumed our first case management contract in October, 2003. Just in the past year, our turnover has dropped 8% in our dependency programs. The workforce has become more stable over time. Many strategies were put in place to increase employee retention as highlighted in the "Children's Voice," Child Welfare League of America, July/August 2008, "A Little Effort Goes a Long Way: Strategies for Preventing Staff Turnover," By Kathryn Brohl (Children's Home Society of Florida), and we found that lengths of stay for child welfare case managers increased from 2.7 years in 2004 to 3.7 years in 2007.

Caseloads

CPPP cites that our Florida caseloads in 2005 were on average 24 per worker (CPPP report, p. 26). For this same time period, according to the Texas Department of Family and Protective Services Data Book 2007, in the FY ending 2006, caseloads averaged 44.5 for children in substitute care services, which according to their definition is children in paid out-of-home care or living with relatives (note: workers in "family-based services" averaged 20.3 per worker). They do not provide a combined caseload size that is comparable to Florida.

What we know in Florida is that with the drop in the number of children in care, our caseloads have dropped from 24 per worker, and they continue to drop. According to the state's SACWSIS system, FSFN, caseload sizes continue to drop as indicated in caseload sizes from December, 2007 to July, 2008, see Figure 4.

Figure 4 Source: FSFN - Clients Active As Dependents Report, Dec. 2007 and July, 2008

Florida District	Dec., 2007	July, 2008
District 10	18	14
District 11	17	14
District 12	15	12
District 13	13	11
District 14	18	11
District 15	16	13
District 7	15	13
District 8	20	18
District 9	17	13
District1	15	14
District2	15	11
District3	16	14
District4	17	13
Suncoast District	18	14
RANGE:	13 to 20	11 to 18

By achieving accreditation standards in case management caseloads, we are seeing an increase in retention of employees. So while we have not "eradicated" the problems in the child welfare system, we

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have made significant strides in providing services in a manner that is consistent with accreditation standards and best practice.

Conclusion

As a result of our attention to the workforce and reducing the number of children in care, our outcomes are improving. In most cases, as CPPP pointed out, we are exceeding the performance of the State of Texas. The major areas where we are not exceeding are in outcomes pertaining to percentages of children in care which we have addressed in this response.

Furthermore, we believe that it is unfair and misleading to present data points from different periods during transition without showing the overall trend of data from pre to post privatization. CPPP reported only a snapshot of data during a period when the system was still transitioning to a privatized model. More recent data presented in this response and in recent state evaluation reports show clearly that Florida is trending in the right direction.

Attachment C: Our Experts

We are grateful to the following individuals for helping us in our fact-finding and to Charlotte McCullough for her assistance in weaving comments together in this document.

Madelyn Freundlich, M.S.W., M.P.H., J.D., L.L.M., holds master degrees in social work and public health and two degrees in law. She has more than 20 years of experience in child welfare practice, program development and implementation, training, policy and research. Among the issues on which her work has focused is the privatization of child welfare services, beginning with her work on the impact of managed care approaches on child welfare in the early 1990s, and continuing into the present with her work that has assessed the implementation of privatization of child welfare services in communities across the United States. That work has been utilized as a resource by states across the country in considering the privatization of their child welfare services. Ms. Freundlich currently is a principal and consultant with Excal Consulting Partners. She has worked in the national arena for both the Child Welfare League of America (as General Counsel and Director of Child Welfare Services) and for Children's Rights (as Policy Director).

Charlotte McCullough, M. Ed., has been tracking, analyzing, designing and implementing new finance, contracting and quality management models for child welfare and related systems for over a decade. She has worked extensively on contract reform issues with both public and private agencies in over a dozen states, including Texas. She served as a member of senior management team at the Child Welfare League of America (CWLA) for 13 years and was the principal investigator for three published 50-state management, contracting and finance surveys. She has been a consultant to George Washington University, Georgetown University and Children's Rights on research projects focused on child welfare contracting reforms. She has presented before national, state and local forums on child welfare privatization, including testimony before Congressional and state legislative committees. She has written extensively about all aspects of privatization. In 2007-2008, she reviewed and co-authored several topical papers on child welfare privatization that were supported by the Office of the Assistant Secretary for Planning and Evaluation, USDHS, to supplement the work of the national QIC-PCW. Ms. McCullough is currently a principal and consultant with McCullough & Associates.

Mary Armstrong, Ph.D., has over 25 years experience in public sector managed care, children's health insurance, child welfare and social services. She currently is Assistant Professor and the Director of the Division of State and Local Support, Department of Child and Family Studies at the University of South Florida. Dr. Armstrong is principal investigator for a multi-year evaluation of Florida's child welfare privatization initiative, Community-Based Care.

James Patrick is the Chief Operating Officer of Children's Home Society of Florida (CHS) which was founded in Jacksonville in 1902 by church and civic leaders as part of a national movement to find homes for orphaned children. CHS is the oldest and largest private not-for-profit organization providing services to children and families in Florida and the fourth largest in the nation. CHS has been continuously accredited since 1982 by the National Council on Accreditation (COA). In 2006-2007, CHS's 2000 employees served more than 97,000 children and families in over 1000 locations across Florida.