

## INTRODUCTION

As of June 30, 2003, 11,228 children were in Maryland's out-of-home placement system, over 650 fewer than we reported last year (a 5.5% decrease).

### **Critical Issues Facing the Child Welfare System During Fiscal Year 2003**

Maryland's child welfare system faces challenges and opportunities affecting its ability to achieve and/or maintain safety, well-being, and permanence for children under State custody. Some critical issues include:

- ◆ The overall State budget deficit and the DHR deficit (\$80 million in general funds as of this writing) are adversely affecting child welfare programs. For example, funds to support HB 7/SB 671 (Integration of Child Welfare and Substance Abuse Treatment Services) have been cut from \$4.2 million to \$2.3 million. A hiring freeze for State employees went into effect October 2001, and, while a few exceptions have been granted, there remains a total child welfare staff deficit of approximately 500 positions.
- ◆ For over a decade, DHR has failed to address critical flaws in the placement system, resulting in lost opportunities to direct funding to preventive services.
- ◆ The federal Child and Family Services Review (CFSR) – an audit that encompasses best practices and in-depth assessment of outcomes for children – creates an extraordinary opportunity to build political and professional consensus for comprehensive reform. In FY 2004, child welfare officials and key stakeholders will collaborate on creating a Program Improvement Plan, which will be submitted to the federal government. A new administration took charge during FY 2003, one that has welcomed greater scrutiny of the system and stated its commitment to work with advocates and other key stakeholders in preparing the Program Improvement Plan.

### **GOALS OF CRBC'S 2003 ANNUAL REPORT FOR OUT-OF-HOME PLACEMENT**

- ◆ To provide a profile of Maryland's children in out-of-home placement during FY 2003 and a five-year comparison. Data are obtained from CRBC's database and from DHR's Foster and Adoptive Child Tracking System (FACTS). (See pages 6-13.)
- ◆ To review strengths and development needs of the out-of-home placement system and provide recommendations to support achievement of priority goals. (See pages 14-17.)
- ◆ To provide a road map for improving the availability and use of placement resources that meet children's needs and are more cost-effective. We are spending too much on high-cost placements because we have invested too little in family preservation, placement prevention, and reunification, and too little in developing appropriate placement resources and services that support less costly options such as kinship care and traditional family foster care. (See pages 4-5.)

## **PRIORITY ISSUES AND RECOMMENDATIONS**

### **CRBC's Advocacy Priorities for Fiscal Year 2004**

The Children's Legislative Action Committee (CLAC) is comprised of CRBC volunteers who advocate for statewide improvement in child welfare policies and legislation. Analysis of data from individual case reviews is one of the tools CLAC uses to understand the child welfare system and advocate for changes. Each year, CLAC establishes priorities on which to focus its advocacy activities. The six priority areas for 2004 are:

#### ◆ **Integrate Child Welfare and Substance Abuse Treatment**

Implementation of HB 7/SB 671 (2000) continues to show promise, even as it is substantially under-funded. DHR and DHMH have placed nine addiction specialists in two child welfare offices, developed cross-training, and expanded the number of treatment slots tailored to the needs of women with children. Baltimore City and Prince George's County departments have begun referring clients for treatment and about 30 clients per month are entering treatment. DHR and DHMH have yet to promulgate a protocol for use by caseworkers, addictions specialists, and treatment providers. Funds for a formal evaluation of the program were cut from the 2004 budget by the Board of Public Works.

#### **Recommendations:**

- An evaluation should be funded as soon as funding can be made available.
- DHR and DHMH should find a way to resume joint training of child welfare staff and addiction treatment personnel in fiscal year 2004.
- DHR should act quickly to ensure that screening for substance abuse problems takes place in all appropriate child welfare cases, as is required by HB 7/SB 671, especially in pilot jurisdictions.

#### ◆ **Develop Quality Assurance Methods for Child Welfare Services that Incorporate Long-Term Outcome Measures**

Nearly 100,000 children a year receive some type of services from DHR. The General Assembly requested that the Department of Budget and Management (DBM) create a Task Force to study DHR's child welfare accountability system. The first meeting was held on February 2, 2004.

#### **Recommendation:**

- Accountability reforms must be coordinated with the development of the Program Improvement Plan under CFSR.
- After receiving advice from the Task Force, DHR should develop a system to assess consumer, stakeholder, and employee satisfaction and the long-term impact of agency interventions on permanency, safety and child well-being.

#### ◆ **Continue to implement the Child Welfare Workforce Initiative of 1998 (HB 1133)**

The Child Welfare League of America (CWLA) recommends a 15:1 caseload to staff ratio for out-of home placement caseworkers and similar ratios for related programs. This recommendation was included in HB 1133, which required a plan to achieve these CWLA-recommended caseload ratios. Although the General Assembly has repeatedly asked that ratios for caseworkers and supervisor be lowered to meet national standards, child welfare positions have been mostly frozen since October 2001.

According to the Social Services Administration, 227 additional caseworker and supervisory hires would be needed to reduce caseload ratios to the recommended amounts. This number is based on April 2003 caseload data and July 2003 data on positions filled. Information on positions vacated after July 2003 was not available for this report. In the summer and fall of Calendar Year (CY) 2003, the Ehrlich administration announced the hiring of 31 master's level staff and then 30 staff for Baltimore City; however, there is no

comprehensive plan to meet staffing requirements for child welfare. In addition to the caseworker and supervisory positions lost, many paraprofessional, clerical, and administrative positions have been abolished or are vacant, thus further eviscerating the child welfare workforce.

The inability to hire child welfare staff has affected the jurisdictions very unevenly. Table I, below, shows the counties that were most severely impacted by lack of caseworkers, based on the data from the Social Services Administration.

**Table I**  
**Caseworker and Supervisory Staff Deficit for Selected Jurisdictions**

	Wkr. Needed	Sup. Needed	Wkr. on Staff	Sup. on Staff	Wkr. Gap %	Sup. Gap %
Frederick	60.3	12.1	32	8	47%	34%
Charles	44.7	8.9	29.5	6	34%	33%
Wicomico	38.9	7.8	26	7	33%	10%
Talbot	13.6	2.7	10	5	26%	0%
Pr. George's	151.8	30.4	121	26	20%	14%
Worcester	19.6	3.9	16.5	5	16%	0%
Howard	35.8	7.2	30.5	10	15%	0%
Cecil	33.9	6.8	30	10	12%	0%
Baltimore City	805.8	161.2	721	145	11%	10%

**Recommendations:**

- The Governor should initiate in the FY 2005 budget request (or in a supplemental request) the first half of a two-year plan to close the child welfare hiring gap.
- If the Governor does not act, the General Assembly should enact legislation mandating child welfare staffing that meets CWLA standards.
- Training and quality of supervision should be priorities for the new administration. Strong emphasis is needed on permanency, placement reform, substance abuse treatment, accountability, child protection, and safety in out-of-home placement.

◆ **Investigate Child Abuse and Neglect and Protect Victims**

Information from several sources, including the case reviews of Maryland's child protection panels, indicates that investigations of child abuse and neglect are not sufficiently thorough and children and their families sometimes do not get needed services following a finding of indicated maltreatment: For example, a cumulative analysis of all reviews conducted from September 2001 to the present indicates the following percentage of cases rated effective by the citizen review panels:

**Table II**  
**Effectiveness Ratings of Local Citizen Review Panels**  
**For Selected Child Protection Functions**

Child Protection Function	Percentage of Cases Rated Effective
Information Gathering	68%
Assessment of Child's Immediate Safety	62%
Assessment of Future Risk of Harm	67%
Service Planning	59%

More detailed information on the findings is available in the CY 2002 annual report at <http://www.dhr.state.md.us/crbc/pdf/child02.pdf>.

### Recommendations:

- DHR, in collaboration with key partners in the health, education, law enforcement, and legal communities, should define new standards for 1) what constitutes a thorough investigation of child abuse and neglect allegations and 2) protection of children who are found to be abused and neglected.

#### ◆ **Keep Children Safe in Out-of-Home Placement**

When the State removes children from their parents or guardians, it owes them a safe place to live. Critical attention must be devoted to licensing and approving homes, healthy, lead-free environments, criminal history checks, periodic inspections and recertifications (including updated knowledge of who lives in the home), and careful attention to the risk potential of all adults and children who live in the home. Caseworker contact with children and their caregivers must be a consistent and sensitive tool for keeping children safe. The Department of Legislative Services reports that compliance on several required safety and well-being activities have improved since its audit in 2002, including documentation of school attendance, visiting the child, contacting providers, performing criminal history checks, and annually reviewing foster homes.

### Recommendations:

- DHR and local departments should hold caseworkers and child placement agencies accountable for lapses in essential functions such as visiting children; overseeing medical, dental, and mental health care access; and taking the steps necessary to effect a timely enrollment in school.
- DHR and DHMH should identify or develop medical and dental providers able to offer timely care to children in placement.

#### ◆ **Reform the Placement System to Meet Children's Needs**

The foster care payments budget grew by \$36 million (22%) between FY 2000 and FY 2003, as more and more children entered high-cost placements while the total number in placement declined by 12%. A detailed description of the shortage of placement resources and rigidities in the system of contracting with private placement providers begins on page 14. We advocate immediate case management reforms and the training to implement them. Other essential structural elements would take longer to implement. A holistic approach must be taken to stem the inefficient and counterproductive effects of the present system of inadequate prevention and placement services.

**Recommendations:** (Developed in cooperation with the Coalition to Protect Maryland's Children)

- DHR should create a **resource development plan**, drawing on past interagency reports and the recommendations of the Task Force on Licensing and Monitoring of Children's Residential Facilities. This plan should include clear goals and an empirical needs assessment of the children in the State's counties and regions and the types of placements and ancillary services needed.
- The Subcabinet for Children, Youth and Families should invite child placement agencies and service providers to develop **community or regional networks** to link service capabilities. With the strength gained from such relationships, networks could be held to a "no reject/no eject" policy.
- **Contracts** with child placement agencies must be made much more flexible so that the State could pay only for the services needed for a child's individual service plan. Currently, contracts for treatment foster care and group homes typically incorporate only one rate – as if one size fit all. If the child adjusts well and does not need the intensity provided, the choices are to disrupt the child's life by moving the child from a family or group home that meets the child's needs or continue to pay for unneeded services. Similarly, if the child requires more intensive services, he or she may have to experience a disruption in living arrangement in order to receive what is needed.

- DHR should strengthen **traditional family foster care** by using a model that provides more and better training, respite care, peer support groups, child care, and specialized services such as educational advocacy. Foster parents should be held to high standards and must be given high-quality supervision and support. There should be a centralized database of foster parents across all public and private agencies to ensure that poorly-performing foster parents do not hop from agency to agency.
- **Case management reforms** should incorporate the following elements:
  - 1) Adoption of uniform assessment tools, incorporating the Early and Periodic, Screening, Diagnosis, and Treatment (EPSDT) program through Medicaid and a functional assessment tool such as CAFAS (Child and Adolescent Functional Assessment Scale). Each child's needs must be thoroughly and comprehensively assessed periodically (every three months for high-cost placements) followed by a meeting of DSS and the child placement agency.
  - 2) Use of the assessment to select (or maintain) an appropriate placement setting and the correct array of support services.
  - 3) A case plan (including a permanency plan) to support the placement that focuses on the child's long-term well-being and that addresses all appropriate domains of a child's life.
  - 4) A communication protocol that promotes consensus as to the assessment, the placement, the case plan, and clear understanding of everyone's role – DSS, provider, caregiver, parent, child, and therapist.
  - 5) A ban on moving a child from a good family for the sole purpose of saving money.
  - 6) Checks and balances to assure that the State is not paying for unneeded services.
- **Outcomes evaluation** criteria should be adopted by the Subcabinet for Children, Youth, and Families for all child-placing agencies in areas such as protection from harm, permanence, education, job skills, and taking responsibility for health, personal behavior and obeying the law.
- Clearly reforms of the magnitude proposed will require a major **staff training** initiative to explain new policies and procedures and to assist staff in integrating best practices.
- Similarly, we cannot expect the sweeping reforms that are needed without a high-profile **management team to implement** it. DHR should appoint strong, qualified, visionary, and empowered leaders to bring these reforms to full fruition.

## MARYLAND'S OUT-OF-HOME PLACEMENT POPULATION

### ENTRIES INTO OUT-OF-HOME PLACEMENT FOR FY 1998 AND FY 2003

CRBC defines an entry into out-of-home placement as the beginning of any episode including when the child remained in care for one day.<sup>1</sup> Exhibit I and II show the changes and trends of the out-of-home placement entries.

#### Exhibit I

#### Profile of Maryland's Out-of-Home Entries for Fiscal Years 1998 & 2003

Characteristics	1998	2003	Relative Rate of Change
# of entries	4954	3838	-22%
% Male	48%	49%	+2%
% Female	52%	51%	-2%
% African-American	70%	64%	-9%
% White	26%	29%	+12%
% Hispanic	1%	2%	+100%
% under 5 years of age (at placement)	35%	38%	+9%
% between 5-11 years of age	37%	30%	-19%
% between 12-18 years of age	28%	32%	+14%
% of children in sibling group	41%	43%	+6%
% with parental substance abuse as case factor	64%	54%	-16%
Children with special needs <sup>2</sup>	23%	47%	+106%
% addiction/dependency	6%	13%	+117%
% emotional problems	21%	19%	-10%
% mental retardation	3%	2%	-33%
% developmental disabilities	3%	3%	0%
% learning disabilities	3%	2%	-33%
% medically fragile	6%	13%	+117%

Source: CRBC/CIS

Comparison between FY 98 and FY 03 entries into out-of-home placement show:

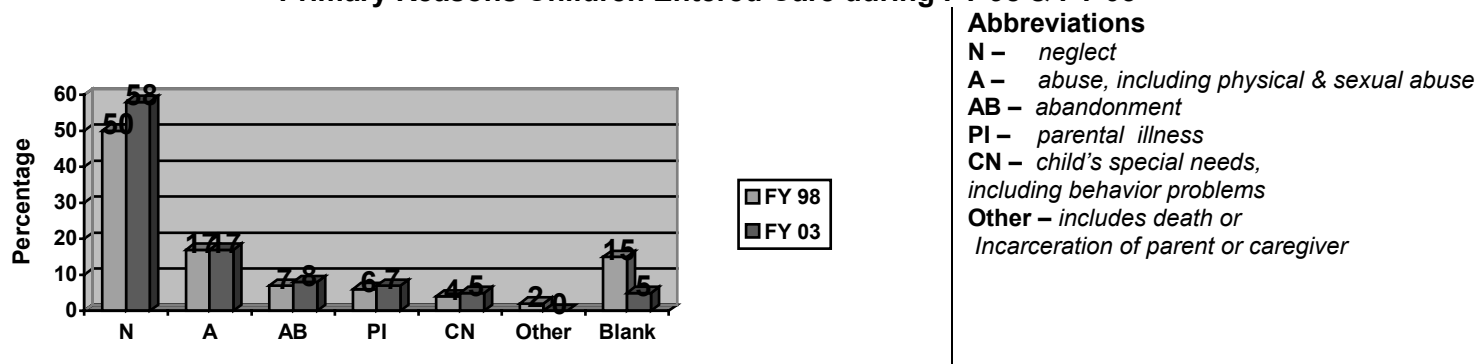
- ◆ There is a decline in the number of elementary-school-age children entering care;
- ◆ The number entering out-of-home population decreased by 22%. Baltimore City accounts for a large percent of the decline, which explains the proportional drop for African-Americans;
- ◆ Documentation of parental substance abuse declined, due, we believe, to increased funding for treatment but remained a case related factor for over half of the entries into out-of-home placement; and

<sup>1</sup> SSA does not include one-day episodes or disrupted aftercare in its count of entries. This will result CRBC having a higher number of re-entries than SSA. Our definition is based on the child's view of disruptions in living situation.

<sup>2</sup> The "Children with special needs" category is the percentage of children at the end of the fiscal year who either (1) had a documented special need or (2) were specifically documented as having no special needs.

- ◆ The two special needs areas that have experienced significant growth in documentation are children with addiction/dependency problems (primarily drug-exposed babies) and children who are medically fragile. The vast majority of these children are under 2 years of age. The growth in the addiction/dependency population probably reflects the impact of the drug-exposed infant initiative under Senate Bill 512 (1997) that requires mothers to participate in available treatment or face losing custody.

**Exhibit II**  
**Primary Reasons Children Entered Care during FY 98 & FY 03**



Source: CRBC/CIS

Statewide, neglect is overwhelmingly the primary reason children enter out-of-home placement.

#### **Length Of Stay in Out-of-Home Placement for FY 98 and FY 03**

CRBC uses three methods to evaluate length of stay in out-of-home placement.

**Actual Average Length of Stay (AALS)** - Measures how long children who left placement during a specified period had been in out-of-home placement. This method does not consider children who are currently in care and may have been in care for a long period. It can provide an overly optimistic perspective if a large percentage of children exiting in a given year have had short-term stays in out-of-home placement. **The actual average length of stay for FY 98 was 24 months as compared to 29 months for FY 03.**

A large number of children (especially those living with relatives) have spent many years in care and have a low exit rate. AALS will increase for several years to come as these children begin to age out of the placement system especially for jurisdictions with a large percentage of children in kinship care. This will likely occur even if permanency planning performance continues to improve. Lower values for FY 98 reflect accumulated performance during the latter half of the 1980s and the early 1990s.

**Projected Average Length of Stay (PALS)**- Equals the average daily population during the reporting period divided by the number of exits during the reporting period. PALS is the only measurement that includes all children who were in out-of-home placement for the reporting period and is less affected by children who remain in out-of-home placement for 6 months or less (generally 1/3 of the population will have short stays). **In FY 98 PALS was 36 months and by FY 99 it had increased to 39 months. By FY 01 PALS had declined to 35 months and further declined to 34 months for FY 03.**

**Cohort Analysis** - The length of time that a child has spent in care has an impact on the child's prospects for permanent placement. Exhibit III shows that a child's chances of leaving out-of-home placement drastically decline after the first year in care.

**Exhibit III  
Percentage of Children Remaining in OOHP After Specified Intervals<sup>3</sup>**

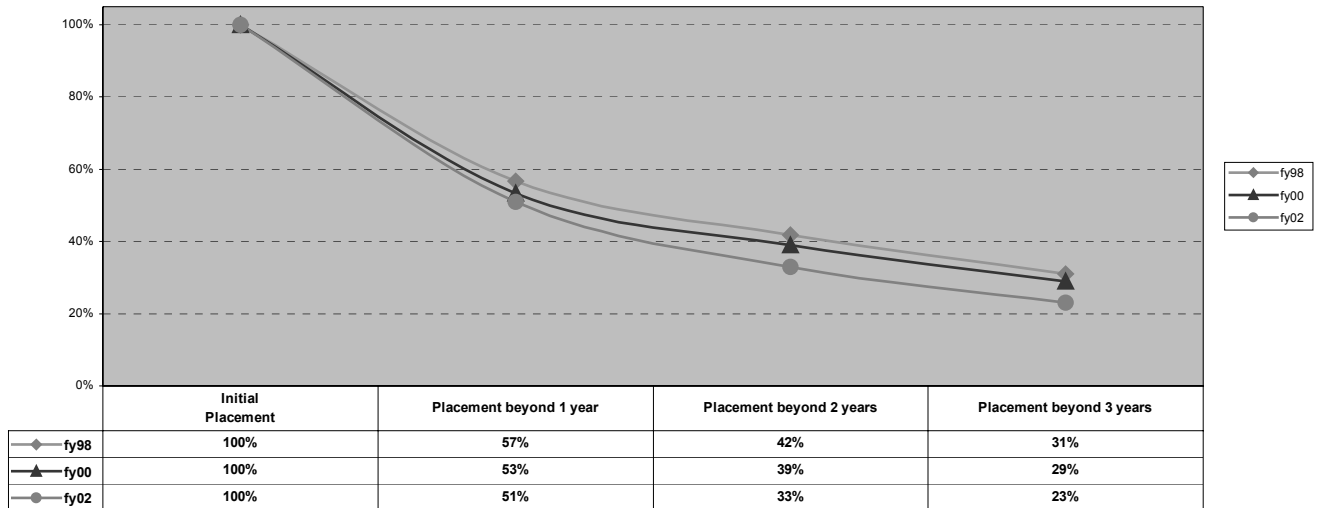
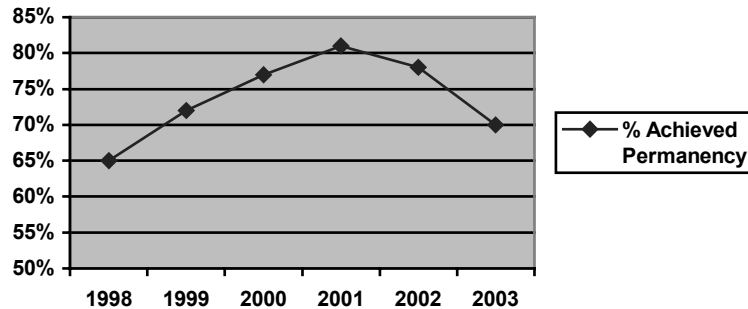


Exhibit III measures exit and not necessarily permanent placement. It shows that children are spending less time in out-of-home placement. This corresponds to the reduction in projected average length of stay, but it will take years for it to be reflected in actual average length of stay. 2002 data are used because 2003 data are too preliminary to show trends as of this writing.

**EXIT FROM OUT-OF-HOME PLACEMENT**

**Exhibit IV  
Five-Year Trend – Percentage of Children Exiting with a Desired Permanent Placement**



By law, the highest priority for permanency planning is return home (RH) followed by relative placement with guardianship or custody (RP), and adoption (A).<sup>4</sup> A five-year trend shows that the percentage of children exiting with a permanent placement declined in 2002 and 2003 following a steady annual increase.

During FY 03, 4,065 children exited placement; 4,428 exited during FY 98. For both fiscal years, the major exit reason was returned home with 38% for FY 03 and 39% for FY 98. One

<sup>3</sup>Data for children entering in FY 2002 for “Placement beyond 2 years” are projected from incomplete results; for “beyond 3 years” are estimated.

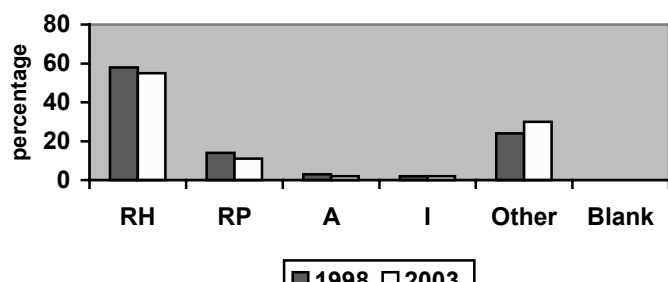
<sup>4</sup> Other closing reasons include independence/age, guardian supports child under 18, runaway, and transferred to another jurisdiction.



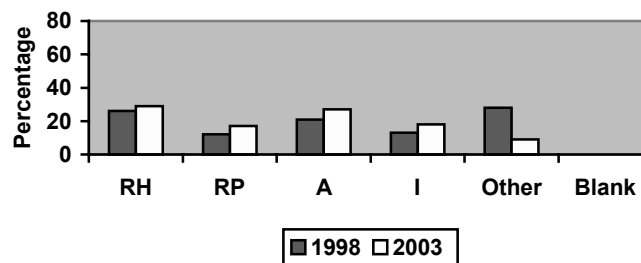
third of the children will exit placement within 6 months of entry and have a greater chance of being reunited with family (parents or relatives) than children who had a longer length of stay.

### Exhibit V Case Closing Reasons by Length of Stay for FY 98 and FY 03

Exit Reasons for Children in Out-of-Home Placement for 6-Months or Less



Exit Reasons for Children in Out-of-Home Placement for More than 6-Months



During FY 03, 15% of the children exited through relative placement and 18% were adopted. Comparable figures for FY 02 were 19% and 23%, respectively. The State's information system has a very large increase (2003 compared to 2002) in cases closing with a reason of "unknown/other." DHR should try to assess why this has occurred.

### Exhibit VI Impact of Special Needs on Closing Reasons<sup>5</sup>

	Number of Exits	Returned Home	Relative Placement	Adoption	Independent Living	Other	Total
Addiction/Dependence	229	<b>26%</b>	22%	<b>31%</b>	3%	18%	13%
Emotional Problems	563	<b>39%</b>	11%	8%	<b>25%</b>	18%	32%
Mental Retardation	72	<b>18%</b>	3%	17%	<b>50%</b>	13%	4%
Medically Fragile	233	<b>29%</b>	19%	<b>33%</b>	2%	17%	13%
Develop. Disabilities	83	<b>45%</b>	4%	<b>31%</b>	13%	7%	5%
Learning Disabilities	100	<b>23%</b>	11%	19%	<b>39%</b>	8%	5%
Other Need	491	<b>39%</b>	16%	15%	13%	<b>17%</b>	28%
TOTAL CASES *	1,777	<b>34%</b>	14%	<b>18%</b>	17%	17%	100%

#### **Impact of Special Needs on Exit Reasons**

Children's special needs heavily influence the necessity of high-cost placements. In Exhibit VI, **Boldface percentages** shows the most common permanency plan for the special need and the **italicized percentages** show the second most achieved permanency plan. For addiction dependency and medically fragile categories, the primary exit reasons were adoption followed by returned home. In the other special needs categories, returned home was the primary exit reason with the second major exit reason varying by the special need.

The exit reasons for the special needs category are also affected by age of entry as shown for ages under 2 and between 12-18.

<sup>5</sup> \* Note: The Total Cases data represent those cases where exits occurred during the 2002 fiscal year and a special need for the child was documented. The percentage of individual special needs represents the percent of those cases. In most cases, special needs are those noted by a caseworker when the child entered care.

*Entered out-of-home placement under 2 years of age*

Of the 229 exits for children with addiction/dependency, 185 (81%) were under two years of age at entry, of which 49 (26%) were returned home and 66 (36%) were adopted. In total 70 children with addiction dependency were adopted; 4 children were between 6-11 years of age.

There were 233 exits for children diagnosed as medically fragile of which 187 (80%) entered care under 2 years old. Of the 233, 30% were returned home and 33% were adopted.

*Entered out-of-home placement between 12-18 years of age*

There were 598 children who exited with special needs in this age group. Thirty-eight percent of the children were returned home, 31% exited through independent living, 11% were placed with relatives, and for 19% "other" was listed as the exit reason.

**Adoption Process**

Maryland is not meeting the federal standard of completing a high proportion of adoptions within two years. More importantly, children are losing their opportunities to have permanent homes. CRBC believes that the causes of this unfortunate phenomenon include rising caseloads and specific reductions in programs and contracts that are intended to recruit, screen, train, and approve adoptive families. For example, DHR contracted with the Martin Pollack Project for case management for 500 children in Baltimore City. The contract was terminated, and we have seen in case reviews that progress stopped for many of the children whom Martin Pollack had moved toward adoption, even when parental rights had been terminated.

**Exhibit VII**  
**Average Number of Months to Complete Adoption Process for FY 03 Exits**

Process	Baltimore City	Baltimore County Montgomery County Prince George's County	Other Counties
Establish plan of adoption	39	20	14
File TPR <sup>6</sup>	6	6	5
Obtain TPR	16	15	11
Final Adoption	64	47	38

Data on children who exited out-of-home placement through adoption show the larger the jurisdiction the longer the process to final adoption. Baltimore City takes more than 3 years to establish a plan of adoption, which is twice as long as other jurisdictions. The TPR process approximates the rest of the State's time frames. Nearly every time interval in Exhibit VII increased between 2002 and 2003, except that TPR was filed more quickly in Baltimore City and the plan was changed somewhat sooner in the 20 smaller counties.

Increased delays were accompanied by fewer finalized adoptions – 699 in FY 2003 versus 826 in FY 2002. DHR's adoption goal for FY 03 was 950. There were approximately 1,300 children who have had parental rights terminated and were eligible for adoption. CRBC continues to recommend that the State's adoption goal should at least equal the number of children who are legally free and waiting to be adopted.

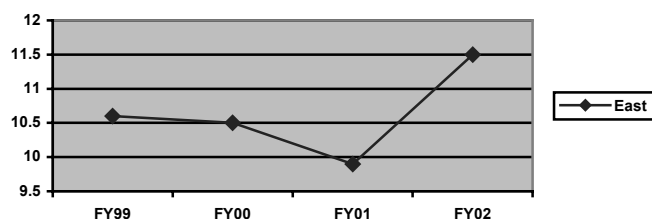
**Re-Entries Into Out-Of-Home Placement**

Slightly more than a quarter of children entering placement had prior episodes. CRBC also tracks the percentage of children who re-enter placement within one year of leaving placement in order to give a perspective on the appropriateness of placements and the effectiveness of after-care services. Exhibit VII shows a slight increase in the re-entry for children who left

<sup>6</sup>This data field includes only children within the CRBC review population.

placement in 2002. A rise in the re-entry rate is often associated with an increase in the percentage of children with shorter lengths of stay. (See Exhibit III.)

**Exhibit VIII**  
**Percent of Children who Re-enter Out-of-Home Placement Within One Year of Leaving**



**Maryland's Total Out-of-Home Placement Population**

**Exhibit IX**  
**Profile of Maryland's Out-of-Home Population for Fiscal Years 1998 & 2003**

Characteristics	1998	2003	Rel. Rate of Change
# of children	12587	11228	
% Male	51%	52%	+1%
% Female	49%	48%	-2%
% African-American	79%	76%	-5%
% White	19%	21%	+9%
% Hispanic	1%	1%	+18%
% under 5 years of age (at placement)	40%	38%	-5%
% between 5-11 years of age	40%	39%	-4%
% between 12-18 years of age	20%	23%	+18%
% under 5 years of age (end of FY)	20%	18%	-9%
% between 5-11 years of age	42%	29%	-32%
% between 12-18 years of age	32%	41%	+26%
% over 18 years of age	6%	12%	+103%
% of children in sibling group	47%	56%	+20%
% with par. substance abuse as case factor	75%	65%	-13%
Children with special needs			
% addiction/dependency	3%	8%	+140%
% emotional problems	25%	25%	0%
% mental retardation	5%	4%	-5%
% developmental disabilities	4%	4%	+4%
% learning disabilities	6%	4%	-27%
% medically fragile	4%	9%	+128%

Data on all children in out-of-home placement on the last day of the fiscal year (June 30<sup>th</sup>) for 1998 and 2003 are shown in Exhibit IX. It suggests:

- The percentage of African-Americans in placement has declined, largely because of a substantial decline in population in Baltimore City.

- The children entering care tend to be older than in 1998 (Exhibit I). Those in care are older still because of long stays in care.
- A larger percentage of the children in care are in sibling groups, requiring coordination between caseworkers if multiple workers are assigned.
- The drug-exposed infants program has created an increase in addiction/dependency among children in placement.
- Children's special needs require careful coordination between the local departments, placement providers, schools, and health care providers.

## CASE FLOW BY JURISDICTION

**Exhibit X**  
**Case Flow Statistics for July 1, 2002 – June 30, 2003**

<u>Jurisdiction</u>	# of Cases in Care on 7/1/02	# of Cases Entered Placement During FY 03	# of Cases Left Placement During FY 03	# of Cases in Care on 6/30/03	Projected Average Length of Stay (months)	Actual Average Length of Stay (months)
Allegany	96	45	42	99	26	15
Anne Arundel	237	120	128	229	22	20
Baltimore County	664	320	309	675	26	22
Calvert	71	13	32	52	22	28
Caroline	40	18	24	34	18	17
Carroll	62	36	31	67	26	13
Cecil	87	29	43	73	22	28
Charles	125	42	43	124	34	31
Dorchester	65	14	25	54	29	17
Frederick	203	188	151	240	18	14
Garrett	69	22	32	59	23	25
Harford	242	130	129	243	23	17
Howard	126	67	80	113	19	20
Kent	14	6	3	17	57	60
Montgomery	549	220	226	543	29	31
Prince George's	828	211	275	764	35	37
Queen Anne's	30	7	16	21	20	12
St. Mary's	82	28	22	88	48	25
Somerset	51	17	18	50	32	18
Talbot	42	9	14	37	34	24
Washington	224	177	171	230	16	16
Wicomico	145	41	38	148	46	20
Worcester	59	19	14	64	53	23
Baltimore City	7395	2059	2199	7255	40	34
<b>State-wide</b>	<b>11506</b>	<b>3838</b>	<b>4065</b>	<b>11279</b>	<b>34</b>	<b>29</b>

Jurisdictions differ vastly in regards to entries, exits, lengths of stay, and total population. Smaller jurisdictions often show a greater volatility in AALS and the PALS than the four largest

jurisdictions (Baltimore City, Baltimore County, Prince George's County, and Montgomery County). Smaller jurisdictions are more affected than larger jurisdictions by factors such as a few children or a large sibling group that have very short or very long lengths of stay.

We are very concerned about the projected average length of stay (34 months for 2003), which has for many years now hovered around three years, despite some recent incremental improvement. This is entirely too long a portion of a child's life to be uncertain about family ties and to be the subject of a bureaucratic system that can be a source of shame, even while it protects.

This burden falls disproportionately on the 23% of children who enter placement and stay longer than three years (see Exhibit III). We estimate the average length of stay for these children at approximately a decade.

We believe that implementing the recommendations offered in this report could significantly reduce the average length of stay.

## DESCRIPTION OF THE PLACEMENT SYSTEM

### CONTEXT

When child maltreatment is discovered, child welfare professionals are faced with critical decisions at every step of the process regarding how aggressively to intervene and how much to spend on services for the family and child. Maryland has established a hierarchy of child welfare services, listed below in order of increasing cost:

- Monitoring for safety (for example, through child protective services);
- Family services of greater or lesser intensity;
- Kinship placement (without foster care reimbursement);
- Traditional family foster care;
- Treatment family foster care;
- Group care;
- Residential treatment care.

In addition, there are educational and somatic and mental health services that the State can provide or pay for that can support any of these interventions.

- ◆ It is our belief that many children end up in one of the three highest-cost categories because of missed opportunities to make sound assessments and provide cost-effective services at an earlier stage. At any rate, a small group of about 3,200 children consume nearly one third the total funding in Maryland's child welfare system. The recommendations provided on page 4 (Reform the Placement System to Meet Children's Needs) represent our attempt to develop a road map to reform that will allow funding to flow to earlier stages where it can be more cost-effective for the children and the taxpayers. The information in this section describes the placement system and explains the recommendations.

### **TYPES OF PLACEMENTS AND THEIR COSTS**

Exhibit XI gives a snapshot of where children are placed. The largest category is relative care. Slightly more than 1,800 children (17.5%) are in group homes or residential treatment centers for whom the State is paying about \$125.7 million (Exhibit XII). Although SSA has not provided a separate expenditure category for 1,300 children in treatment foster care, CRBC estimates that it is approximately \$45 million per year.

**Exhibit XI**  
**Type of Placements Used, June 30, 2003**

Type of Placement	FY 2003
Relative or family friend	37.3%
Foster care	18.0%
Unpaid kinship care	17.0%
Relative adoptive home	2.4%
Adoptive Family (not relative)	4.1%
Not free for adoption	2.0%
Free for adoption	2.1%
Foster Family	25.3%
Treatment Foster Family	12.8%
Independent or Semi-independent living	1.5%
Group Home	13.4%
Shelter Group Home	3.7%
Regular Group Home	9.7%
Residential Treatment Center	4.1%
Incarcerated	0.4%
Runaway	1.1%

Exhibit XII displays DHR's direct expenditures for child welfare. It does not include associated medical or legal costs, which are considerable. It shows that out-of-home placements costs are by far the largest portion of the child welfare budget. Kinship care services are included with prevention and support services; however, this is somewhat misleading as those children are legally in the custody of the State, entitled to medical assistance and associated legal services.

**Exhibit XII**  
**Cost Components of Child Welfare Services**  
**(dollar amounts in millions)**

Type of Cost	FY 2003 Amount	FY 2003 Percent
Prevention & support services	\$118.7	27.5%
Out-of-home services	\$ 52.2	12.1%
Adoption services	\$ 6.8	1.6%
Out-of-home payments	\$200.4	46.5%
Foster Family Care, including Treatment FC	\$ 73.0	16.9%
Group Home & Residential Treatment	\$ 125.7	29.2%
Other[RECONSIDER BREAKDOWN!!!]	\$ 1.7	0.4%
Adoption subsidy payments	\$ 41.0	9.5%
Administration/management	\$ 11.9	2.8%
<b>Total</b>	<b>\$431.0</b>	<b>100.0%</b>

The only item in the budget specifically reserved for enhancing placement resources is \$317,000 for foster parent recruitment. Some unspecified portions of the Social Services Administration's (SSA) \$6.8 million budget for program management and of the local departments' budgets are also devoted to recruiting, training, approving, monitoring, and on-going support services for foster families and residential facilities. For example, SSA's licensing and monitoring unit has nine staff. Also, there is a unit in the Office for Children, Youth, and Families that assists those who want to develop residential facilities.

According to SSA, 63% of children in placement have had two or fewer living arrangements during their current episode.<sup>7</sup> This includes children who entered DSS custody while they were already living with relative caregivers with whom they remain. Fifteen percent (15%) have had three placements, 9% four placements, and 6% five placements. Five percent (5%) of the children have had six or more living arrangements.

Three of every eight children in the system live with relatives, about half in unpaid care and rest in paid foster care or pre-adoptive care.

There are about 4,500 children placed in family foster homes through local departments of social services (including about 2,000 in relative foster homes). The average cost is about \$7,200 per child annually. SSA reports that the number of foster families approved by the local departments was 4,061 as of June 30, 2003, down 507 (11.1%) in one year. Some of these homes are restricted in that they are approved only to serve children who are relatives or close family friends who are placed with them. SSA was unable to state what proportion of the 4,061 homes fall into that category. In order to match children with families that meet their needs, including the need to be placed near their families, it is necessary to have substantially more

<sup>7</sup> Since these figures come from the FACTS database, which is not connected to payments, it is likely that the number of placements is under-counted.

foster home capacity than children. Budget cutting since late 2001 has resulted in withdrawal of child care vouchers from foster parents.

About 1,300 children are in treatment foster family homes, and the vast majority of these are placed through private agencies that contract with the State. Treatment foster care programs charge the State between \$20,000 and \$67,000 per year. A typical amount ranges from \$35-40,000.

About 2,000 children are in group homes, treatment facilities, or semi-independent living placements. A typical annual cost for group home placement is \$55-60,000, with a range from \$39,000 to \$98,000. Residential treatment costs from \$67,000 to \$139,000. Semi-independent living rates tend to be in the mid \$30,000s.

### **DEMOGRAPHIC AND GEOGRAPHIC CORRELATES OF PLACEMENT**

Overall, Baltimore City had 64% of the children in placement in the State on June 30, 2003. However, the types of placements in the City were different from the counties. The City had 84% of the relative and 71% of the pre-adoptive placements; it had only slightly more than half of the regular foster care and the group/residential placements.

Since Baltimore City has nearly two-thirds of the children in out-of-home placement and its population is over 90% African-American, it dominates any breakdown by race. The concentration of African-Americans in the City makes it difficult to separate results by race from results for Baltimore City.

About 52% of the children in placement are male. Most of the placement types are rather evenly split among boys and girls; however group and residential placements are 61% male.

Children tend to be in certain placements depending on their age and the age they entered care. (Remember, though, that for children who have been in care more than a year, most of their cohorts who entered with them are no longer in the system.) Children older than 9 are about 6 times more likely to be in group care than younger children. Children under age 9, are 8 times as likely as those 15 and older to be placed with a family or relative who will adopt. Those who entered from 0-4 years of age are about twice as likely to be with a family and moving towards adoption than a "typical" child in placement and less than half as likely to be in group care. Those who were 15 or older when they entered are virtually never adopted; they are not likely to be placed with relatives, but are often in group placements.

### **MANAGEMENT OF THE PLACEMENT SYSTEM**

DHR's management of the placement system includes staffing in SSA to manage the provider contracts and monitor the facilities. There are regulations that govern the monitoring. The Board of Public Works must approve the contracts. In addition, personnel in DHR's Office of Budget and Management monitor expenditures, which almost always exceed the budget.

Considering the size and cost of the placement system and its potential for constructive or destructive effects on children's lives – and the concomitant benefits or costs to the citizens and government of Maryland, the placement system seems to suffer from a paucity of management systems. This is a historical development and not a fault of the current administration.

Some of the issues that need to be addressed include:

- Developing a periodic, statewide needs assessment in order to estimate what supply and geographic distribution of placement settings and ancillary services are needed to serve the children in care.



- A policy regarding how much supply should exceed average demand in order to match children's placements to their needs.
- Systematic measurement and analysis of outcome measures for placements types so that cost-effectiveness can be measured. For example, local department models of treatment foster care, which are significantly less costly than those offered by private providers, have not been evaluated for many years.
- A strategy for development of new, more cost-effective services – either as part of the local department service repertoire or by working in partnership with the private sector.
- Systematic monitoring and tabulation of adherence to key contract provisions, such as the frequency with which local departments and private placement providers hold required team meetings or the extent to which service plan changes are communicated in writing and approved by the local department as the contract provides.
- A more flexible approach to contracting for services. The contract states, without regard to the reality that each child has unique needs, that "All . . . children are to be provided all program services." There is no mechanism for paying less than the negotiated rate if a child does not need all the services normally offered in a placement setting. Currently, the contracts with private providers contain confusing and apparently contradictory provisions that seem to allow and then prohibit payment in excess of the negotiated rate in an instance where a child's needs cannot be met within the a providers typical service program.<sup>8</sup> There needs to be a system whereby the provider can tailor the type and intensity of services for each child and family but still have adequate financial resources to promote good outcomes for children.

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<sup>8</sup> "In any event, payment per child for the term of the contract shall not exceed the rates per child and per service indicated in Appendix A." (Paragraph V.(a))

"The provider may receive increased rates, on a case-by-case basis for a duration less than the term of the Agreement based on the needs of the child and prior approval of DHR." (Paragraph V.(a))

". . . the provider guarantees that the foregoing rate of payment, now and for the term of the Agreement, shall not exceed the limits specified in Appendix A." (Paragraph V.(c)).

## THE CITIZENS' REVIEW PROCESS

### ADMINISTRATIVE REVIEWS

Title IVB of the Social Security Act, section 422(b) (10)(ii), requires that children in out-of-home placement have an administrative review every six months. This may be achieved through a court review, a citizen review, or a panel review (conducted by LDSS). Failure to document the review will result in a state receiving a financial penalty.

**As of June 30, 2003, timely administrative reviews were documented for 80.5% of children in care compared to 84.1% for June 30, 2002. The decrease is largely a result of a reduced staffing for local citizen review boards.**

### Citizen Review Process

- ◆ Child welfare agencies must provide information to the boards, including the case plan and lists of interested persons who may be invited to a case review.
- ◆ Interested Persons including child's caseworker, parents, relatives, and foster families are invited to the review. They provide vital information and opinions regarding the child's current and proposed living arrangement. Educational and health providers, and the child if over age ten may be invited to the initial review and subsequent reviews when the case plan changes. Siblings are reviewed together to ensure continuity and coordination of services since there may be multiple caseworkers and services providers.
- ◆ After the discussion, the Board makes findings and recommendations related to the child's permanency plan, current living situation, and safety.
- ◆ The Board sends a summary of the findings and the recommendations to invited interested persons, LDSS, and the juvenile court, . Local departments are required to respond in writing to the recommendations and findings from the reviews. The juvenile court is required to consider the boards' recommendations when conducting permanency planning review hearings.

### Summary of Findings and Recommendations made during the Citizen Review Process

The following findings represent the 7,080 citizen reviews that were conducted during FY 2003 (a 9% decrease over FY 02) and not the status of all children in Maryland's out-of-home system. In rare instances, a child may have a citizen review more than once in a year.

**Exhibit XIII**  
**Findings and Recommendations made during the Citizen Review Process**

Votes Taken during the Citizen Review Process	FY 03 Results								
<p><b>Waiver of reunification services</b> is the denial of time-limited services to parents or guardians to assist in returning the children home.<sup>9</sup> The boards must decide if they agree with LDSS' decision to pursue or not to pursue a waiver of reunification services against the mother, father, or both. Generally this finding is made at the first review. The Boards voted on the waiver 3,006 times. The Boards found no instances in which the waiver had been granted and only 5 in which it was pending before court.</p>	<p>Boards found 75 instances in which the waiver was not used and the Boards believed it should have been applied.</p>								
<p><b>Termination of parental rights</b> results from a court action terminating parents legal rights and responsibilities and awarding guardianship to LDSS or a child placement agency. Seventy-four percent (74%) or 5,274 cases reviewed qualified for consideration of TPR. In just over half of these instances, federal requirements for mandatory consideration of TPR were applicable. The Boards may find that there is a compelling reason not to pursue TPR such as the child is with relatives, parents are making progress, or the child is a teenager and does not want to be adopted.</p>	<p>Boards made these recommendations:</p> <table style="margin-left: 20px;"> <tr> <td>Don't file TPR petition</td> <td style="text-align: right;">72%</td> </tr> <tr> <td>File TPR petition</td> <td style="text-align: right;">17%</td> </tr> <tr> <td>Grant pending petition</td> <td style="text-align: right;">11%</td> </tr> <tr> <td>Deny pending petition</td> <td style="text-align: right;">¼%</td> </tr> </table>	Don't file TPR petition	72%	File TPR petition	17%	Grant pending petition	11%	Deny pending petition	¼%
Don't file TPR petition	72%								
File TPR petition	17%								
Grant pending petition	11%								
Deny pending petition	¼%								
<p>The Board must consider the <b>safety</b> of the child while living in the out-of-home placement. This includes whether all applicable safety assessments and child protection protocols have been used, such as whether DSS has completed an inventory of people living in the home. The Board must also consider whether there are <b>indicators of risk that</b> may include, but are not limited to, parental visits that may subject the child to risk, domestic violence, and/or a household member with a history of violence, child abuse, or child neglect. They found risk indicators in 4% of the overall reviews.</p>	<p>One or more safety protocols were not used in approximately 3% of the reviews (90% in Baltimore City). Of these, the Boards found indicators of risk in 47% of the cases.</p>								
<p>A <b>permanency plan</b> specifies when and with whom the child shall live and the proposed legal relationship between the child and the caregiver(s). Two votes are taken regarding the permanency plan:</p> <ul style="list-style-type: none"> <li>• <b>The concurrence rate is the percentage of times the reviewers agree with the permanency plan.</b></li> <li>• <b>A vote for adequate progress indicates that the responsible agencies acted in a reasonable and timely fashion to promote permanent placement.</b> A responsible agency includes LDSS, the courts, a private child placement agency, and medical and educational systems.</li> </ul>	<p><b>See Exhibit XVI</b></p>								

<sup>9</sup> For the waiver of reunification services and termination of parental rights, votes may not be taken if 1) the child was 18 years of age or over, 2) the parents were dead, or 3) the parental rights had already been terminated

**Exhibit XIV**  
**Summary of Permanency Plans by Concurrence Rates and Adequacy of Progress For**  
**Fiscal Years 1998 and 2003**

Permanency Plan	July 1, 1997 – June 30, 1998			July 1, 2002 – June 30, 2003		
	Percentage of Total	Concurrence Rate	Progress Adequate	Percentage of Total	Concurrence Rate	Progress Adequate
<b>Return Home</b>	14%	83%	90%	29%	82%	90%
<b>Relative Placement</b>	14%	91%	90%	16%	90%	92%
<b>Adoption</b>	24%	99%	86%	25%	99%	86%
<b>Independent Living</b>	16%	99%	98%	13%	99%	97%
<b>Long-term Foster Care</b>	15%	96%	96%	15%	96%	96%
<b>Permanent Foster Care</b>	17%	99%	98%	2%	96%	96%
<b>Guardianship</b>	1%	96%	97%	0%	100%	0%
<b><u>TOTAL</u></b>	100%	95%	93%	100%	92%	91%

Source: CRBC's Information System. Based on 7,080 case reviews conducted in FY 2003 and 12,890 in FY 1998.

The shift toward more cases with plans of return home reflects implementation of the 1998 legislation (in FY 1999) and the concomitant Memorandum of Agreement between DHR and CRBC. Under the new procedures, a higher percentage of children entering care receive an initial review (most often at six months) and follow-up reviews are spread out over longer intervals.

Return home had the lowest concurrence rate and the second lowest percentage of reviews in which progress was found adequate. Board members cited high caseloads as a major barrier to progress.

For plans of adoption, reviewers found that legal resources and the adoptive process, including the home study, to be the major barriers.

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### **Carol Carson**

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### **Rev. Cameron Carter**

Representing Baltimore City

### **Richard Hall**

Representing Baltimore and Harford Counties

### **Mae Kastor**

Representing Baltimore City

### **Alisa Santucci**

Representing the Governor

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### **James Trent**

Representing Calvert, Charles, Prince George's, and Saint Mary's Counties

(The position representing Dorchester, Somerset, Wicomico, and Worcester Counties is vacant.)