

**Financing the Future of Child Welfare
Meeting Three—August 11, 2006
NOTES**

Attending:

Riaz Aziz
Judith Brumfield
Patricia Coldwell
Doug Green
Patti Hague
Tom Henderson
J. Ann Hill
Suzanne Koeplinger
Verne LaPlante
Ed Larsen
Kate Lerner
Harvey Linder
Meredith Martinez
Bob Meyer
Judge Susan Miles
Rhonda Porter
Glenda Rooney
Rob Sawyer
Lynne Singelmann
Jerry Soma

From DHS:

Michelle Basham
Katie Burns
Jenny Ehrnst
Jim Huber
Chuck Johnson
Ralph McQuarter
Lori Munsterman
Erin Sullivan Sutton
Dave Thompson

Agenda

- Information sharing
- Review and revise expectations
- Review proposals and suggestions for future financing structure
- Develop an emerging proposal

Information Sharing

- Map of current business model reviewed, revised and attached.
- Regulatory “musts” and “shalls.” Contact Judith Brumfield for copies.
- List of core services attached.
- County position on child welfare. Contact Judith Brumfield for copy.
- Legislative Auditor’s Report—yet to come.

Child Welfare Core Services

626.556 Reporting of maltreatment of minors.

Subdivision 1. Public policy. The legislature hereby declares that the public policy of this state is to protect children whose health or welfare may be jeopardized through physical abuse, neglect, or sexual abuse. While it is recognized that most parents want to keep their children safe, sometimes circumstances or conditions interfere with their ability to do so. When this occurs, families are best served by interventions that engage their protective capacities and address immediate safety concerns and ongoing risks of child maltreatment. In furtherance of this public policy, it is the intent of the legislature under this section to strengthen the family and make the home, school, and community safe for children by promoting responsible child care in all settings; and to provide, when necessary, a safe temporary or permanent home environment for physically or sexually abused or neglected children.

In addition, it is the policy of this state to require the reporting of neglect, physical or sexual abuse of children in the home, school, and community settings; to provide for the voluntary reporting of abuse or neglect of children; to require a family assessment, when appropriate, as the preferred response to reports not alleging substantial child endangerment; to require an investigation when the report alleges substantial child endangerment; and to provide protective, family support, and family preservation services when needed in appropriate cases.

Requirements and Expectations

The goal of *Financing the Future of Child Welfare in Minnesota* is to:

Recommend a foundation for financing that will at least sustain the current level of services that are available to support child welfare in Minnesota.

As we consider a variety of options, we share the following assumptions about our work:

- Welfare of children should be a high priority for federal, state, Tribal, and county concern.
- Many improvements have been made in child welfare processes, policies, services, and outcomes in Minnesota in recent years. The intent is to maintain those changes and continue to trends toward more focus on outcomes and families.
- Though we know improvements could be made in programs and approaches in child welfare and other facets of human services, we are not currently engaged in making those changes. Our work is to focus on sustainable financing structures.

Given these assumptions, we have defined a group of requirements or expectations that we will use to select an effective approach to our current challenge. We will use these expectations as a way to assess our various options and design a solution that will be effective in its technical detail, operational reality, and implementation processes.

1. Technical Expectations

- 1.1. Meet state, county, Tribal, and federal regulations and mandates
- 1.2. Plan for sustainability over time
 - 1.2.1. Flexible to adapt to changing needs
 - 1.2.2. Stable, consistent, and reliable funding
 - 1.2.3. Realistic, practical, and manageable processes
 - 1.2.4. Sufficient funding available
- 1.3. Ensure solutions is politically viable with sound rationale for government action
 - 1.3.1. Apolitical
 - 1.3.2. Process for accessing funding is not over regulated
 - 1.3.3. Administrative activity does not take away resources from service delivery
 - 1.3.4. Understandable to multiple audiences. Transparent procedures.
 - 1.3.5. Set priorities in context of whole field of human services
 - 1.3.6. Change how we talk about child welfare
- 1.4. Maintain service level
 - 1.4.1. Maintain (at least) current level of services
 - 1.4.2. Support family reunification
 - 1.4.3. Improve permanency
 - 1.4.4. Reduce reliance on foster care
 - 1.4.5. Define what services should be funded
 - 1.4.6. Define current level of services
 - 1.4.7. Serve all kids, including kids aging out
 - 1.4.8. Maintain focus on outcomes and well being
 - 1.4.9. Provide consistent services across counties
 - 1.4.10. Eliminate racial disparities in child outcomes
 - 1.4.11. Maintain flexibility and supports during assessment

- 1.4.12. Target evidence based practices and accountability
- 1.4.13. Continue innovations to improve outcomes
- 1.4.14. Continue to strengthen preventive services
- 1.5. Provide both central consistency/stability and local specialization
 - 1.5.1. Should be equably distributed (based on differing needs throughout state)
 - 1.5.2. Use what is already there and work around what we cannot change
 - 1.5.3. Distinguish state, Tribe, and county roles:
 - 1.5.3.1. Core safety net services provided by state and federal funding
 - 1.5.3.2. Unique specialized services provided by county or Tribe
 - 1.5.4. Equity in financing between county, Tribe, state, and federal governments
 - 1.5.5. Multi-source for funding including partnerships
- 1.6. Use data to drive decisions
 - 1.6.1. Meet federal benchmark/national standards
 - 1.6.2. Good use of technology
 - 1.6.3. Simple data/outcome collection
 - 1.6.4. Timely reporting
 - 1.6.5. Not focus on how business is done (process) but to what end (outcomes)
 - 1.6.6. Make expectations clear for both process and outcomes
 - 1.6.7. Embed incentives, and tie them to meeting/progress toward federal goals
 - 1.6.8. Provide expansion when appropriate but reward fiscal responsibility
- 1.7. Support trained and competent staff
 - 1.7.1. Provide adequate funding for staff required to sustain effective services
 - 1.7.2. Ensure that community providers are culturally competent and given fair contracts
 - 1.7.3. Consider frequency of contact (dependent on level of staffing) as best indicator of success

2. Operational Expectations

- 2.1. Sustain current levels of outcomes and quality.
- 2.2. Ensure that the project meets goals
 - 2.2.1. Think about moving out of old ways into really new ones
 - 2.2.2. Opportunity to rethink how we do the work
 - 2.2.3. Goal is around services sustained not processes maintained
 - 2.2.4. We've learned a lot. Let's not forget the power of early intervention and support services
 - 2.2.5. We have to maintain focus on Finance
 - 2.2.6. Consider key questions:
 - 2.2.6.1. When funding changes, what is the effect on outcomes?
 - 2.2.6.2. What variables affect effectiveness?
 - 2.2.6.3. What is willingness to make it happen?
- 2.3. Ensure that future improves on past efficiency and effectiveness
 - 2.3.1. Ensure that individual cases receive "reasonable or active" efforts to reunify family
 - 2.3.2. Not cost more than it benefits
 - 2.3.3. Less procedures than now
 - 2.3.4. Get buy-in from all
 - 2.3.5. Conversation with all (2-way)
 - 2.3.6. Tribes at the table
 - 2.3.7. Communities of color at the table
- 2.4. Funding is flexible to meet the needs of families

- 2.4.1. Indian Child Welfare Act will be honored consistently
- 2.4.2. Acknowledge protection of rights for children and families
- 2.4.3. Articulate the differences before and after the change
- 2.4.4. Provide support to families of children with behavioral issues
- 2.4.5. Adapt to community standards
- 2.5. Remain flexible to meet local circumstances
 - 2.5.1. Capacity of counties and Tribes
 - 2.5.1.1. Adapt to available funding
 - 2.5.1.2. Provide adequate supervision
 - 2.5.2. Accountability for outcomes
 - 2.5.2.1. Levels of accountability
 - 2.5.2.2. Meet outcomes (federal measures)
 - 2.5.2.3. Use data for decision making
 - 2.5.2.4. Work toward federal regulations and mandates
 - 2.5.3. Allocation of resources to meet needs consistently
 - 2.5.3.1. Equal access to services wherever you are
 - 2.5.3.2. Less variability in core services
 - 2.5.3.3. Consistency between expectations and resources
 - 2.5.3.4. Autonomy to respond to County and Tribe diversity
 - 2.5.3.5. Articulate the differences before and after the change
 - 2.5.4. Respond to the multiple problems with previous funding structures
 - 2.5.4.1. Losing federal funds
 - 2.5.4.2. State-wide consistency
 - 2.5.4.3. Sustainable financial structures
 - 2.5.4.4. Stress on county and Tribal funding
 - 2.5.4.5. Balanced and fair funding structures
 - 2.5.4.6. Federal funding sources are vulnerable over time

3. Implementation Expectations

- 3.1. Follow standard and most effective path toward legislative and executive action
 - 3.1.1. Follow standard practice and best practices for moving to legislative action
 - 3.1.2. Garner administrative and legislative support
 - 3.1.3. Other members of the Task Force provide support as needed
 - 3.1.4. Task Force members consult with their constituencies as the process progresses
- 3.2. Use the press effectively and in a timely way
 - 3.2.1. Op ed
 - 3.2.2. Public radio
 - 3.2.3. TV
 - 3.2.4. Obtain a pro bono marketing plan, if possible
- 3.3. Consider effective decision-making processes
 - 3.3.1. Don't sacrifice good for perfect
 - 3.3.2. Manage expectations for all
- 3.4. Respond to implementation needs of Counties and Tribes
 - 3.4.1. Work with Tribal leadership
 - 3.4.1.1. Ensure high level communication with Tribal leaders
 - 3.4.1.2. Consult with the Indian Affairs Council
 - 3.4.2. Key messages/ communications
 - 3.4.2.1. State – local shared effort
 - 3.4.2.2. Focus on maintaining outcomes/ performance focus

- 3.4.2.3. Magnitude of funding lost and impact on county and Tribal funding sources
- 3.4.3. County board and Tribal leadership briefings
 - 3.4.3.1. Re: budget impacts (NOW)
 - 3.4.3.2. AMC/ MACSSA Communications
 - 3.4.3.3. Re: process/ general position (NOW)
- 3.4.4. Affirm this group's role and approach
 - 3.4.4.1. Recommendations at AMC and MACSSA (hopefully :))
 - 3.4.4.2. AMC District meetings and MACSSA conference (fall)
 - 3.4.4.3. Board briefings (AMC templates)
- 3.4.5. Conversations with local legislators
- 3.5. Share information with the Legislative Branch
 - 3.5.1. After elections, identify and meet with key legislators in an effort to 'groom' them into child welfare 'champions'
 - 3.5.2. Identify and collaborate with key external partners to influence the legislature
 - 3.5.3. Request a legislative hearing as soon as session starts
- 3.6. Consider a wide range of stakeholders

Child advocacy	Counties	CoAL's
Children's Defense Fund	Organizational groups	Children's advocacy groups
Public	Schools	Mn business partnerships
Voters	Law enforcement	MNCN
Media	Courts	MACC
Children's coalitions	Corrections (community)	Press
Tribes	Funders	Collaboratives
Business community	Health plans	CJI teams
MACSSA	Citizen's league	G.A.L.S.
Community agencies	Faith communities	Governor
Judicial Council	Public	Itasca Group
Recipients of services		

Proposal I:

Proposal for Financing the Future of Child Welfare
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Introduction

Minnesota is one of 12 states nationwide that has a state-supervised, county-administered child welfare system. Under the functions of child welfare the following are included:

- Child Protection Services
- Foster Care Services
- Adoption Services
- Other/Family Services including Early Intervention

Minnesota contributes the highest percentage of local (county) funding of any of the 12 state-supervised, county-administered systems. In the year 2005, the breakdown of the financing structure for Minnesota's child welfare system included:

- Counties: 47.7% or \$214.9 million
- Federal Government: 35.6% or \$175 million
- State of Minnesota: 16.4% or \$80.7 million

Significant improvements in Minnesota's child welfare system have been made in the past years as a result of efforts put forth by both the State and counties. Best Practices have been studied and implemented resulting in Minnesota becoming one of the top states in meeting new federal guidelines.

On February 1, 2006, the Federal Government passed the 2005 Budget Reconciliation Act. This Act made significant changes in the rules as it related to obtaining Medical Assistance dollars to provide support for counties and the child welfare and child collaborative systems. These changes will cause the State of Minnesota to lose in excess of \$50 million per year (??). The reductions cannot be made up entirely by property tax dollars. As a result, many of the progressive advances in Minnesota's child welfare system will be discontinued. Children will be put at a higher risk because of a lack of resources.

In light of the above factors, a task force was created including representatives from Minnesota's Department of Human Services, counties and other stakeholders that aimed to develop a new funding mechanism that would at least sustain the current level of services that are available to support child welfare in Minnesota. The following outlines a new funding proposal to be considered for recommendation by that Task Force.

Proposal

The State of Minnesota, with its broad taxing base, agrees to provide sufficient funds to replace the federal child welfare targeted case management revenue earned by counties and used to provide child welfare services to ensure the safety, well-being and permanency of children at-risk of child abuse and/or neglect.

1. These monies would be reimbursed to counties in proportion to the child welfare targeted case management monies earned by individual counties in year 2005. A mechanism would be put in place to allow a reassessment of this allocation methodology after the first year, if needed.
 - a. Counties would develop a plan outlining how the new money would be used and how this money would relate to continuing the advancement that has occurred in recent years in the area of child protection. Furthermore, this plan would show how existing funding and new funding would be used to achieve Federal and State standards.
2. Additional funds are requested to target the needs of specific high risk child populations that are over represented in the child welfare system, Initiatives targeted to reduce over representation will focus on African American children, American Indian children, and other populations of children at risk of entry into the child welfare system.

Proposal II:

Principles:

- The funding structure should allow the system to meet the needs of families coming to it.
- Increase state share of child welfare system costs to provide greater stability in financing core services and focus on prevention/early intervention and improving outcomes for kids. (Trying to stabilize core services and trying to continue progress and reforms.)
- Maintain county responsibility for out-of-home placement costs.
- Address friction between counties and tribes by sharing new resources with tribes in exchange for tribes taking on non-federal share of child welfare costs.

Options:

1. Increase CCSa grant and fund counties and tribes.
 - Address formula to meet needs
 - Incentive to share resources and expertise
2. Create new children's grant to fund preventive child welfare services.
 - Could be done as a subcomponent of CCSA as a fixed percentage of funding for prevention, family support preservation, reunification, etc. or as an entirely separate grant.
3. Divide new state contribution into two parts:

- The bulk of new state money (80 percent) would go to counties through either CCSA or new children's grant.
- The remainder (20 percent) would be available to counties and tribes on a competitive basis.
 - Priority could be given to counties/tribes who form voluntary partnerships or work with community-based providers. (We could add other criteria as well.)
 - Disparity reduction/work with populations with poor outcomes as one focus.
 - Regional development of absent resources (e.g., shelters, psychological services, etc.)

Discussion

Brainstorming other options:

- State takes responsibility for some function that engages them in investment (e.g., out of home placement)
- Use CCSA grant money (either move CW money out of CCSA or add new money to the pot) (requires new outcomes for non-child welfare CCSA money)
- Fill gap in federal funds
- State take responsibility for some costs that are human services but not child welfare (e.g., child support, childcare licensing, and truancy)
- State takes responsibility for some non Human Services costs from county
- Manage staffing contracts statewide
- Identify regional groups of counties for management purposes to reduce admin costs
- Other tax on county level rather than property tax to fund child welfare.

Of the previous options, what should we keep?

- State funding/ contributing to funding in certain areas
- Portion of funding directed at innovation, regional effort, prevention disparities
- Equal/ shares/ equal partners
- Portion of funding based on CW/ TCM
- Keep tribes and community providers in mind/ loss of funds for them too
- Merits in creating separate children's fund (including current CCSA)
- MOE
- Two prong approach (core services, preventing, targeted services)
- Look at new ways to deliver the services
- Simple formula
- Allocation
- Use corrections/ justice example for investment in prevention and treatment
- Reduce administrative/ bureaucratic costs
- Consolidate administrative decisions at district

- Disparities in services are being eliminated
- Using technology to advantage
- Prevention: more front-end services
- Do business differently

Of the previous options, what should we explore?

- Regional
- What services/ program will counties no longer provide?
- Separate Children's Act
- State takes some responsibility for CW costs (SFP)
- Trade
- Key question: Are we funding services to kids OR Counties that provide services?
- Keep accountability of current CWTCM? Fix some of the problems
 - Was a billing, not service system
 - Targets specific services (CM)
 - High administrative costs
 - Not targeted to needs
- Allocation to counties/ tribes
 - o Based on '05 money for TCM (or some other baseline)
 - o Move toward need base over time
 - o Revise allocation formula periodically according to predetermined criteria
 - o (Investigation/children in care// total child population)
- CWTC money Agencies' funds do not slow up in match, but they should do. (contracted TCM)
- Does this include loss of (LCTS) collaborative money? Not now and difficult because of diversity uses.
- Investments in prevention should be included (rather than LCTS focus)
- Second option for innovation might include preventive care
- Reimburse does not equal allocation
- Allocation of additional funds based on at-risk populations (#2)
- How much will be dedicated to the second option for innovation?
- Consider service and administrative money
- Sustainability?
- Today TCM funding only come after the work is done. This should remain the case.
- How does CJI fit in? (multi-county partnerships, public/private partnerships)

Principles emerging:

- Support a separate Fragile Children's Act
- State Financial Participation makes contributions of state, feds, and county/tribe more equitable.
- Performance-based measurements (outcomes and measurement procedures are already in place).
- Commit to prevention and family-based activities
- Focus on and provide incentives for continuous improvement

- Provide incentives for counties to work together when appropriate
- Possibilities to use SSIS for data collection/reporting

Who will explore details of possible proposals?

- Judith
- Michelle
- Lori
- Erin
- Katie
- Bette
- Rob
- Harvey
- Riaz

Glenda will arrange meeting.

Concerns for Reports

- Requirements for regulatory vs. community care work in child welfare
- Sensitive nature of work results in mandates for what gets done and how it gets done
- Three Ps
 - o Prevention → general population
 - o Preservation → high-risk populations
 - o Prevention of out-of-home → those identified with need
- Regardless of resources available
 - o Courts require “reasonable or active efforts to reunify family”
 - o Out of home requires least restrictive setting

Tasks and information for next time:

- Information that is available regarding the cost-benefit of prevention activities
- What is '05 allocation and/or distribution of TCM funding to counties?
- What is ratio of funding for each county to children in population and/or to MA-eligible children?
- How does it relate to funding in 03, 04, 05?