



Legislative Post Audit Performance Audit Report Highlights

Foster Care and Adoption in Kansas: Reviewing Various Issues Related to the State's Foster Care and Adoption System (Part 3)

April 2017 • R-17-006

QUESTION 5: Does the State's Foster Care System Have Sufficient Capacity to Provide Necessary Foster Care Services?

This is the final report in a three-part comprehensive review of the foster care system. Part 1 focused on safety concerns and was released in July 2016. Part 2 focused on compliance with applicable state and federal laws and was released in September 2016. Part 3 focuses on foster care capacity, outcomes, and costs.

Background Information

In fiscal year 2016, the Kansas Department for Children and Families (DCF) spent about \$220 million to serve about 6,600 children a day in foster care. Foster care is complex and involves many agencies and individuals, including the courts, two case management contractors, and others.

The Kansas foster care program has been privatized since 1997. DCF currently contracts with two contractors—KVC Behavioral Healthcare (KVC) and Saint Francis Community Services (St. Francis)—to provide placement and case management services across the state.

Findings related to capacity

- Both case management contractors had challenges employing enough case management staff, and a small portion of case managers had high caseload levels. (p. 13)
 - Both contractors use a team model to alleviate staffing shortages.
 - A small percentage of the contractors' case managers had caseloads that exceeded DCF's recommended limit of 30 cases.
 - Both contractors frequently asked supervisors to take on large caseloads because of staff vacancies.
 - Some survey respondents from Part 1 of this audit told us staff morale was low among caseworkers, in part because of high caseloads and turnover.
- Family support workers within the contractors' team model had sufficient education but did not always have the required experience. (p. 16)
 - All 40 case managers whose credentials we reviewed met the education and licensure requirements required by state law.
 - All 40 family support workers whose credentials we reviewed met or exceeded the state contracts' education requirements, but nearly half lacked sufficient experience.
 - Many family support workers lacked the required experience in part because the two contractors misinterpreted their contracts' experience requirements.
- Children in foster care received most of the physical and mental health services they needed, but there were exceptions. (p. 18)
 - Most children in foster care appeared to receive the physical and mental health services they needed.
 - However, we saw indications some children did not receive some needed mental and specialty physical health services or received them late.
 - Inadequate community resources sometimes prevented children from receiving needed services, but the case management contractors also had inadequate processes for determining whether children received needed services.
 - Children in foster care change case managers frequently, which exacerbates the communication and coordination issues.

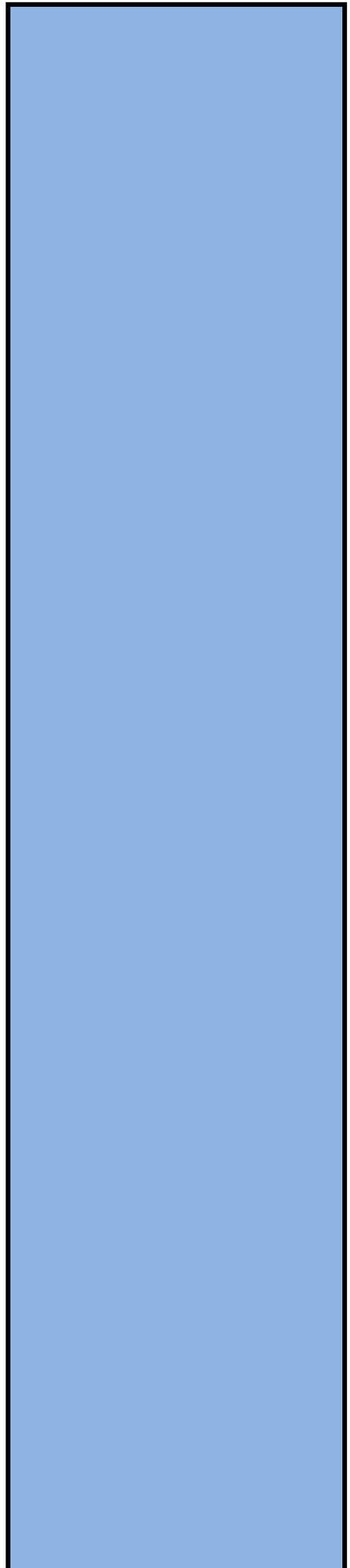
- It appears many counties and cities did not have enough licensed foster homes. (p. 22)
 - Although there were enough open beds statewide, more than 40 Kansas counties did not appear to have enough beds to accommodate children needing placements.
 - As of June 30, 2016, more than 550 children in foster care (about 18% of the more than 3,000 children we reviewed) were placed further than 100 miles from their removal homes, even though closer beds may have been available.
 - Both case management contractors told us they placed some children far away so they could be near siblings and specialized services, or because a closer bed was not available.
 - Disparate data systems maintained by the two contractors and the child placing agencies may have contributed to long-distance placements.
 - DCF could not monitor if children were placed in appropriate homes, in part because it did not collect integrated information about foster homes.

Findings related to DCF's management and oversight

- DCF could be more proactive in monitoring and collecting management information about the foster care system. (p. 27)
 - DCF is ultimately responsible for the state's foster care system even though most of the day-to-day operations have been privatized.
 - While DCF has created some monitoring processes, these processes did not capture important management-level information, including critical data.
 - DCF could make better use of the monitoring tools it already had at its disposal to oversee the system.
 - DCF appears to have placed more emphasis on working with the contractors than enforcing performance requirements, which likely contributed to the oversight issues we identified.
- The information DCF maintained was not adequate to ensure children were placed in appropriate foster homes. (p. 29)
 - To manage the foster care system, DCF should have accurate information about where children were removed, where they have been placed, and their physical and mental health needs, as well as foster homes' capacities and preferences.
 - DCF's data on children in its custody, including their removal and placement addresses, was incomplete and had numerous inaccuracies.
 - DCF's data on licensed foster homes was outdated and missing important information about the number of open beds.
 - DCF's data did not include specific information required to place each child in the most suitable home, including detailed information on children's needs or on what types of children each home would accept.
 - It is important to note DCF has recently begun to expand its use of data in overseeing the foster care system.

Other findings

- We identified several children who were placed in foster homes that did not comply with licensing standards. (p. 32)
 - We identified 14 children who were placed in licensed foster homes that did not appear to have been inspected timely or were not sponsored by a child placing agency, as required by law.
 - DCF's process to manage annual renewals did not take advantage of the information available in its licensing system, which contributed to these placements.
 - DCF is making significant changes to the inspection process.



Federal Outcomes Background Information

The federal Administration for Children and Families has published *Child Welfare Outcomes* reports since 1998. The reports allow child welfare professionals to evaluate the performance of states' child welfare systems. They measure several key outcomes related to safety, the stability of placements, and efforts to achieve permanency for children. We interviewed DCF and federal officials and identified 11 measures that were methodologically consistent from 2000 to 2013.

QUESTION 6: How Has the State's Performance on Federal Outcomes for Children and Families Changed Over Time?

- Kansas' performance on the 11 federal outcome measures we reviewed did not change significantly from 2000 to 2013. (p. 35)
 - Kansas slightly improved its performance on four outcome measures related to reducing time in foster care and increasing placement stability.
 - Kansas' performance on six federal outcome measures related to reducing abuse and neglect and increasing permanency was relatively constant.
 - Kansas' performance on one outcome measure related to improving permanency declined.
- While these measures may provide useful insights into Kansas' performance, they have significant limitations. (p. 37)
 - Kansas' performance on federal outcomes measures are self-reported and unaudited, but state and federal officials review them for obvious errors.
 - According to federal officials, Kansas' performance on these measures should not be compared to other states because there are no consistent national standards and significant differences among states' child welfare systems.

QUESTION 7: How Would the Cost of the State Directly Providing Foster Care and Adoption Services Compare to Maintaining the Current Privatized System?

- We estimate the state would incur up to \$8 million more in on-going costs and significant start-up costs for DCF to provide foster care and adoption services instead of private contractors. (p. 39)
- Of the \$161 million in costs reported by the contractors for fiscal year 2016, most (98%) were costs relating to child placement, salaries and benefits, operating expenses, child care, and transportation. (p. 39)
- We estimate DCF would have spent between \$164 and \$169 million to provide the same services in fiscal year 2016. (p. 41)
 - DCF's costs for placements, child care, and other miscellaneous expenses likely would be comparable to the contractors' current costs.
 - However, DCF's costs for salaries and benefits, as well as transportation, likely would be greater than the contractors' current costs.
 - Finally, DCF's operating costs likely would be lower than the contractors' current costs.
- Additionally, DCF would incur significant start-up costs for the state to directly provide foster care and adoption services for vehicles, office space, and developing case-management software. (p. 43)
- There may be other factors to consider when comparing privatization to a state-run system. (p. 43)
 - Privatization may provide added benefits such as security of state funding, protection from legal action, and access to charitable contributions.
 - However, stakeholders told us a privatized system may be less stable when the case management contractors change.
 - Stakeholders also told us the state was unprepared to take over the provision of foster care services in the near future.

SUMMARY OF RECOMMENDATIONS

Recommendations for the Department for Children and Families (p. 45)

- We recommended DCF address its management and oversight issues by continuing to expand its capacity for data-driven decision making through the collection and dissemination of management, operations, and performance data.
- We also recommended DCF address its home inspection and renewal issues by implementing processes, policies, and procedures to monitor the licensure renewal process and ensure inspections are completed on time.
- Finally, we recommended DCF ensure children in foster care receive the physical and mental health services they need by clearly establishing roles and responsibilities and implementing policies and procedures intended to ensure information on children's needs is consistently documented and service provision problems are investigated.

Recommendations for the case management contractors (p. 47)

- We recommended KVC and St. Francis comply with their contracts' experience requirements for family support workers, or work with DCF to determine whether the minimum requirements should be amended.

Recommendations for the Kansas Legislature (p. 47)

- We recommended the appropriate committees examine and consider amending the state's case manager licensing requirements.
- We also recommended the Legislative Coordinating Council consider directing an interim study to gather information on the availability of community-wide resources.

AGENCY RESPONSE

DCF, KVC and St. Francis generally concurred with the report's findings, conclusions, and recommendations. (p. 49)

HOW DO I REQUEST AN AUDIT?

By law, individual legislators, legislative committees, or the Governor may request an audit, but any audit work conducted by the division must be directed by the Legislative Post Audit Committee. Any legislator who would like to request an audit should contact the division directly at (785) 296-3792.

Legislative Division of Post Audit

800 SW Jackson Street
Suite 1200
Topeka, Kansas 66612
Telephone (785) 296-3792
Website: <http://www.kslpa.org/>

Scott Frank
Legislative Post Auditor

For more information on this audit
report, please contact:

Kristen Rottinghaus
(785) 296-3792
Kristen.Rottinghaus@lpa.ks.gov