



PERFORMANCE AUDIT REPORT

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

**A Report to the Legislative Post Audit Committee
By the Legislative Division of Post Audit
State of Kansas
April 2017**

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April 28, 2017

To: Members, Legislative Post Audit Committee

This report contains the findings, conclusions, and recommendations from our completed performance audit, *Foster Care and Adoption in Kansas: Reviewing Various Issues Related to the State's Foster Care and Adoption System, Part 3*. The audit team included Kristen Rottinghaus, Andy Brienzo, Daria Milakhina, Joshua Luthi, and Lynn Retz. Chris Clarke was the audit manager.

In the course of the audit, we also noted some minor issues that were not directly related to answering the audit questions. We conveyed those issues to agency officials in a separate management letter. The management letter is not included as part of this report, but is available upon request.

We would be happy to discuss the findings, conclusions, and recommendations, presented in this report with any legislative committees, individual legislators, or other state officials.

Sincerely,

Scott Frank
Legislative Post Auditor

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

Background Information

The purpose of Kansas' foster care program is to protect children who are victims of abuse or neglect. The foster care system is administered by the Department for Children and Families (DCF). The department may provide preventive services to a family when child abuse or neglect is suspected, with the goal of keeping the child in the home. However, if preventive services are not successful or if the danger to the child appears to warrant action, law enforcement may take the child into protective custody, and the department may ask the county or district attorney to petition the court to place the child in its custody. Children in DCF custody receive case management services to help them reintegrate with their family or, when reintegration is not possible, pursue another case plan goal such as adoption, emancipation, or guardianship.

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 for children and families across the state. These services include help resolving the issues that led to a child's removal so the child can return home. In cases where a child cannot reintegrate with their family, the case management contractors facilitate pursuit of a different case plan goal, such as adoption.

Objectives, Scope and Methodology

In December 2015, the Legislative Post Audit Committee approved a performance audit examining the state's foster care system. A copy of the original seven-question audit proposal is included in *Appendix B*. We divided the original proposal into three parts. Part 1, which covered Questions 1-3, was released in July 2016. Part 2 covered Question 4 and was released in September 2016. This performance audit is Part 3 and answers the final three questions:

- 5. Does the state's foster care system have sufficient capacity to provide necessary foster care services?**
- 6. How has the state's performance on federal outcomes for children and families changed over time?**

7. How would the cost of the state directly providing foster care and adoption services compare to maintaining the current privatized system?

Questions 6 and 7 of the original audit proposal would have evaluated how the current system compared to the system as it existed before it was privatized. However, we learned no consistent records existed for the system before it was privatized. As a result, we amended the scope of Questions 6 and 7 to eliminate such comparisons in consultation with the Legislative Post Audit Committee.

We completed four major pieces of work to answer Question 5. First, to analyze caseloads, we reviewed case management contractors' caseload data for fiscal years 2014-2016, interviewed DCF and contractor staff, and reviewed DCF policies, the state foster care contracts, and child welfare best practices to determine if the case management contractors had sufficient staff to provide foster care services. We also reviewed a small, non-projectable sample of case management staff to assess whether they had the education, licensure, and experience necessary for their work. Second, to determine if children received the physical and mental health services they needed, we reviewed 11 children's files we judgmentally selected, reviewed two of DCF's federal case reviews, and interviewed contractor staff. We also surveyed a small, judgmental sample of foster parents, guardians ad litem, and judges to collect their opinions about whether children in foster care received the physical and mental health services they needed and the reasons those services were not provided. Third, to determine if the state had sufficient licensed foster homes in appropriate locations, we analyzed DCF's data on the number of open beds in licensed foster homes and the number of children in foster care statewide, by county, and by zip code. We also selected a random, projectable sample of long-distance placements to identify why children were placed far from their removal communities. Finally, we reviewed the state foster care contracts, interviewed DCF staff, and reviewed relevant documents to determine how DCF monitored case management contractors.

We also used the survey results from Part 1 of this audit to supplement our work. Even though only one of our samples is projectable, the surveys and sample of files we completed were appropriate and sufficient to answer the audit question because they provide insight into stakeholders' opinions and children's experiences, and are consistent with the evidence we obtained through our other work.

Although this was not an audit of DCF's internal controls, we conducted a high-level review of its controls surrounding several processes. We interviewed DCF and contractor staff and reviewed DCF's policies to determine what processes they used to identify children's physical and mental health needs and to ensure children received the identified services. We also reviewed DCF's controls for ensuring children are placed in appropriate foster homes, for monitoring contractors' performance, and for handling and following up on stakeholder complaints about the contractors.

We did not evaluate the appropriateness of decisions to remove children from their homes, reintegrate them with their families, or place them with adoptive families. Those types of determinations have been part of previous audits conducted by our office.

To answer Question 6, we reviewed available information on certain federal outcomes for fiscal years 2000-2013 and analyzed the state's performance over time. We interviewed DCF staff about their process for collecting and verifying outcomes data. We also interviewed federal officials about which outcomes were consistently measured over time, and how they verify the outcomes data reported by DCF.

To answer Question 7, we analyzed contractors' foster care expenses for fiscal year 2016 and DCF's estimates for future placement, salary, operating, child care, and transportation costs. Based on that information and our discussions with DCF and contractor staff, we determined how and to what extent DCF might differ from contractors if it provided foster care and adoption services. We also interviewed DCF staff, contractor staff, federal officials, and Kansas Legislative Research staff to identify other considerations. Finally, we surveyed a small, judgmental sample of foster parents, judges, and case management staff about their opinions of the privatized foster care system.

In addition to our findings for the three questions, we identified certain minor issues which we communicated to agency officials in a separate management letter. Those issues are not included in this audit report.

***Compliance with
Generally Accepted
Government Auditing
Standards***

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and

conclusions based on our audit objectives. However, we encountered several data problems that limited our ability to answer Question 5, as described below.

Generally accepted government auditing standards require us to assess the sufficiency and appropriateness of any computer-processed data we use to support our audit findings. Because of errors in DCF's data on children's removal addresses, placement addresses, and beds in licensed foster homes, we were unable to calculate accurate, specific numbers of open beds by county or zip code, or the number of children placed far from their removal communities. Instead, we estimated these numbers by adjusting the data based on other available data sources. Further, because of DCF's lack of integrated data related to children's physical and mental health, we were unable to determine how many children in foster care received the services they needed. We discuss the problems associated with not having accurate data in more detail on pages 29-32. These problems were significant enough that they limited our ability to directly answer the audit question. However, we made adjustments and corrections where possible. In our opinion, the modified data are sufficient and appropriate to support the findings and conclusions in the report.

Our findings begin on page 13, following an overview of the foster care system.

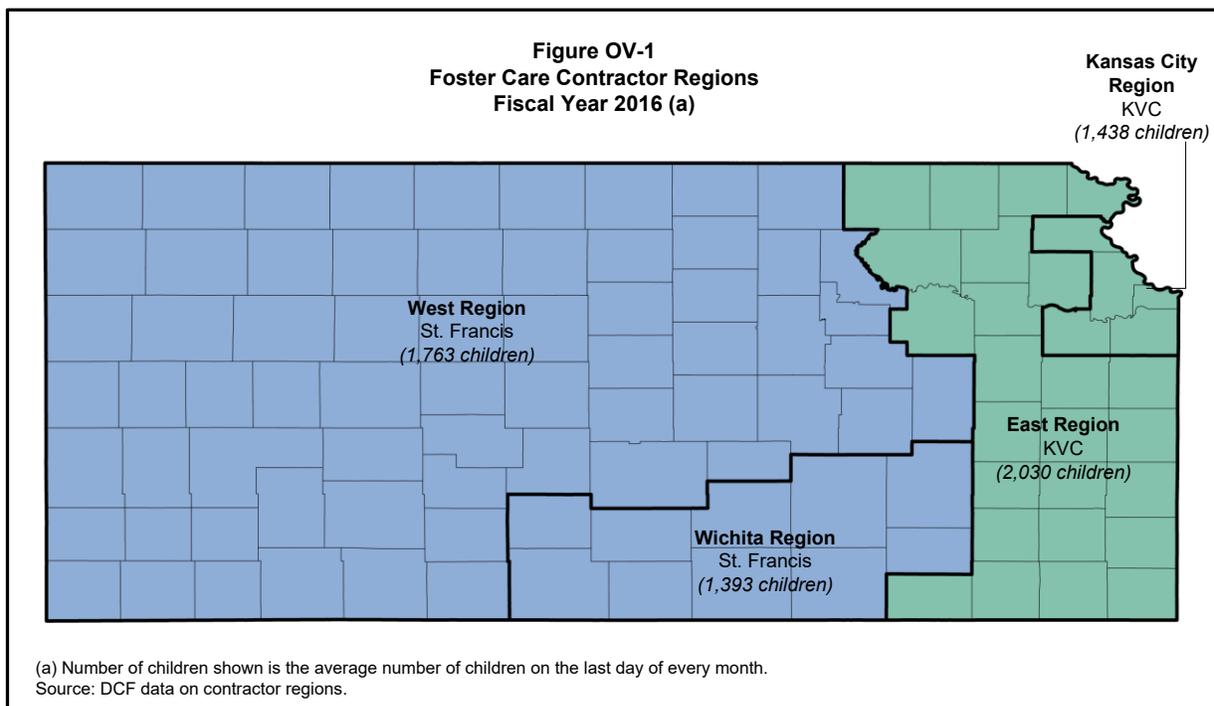
Overview of the State’s Foster Care System

In Fiscal Year 2016, the State Spent About \$220 Million to Serve About 6,600 Children a Day in Foster Care

Foster care is intended to give children a temporary home until they can be reintegrated with their family or adopted. Each child in foster care has been determined to be a “child in need of care” (CINC) by a court. By statute, a child can be deemed to be in need of care if they are the victim of physical, emotional, mental, or sexual abuse, if they lack adequate parental care or subsistence, or if they fail to attend school or otherwise exhibit a lack of parental control. Once a child is declared to be in need of care, they are typically placed with a relative or a foster family, although other types of placement settings exist, including residential facilities. The placement is temporary until a court decides the child can be safely reintegrated with their family or the child is adopted.

About 6,600 children a day were in the state’s foster care system in fiscal year 2016, and the number has increased in recent years. According to Department for Children and Families (DCF) data, the number of Kansas children in foster care steadily increased from an average of about 5,200 children a day in fiscal year 2008 to about 6,600 in fiscal year 2016, about a 27% increase.

These children are placed throughout the state, primarily in licensed foster homes. DCF has divided the state into four regions, which are shown below in **Figure OV-1**. As the figure shows, each



region had between about 1,400 and 2,100 children. About 56% of these children were placed in licensed foster homes, 33% were placed with relatives, and the remaining 11% were placed in group residential or other settings.

Kansas spent \$220 million on prevention and protection services in fiscal year 2016, most of which was paid to the state's foster care contractors. Prevention and Protection Services is a division within DCF that oversees foster care, adoption, and family preservation services, as well as the Kansas Protection Report Center. In fiscal year 2016, DCF spent about \$220 million for prevention and protection services. Of that amount, about \$154 million was paid to foster care contractors to provide placement (reintegration, foster care, and adoption) and case management services. The balance of DCF expenditures included costs to oversee foster care service providers, family preservation services, adoption support, and the protection report center.

DCF, Private Organizations, and the Court Are the Primary Entities Involved in the Foster Care System

Removing a child from their home affects not only the child, but their family members. With so many people affected, it is important for the foster care system to have sufficient controls in place to ensure all decisions throughout the process focus on the best interests of the child. This requires the involvement of multiple entities at different levels and with different responsibilities. These entities are listed in **Figure OV-2** on the following page and include DCF, case management contractors, child placing agencies, and the court.

The Department for Children and Families (DCF) has legal custody of all children in foster care and is ultimately responsible for their safety and well-being. DCF has several roles in this process. First, it helps initiate a child's entry into the foster care system through investigations into allegations of abuse or neglect. DCF also has a key role in recommending whether a child should be removed from their home, who should have custody, and whether parental rights should be terminated. When a child is removed from their home, they are placed in DCF's custody. DCF then oversees the services provided to the child by the case management contractors. Finally, DCF is responsible for licensing foster homes to ensure their safety.

DCF contracts with two nonprofit case management contractors that recommend placements, develop case plans, and monitor progress toward case plan goals. Case management contractors subcontract with child placing agencies to match

children in need of care with foster placements. The contractors then monitor these placements. Case management contractors also develop and oversee progress on case plans for children in foster care and their families, which can include tasks such as completing parenting classes, counseling, or substance abuse intervention. **Figure OV-1** on page 5 shows the contractors currently providing services in each region. As the figure shows, KVC Behavioral Healthcare (KVC) provides services in the East and Kansas City regions and Saint Francis Community Services (St. Francis) provides services in the West and Wichita regions.

Figure OV-2 Roles of Primary Entities and Individuals Involved in the Foster Care Removal, Placement, and Reintegration Processes	
Entity	Role
Department for Children and Families (DCF)	Recommend whether a child should be declared a child in need of care (CINC), who should have custody of the child, whether adequate progress is being made toward reintegration, whether adoption should be pursued, and whether parental rights should be terminated. DCF also licenses foster care contractors and child placing agencies, receives and investigates CINC complaints, and approves placements and case plans.
Foster Care Case Management Contractors (KVC and St. Francis)	Provide case management services for children in need of care, including directing clients to appropriate services (such as family preservation and mental health services). These contractors also monitor placements made by child placing agencies.
Child Placing Agencies (Subcontractors)	Match children in need of care with foster placements. They also sponsor foster families, assist them with licensing, and are charged with performing regular visits to foster families.
District Court	Determine whether a child should be declared a CINC, who should have custody of the child, whether adequate progress is being made toward reintegration, whether adoption should be pursued, whether parental rights should be terminated, and whether the child should be returned home.
Guardians Ad Litem (GAL)	Individuals appointed by the court to represent the best interests of the child.
Court Appointed Special Advocates (CASA)	Volunteers who investigate a child's situation, monitor their case, and act as their advocate.
Administration for Children and Families (ACF)	ACF is a division of the federal Department of Health and Human Services. It provides funding for state foster care services while children are placed in foster care because of maltreatment, lack of care, or lack of supervision. The state is responsible for complying with ACF's rules and meeting ACF's goals to access the federal funding.

Source: LPA review of Kansas child in need of care laws and DCF policies.

Child placing agencies recruit and sponsor foster homes. They help the case management contractors find a placement for children who are placed in DCF custody. Child placing agencies also assist homes with licensing and are charged with regularly visiting foster families.

The courts ultimately decide who receives custody of children in foster care. Although DCF and the contractors make recommendations, ultimately a court decides whether a child should be removed from their home, whether parental rights should be terminated, or whether the child should be reintegrated with their family. Through routine hearings, the courts also monitor whether the child is making progress as outlined in their case plan.

Several other individuals and organizations also play a role in representing and protecting the best interest of the child. Law enforcement agencies may take a child into protective custody and be involved in the investigation of alleged abuse or neglect. In addition, a “guardian ad litem” is appointed for every CINC case to represent the child’s best interest. Also, in some jurisdictions a Court Appointed Special Advocate (CASA) may be appointed to act as a child’s advocate through the duration of their case. Finally, the child’s parents may have an attorney to represent their interests.

The federal Administration for Children and Families (ACF) monitors and helps fund the Kansas foster care system. ACF is a division of the federal U.S. Department of Health and Human Services and administers the federal foster care program. ACF reimburses states for a portion of the foster care costs for children removed from their homes due to maltreatment, lack of care, or lack of supervision. ACF also monitors Kansas’ performance on a number of outcome measures and may withhold funds if Kansas fails to meet the federal standards.

The Foster Care System is Complex and Involves Many Steps

DCF and law enforcement agencies investigate allegations of abuse or neglect and make recommendations to the court on whether children should be removed from their homes. DCF receives reports regarding potential children in need of care through the Kansas Protection Report Center. Calls received by DCF staff that meet certain criteria are assigned for investigation by local DCF offices. A DCF case worker then investigates and determines whether the report is valid (sometimes in cooperation with law enforcement). If the case worker determines the child is unsafe in a home, DCF may request the county or district attorney file a CINC petition to remove the child from their parents’ care. A court then decides whether the child should be returned to their parents or removed and placed in DCF custody.

If a court determines a child is “in need of care” and places them in DCF custody, the case management contractors and child placing agencies work together to locate a home for the child. If a child is placed in DCF custody by order of a court, a case management contractor must locate a placement for that child. The two contractors may work with other child placing agencies to locate an appropriate placement. The child is typically placed with a relative or in a licensed foster home. Each licensed foster home is sponsored by a child placing agency, which provides support and oversight of the home. Because DCF has legal custody of the child, it is responsible for all placements.

The private contractors provide case management services and monitor the progress of children in the foster care system.

Contractors are responsible for developing a case plan for the child and providing the necessary services to help the child achieve permanency and ensure the child’s well-being. Case plans include steps necessary for a child to reintegrate with their family or to seek adoption. Those steps can include providing services to meet a child’s needs, or having children attend school and participate in extra-curricular activities. A licensed case manager who works for the contractor monitors the child through monthly visits. They also monitor the progress being made to achieve the case plan goals, which must be completed before the child can be reintegrated with their family.

The court, with input from the case management contractor and DCF, decides whether to reintegrate a child with their family or move to an alternative goal, such as adoption.

Prior to a court hearing, the contractor prepares a report to update the court on the current status of the child’s case plan goals. DCF reviews this report which is then submitted to the court. The court reviews the child’s case plan and progress made towards achieving case plan goals required before the child and their parents can be reunited. If the court decides appropriate progress has been made and the child is safe to return home, the child is reintegrated with their parents. However, the court may also decide reintegration is no longer a viable goal, in which case the parental rights are terminated and the child becomes eligible for other permanency goals, such as adoption or guardianship.

After a child is reintegrated with their family or is adopted by a new family, the private contractors continue to provide services for up to a year. These services—known as aftercare—help ensure the child will be safe in the home and will not need to re-enter foster care in the future. Contractors develop an aftercare

plan with the family, attempt to have monthly face-to-face visits with the child, submit monthly progress reports to DCF, and inform DCF of significant lifechanging events during this process.

Kansas Outsourced Its Case Management Services for Foster Care in the Late 1990s and is One of Only Two States to Have Fully Privatized Such Services

Kansas completed its transition to privatized foster care and adoption case management in 1997. In 1989, a Topeka attorney (later joined by the American Civil Liberties Union) filed a lawsuit against the Department of Social and Rehabilitation Services (SRS, now DCF) alleging it failed to care for children in foster care. The parties reached an out-of-court settlement agreement in 1993, which obligated SRS to comply with more than 150 requirements within certain timeframes. Because SRS struggled to comply with many of the settlement requirements, in early 1996 SRS officials notified the Legislature they intended to privatize foster care and adoption to improve the quality of services. SRS privatized adoption services in October 1996 and foster care services in February 1997.

SRS initially divided the state into five contract regions and had nonprofit providers bid on contracts to provide foster care services in one or more regions. Adoption services were included in a single statewide contract. Later, SRS combined the foster care and adoption contracts and reduced the number of regions to four. KVC and St. Francis are the current foster care and adoption contractors. The most recent contracts started on July 1, 2013, and will end on June 30, 2017. The contracts include the possibility for two two-year extensions (a total of four years).

**Figure OV-3
Privatization of Case Management Services by State as of 2015**

Level of Privatization	State
Fully privatized: Contractors provide all child welfare services except child abuse and neglect investigations.	2 states: Florida, Kansas
Large-scale privatization: Contractors provide case management services for most children or in a larger geographical area, but not necessarily statewide.	3 states and D.C.: District of Columbia, Illinois, New York, Oklahoma
Small-scale privatization: Contractors provide case management services for a subset of children in a limited geographical area, such as one county.	11 states: Arizona, Colorado, Michigan, Missouri, Nebraska, Ohio, Pennsylvania, South Dakota, Tennessee, Texas, Wisconsin

Source: Kansas Legislative Research Department and Casey Family Programs (unaudited)

Numerous states have attempted to privatize foster care case management services on a limited scale, but only Florida and Kansas have fully privatized child welfare services. Figure OV-3 at left shows other states that have privatized foster care and adoption. As the figure shows, at least 14 states and the District of Columbia have attempted to privatize parts of their adoption or foster care system, with many targeting specific geographical regions or subsets of children.

As *Figure OV-3* on the previous page also shows, Florida is the only other state to have fully privatized its foster care and adoption services on a statewide basis. Florida began to privatize foster care services in 1993 and privatized its entire child welfare system by 2005. At least one state—Nebraska—attempted statewide privatization, but later returned to a primarily state-run system.

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

It appears the state’s foster care system may not have sufficient capacity to provide necessary foster care services, but insufficient data prevented a clear determination. First, the information we reviewed showed both case management contractors had challenges employing enough case management staff (p. 13) and the family support workers they employed did not always have the required experience (p. 16). Second, the children in foster care received most of the physical and mental health services they needed, but there were exceptions—especially for mental health services and specialty physical health services (p. 18). Third, our analysis showed many Kansas counties and cities appeared to lack enough licensed foster homes (p. 22).

In addition, DCF could be more proactive in monitoring and collecting management information about the foster care system (p. 27). Also, the information DCF maintained was not adequate to ensure children were placed in appropriate foster homes (p. 29). Finally, we identified several children who were placed in foster homes that did not comply with licensing standards (p. 32).

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

The contractors’ case management staff are integral in providing many of the services children in foster care need to achieve permanency. For example, case management staff develop and oversee children’s case plans, refer children for physical and mental health services, supervise visits between parents and children, write court reports, and testify in court proceedings. It is important case management staff have reasonable caseloads, so they can provide each child the quality of services and individual attention they need.

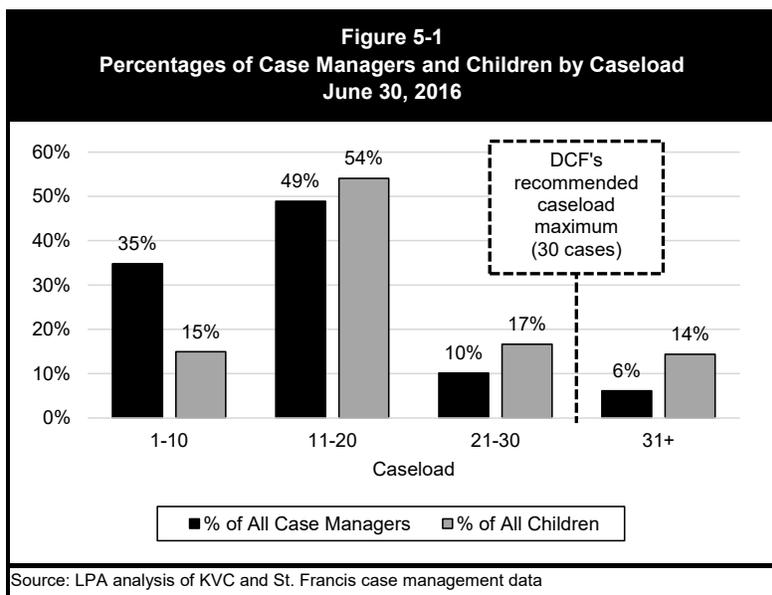
Both KVC and St. Francis use a team case management model to alleviate staffing shortages. Under a team model, a licensed case manager is paired with an unlicensed family support worker for each case, and the workload is divided evenly between the two. The National Child Welfare Workforce Institute identifies team case management as a best practice because it reduces staff isolation, workload, and stress.

The contractors told us they use a team model to deal with difficulties hiring and retaining enough case managers, especially in the state’s rural regions. They also told us Kansas’ requirement

that case managers be licensed professionals is unusual and makes it more difficult to fill positions. Further, they told us they faced competition for graduating social work students from other potential employers, including child placing agencies, private providers, and managed care organizations. A team model helps alleviate some of these staffing difficulties, because it replaces licensed social workers with unlicensed support workers who are easier to hire.

A small percentage of licensed case managers had caseloads that exceeded DCF’s recommended limit of 30 cases. Neither the foster care contracts nor best practices from the Child Welfare League of America define appropriate team caseload sizes. However, DCF issued guidance in November 2016 that recommended limiting case managers to 25-30 cases. DCF’s guidance did not directly address appropriate caseloads for team models. Nevertheless, we used the guidance as a general benchmark in part because it is the only standard the department has established.

- **Our analysis showed 6% of case managers had more than 30 cases on June 30, 2016, representing about 14% of the children in foster care.** We used the contractors’ data to calculate case

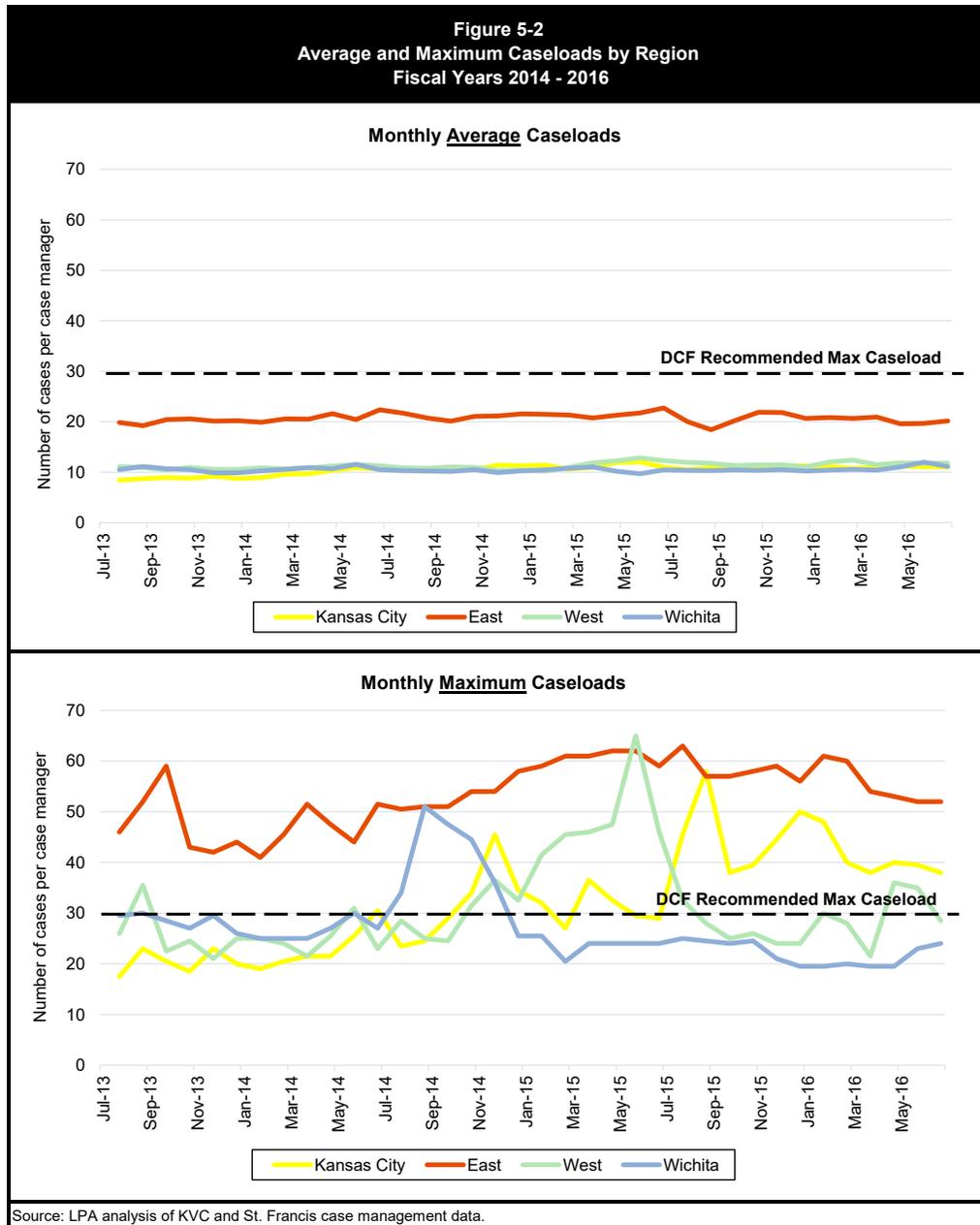


managers’ caseloads on June 30, 2016, as well as their monthly caseload for fiscal years 2014-2016. To account for the team case management model, we adjusted the caseloads, assigning only 50% of the workload to the case manager for any case that also had a family support worker. **Figure 5-1** at left shows the percentages of case managers with various caseload sizes on June 30, 2016, as well as the percentages of children assigned to these staff. As the figure shows, 6% of case managers (17 case managers) held caseloads in excess of 30 at the end of fiscal year 2016. These case managers served 14% of the children in foster care (971 children).

- **Case managers’ maximum caseloads frequently exceeded 30 cases during fiscal years 2014-2016.** **Figure 5-2** on the following page shows case managers’ average and maximum caseload sizes by month and region for the three-year period we reviewed. As the top portion shows, the averages for each region were within DCF’s recommended limits. However, as the bottom portion of the figure shows, case managers’ maximum caseloads frequently exceeded 30

cases during the three-year period. For example, in each month during fiscal years 2014-2016, between 6 and 20 case managers held more than 30 cases.

- Case managers in the East region had notably higher average and maximum caseload sizes than staff in the other three regions.** As shown below in **Figure 5-2**, case managers in the East region had average caseloads approximately twice those assigned to case managers in the other three regions. They also had the highest maximum caseloads during nearly every month of fiscal years 2014-2016.



Both contractors frequently asked supervisors to take on large caseloads because of staff vacancies. In addition to establishing recommended caseload limits, DCF's November 2016 guidance states supervisors should not carry caseloads. Supervisors are an important source of support for frontline case managers, and such support cannot be provided effectively when supervisors also are fulfilling the role of case manager for their own cases. This is especially true if their caseloads are large.

Both contractors told us they frequently had supervisors, as well as experienced case managers, take on the cases of newly vacated positions until the contractors could hire new case managers. Staff told us these vacancies can last for up to six months in the rural regions of the state, which sometimes causes supervisors to hold large caseloads for long periods. In fact, our analysis showed supervisors and experienced case managers generally carried the largest caseloads.

Some survey respondents told us staff morale was low among caseworkers, in part because of high caseloads and turnover. In Part 1 of this audit series, we surveyed 528 case management contractor staff and 428 guardians ad litem about a variety of issues related to the foster care system. Of the surveys we sent, 194 case management staff responded for a response rate of 37% and 76 guardians ad litem responded for a response rate of 18%. The response rates were not sufficient to reliably conclude the survey responses statistically represent the population as a whole, although they do provide some insight into survey participants' opinions and experiences. Further, the survey results are consistent with the evidence we obtained through our other work.

The results of that survey showed 51% of contractor staff and 76% of guardians ad litem reported morale was low among case management staff. Of those who responded, about half of both groups attributed low morale to high caseloads and being overworked. Several respondents also attributed low morale to high turnover.

***Family Support Workers
Within the Team Models
Employed by Both
Contractors Did Not
Always Have the Required
Experience***

Both KVC and St. Francis used a team model to provide case management services to children in foster care. This model paired a licensed case manager with an unlicensed family support worker for most cases, and evenly split the workload for each case between the two workers. To better understand who the contractors hired for these teams, we reviewed the education, experience, and licensure credentials held by a random, non-projectible sample of 40 case managers and 40 family support workers. Our sample included 20 of each type of staff from each contractor.

All 40 case managers in our sample met the education and licensure requirements required by state law. State law requires anyone practicing social work in Kansas to be licensed by the Kansas Behavioral Sciences Regulatory Board (BSRB). Further, DCF's contracts with the case management contractors require all case managers to hold a bachelor's degree in a human services field from an accredited university and licensure from the BSRB as a social worker, marriage and family therapist, master's-level psychologist, professional counselor, or alcohol and drug counselor. All 40 case managers in our sample held bachelor's or master's degrees in social work, counseling, or sociology, and were appropriately licensed by the BSRB.

All 40 family support workers in our sample met the state contracts' education requirements, but nearly half lacked sufficient experience. State law does not require family support workers to have specific credentials, but the state's foster care contracts require them to have a high school diploma or equivalent and two years of experience in the children and family services field. The results of our file reviewed are described below.

- **All 40 family support workers in our sample held at least a high school diploma or equivalent as required by the state's foster care contracts.** In fact, 24 of the family support workers in our sample (60%) had also earned an associate's degree or higher. Of these, two held degrees in social work and 22 held degrees in other fields, including psychology, sociology, and applied behavioral analysis.
- **However, 17 of 40 family support workers did not have the required two years of experience in the children and family services field.** Most of the family support workers in our sample had at least a month of relevant experience such as teaching, daycare supervision, or support work at other contractors or child placing agencies. However, only 23 (58%) met the contracts' minimum requirement of two years of such experience. Of the 17 family support workers who did not have the requisite experience, 11 had more education than the contracts require.

Many family support workers lacked the required experience in part because the two contractors have misinterpreted parts of their contracts with DCF. For example, both KVC and St. Francis told us despite not having the experience required by contract, many of the workers in our sample had a college degree (which exceeds the education requirement). Although it might be reasonable to substitute additional education for experience, this does not align with the contracts' separate experience and education requirements for family support workers.

In addition, St. Francis staff told us some of their family support workers had their own children or nieces and nephews, which they thought fulfilled the contracts' experience requirements. This is not allowed under the contracts, which refer to formal work or volunteer experience in the children and family services field.

Children in Foster Care Received Most of the Physical and Mental Health Services They Needed, But There Were Exceptions

Many children in foster care have physical and mental health needs that require substantial coordination to address. DCF is responsible for ensuring the physical and mental health needs of all children in its custody are addressed. All children in foster care need routine physical checkups and dental and vision exams. In addition, DCF's data showed about 35% of children in foster care have intellectual or physical disabilities, emotional disturbances, or other impairments. These children may need specialty physical services like surgery and orthodontia, and mental health services like therapy and medication management. DCF and the contractors should ensure children receive these services because they are crucial to a child's well-being and may be essential to achieving permanency in the future.

Many people and steps are involved in providing these services. First, staff from the case management contractor review a child's existing health information, complete an initial screening, and refer the child to the appropriate private providers for further assessments. Next, the private providers identify the child's needs and the services required to meet those needs. Then, the child's foster parent or case manager is responsible for scheduling and ensuring the child attends their appointments. Finally, all children in foster care are automatically enrolled in KanCare (the state's Medicaid program). KanCare provides coverage for health care services that managed care organizations identify as medically necessary.

Most children in foster care appeared to receive the physical and mental health services they needed. Neither DCF nor the case management contractors maintained specific data on each child's mental and physical health needs. (This is discussed more fully on pages 31-32.) As a result, we could not directly evaluate how many children received all the services they needed. Instead, we relied on the case reviews DCF conducted for the 2015 federal Child and Family Services Review (CFSR) and its quarterly internal file reviews for the fourth quarter of fiscal year 2016. We did not audit DCF's reviews, but combined them with other sources of evidence to develop our findings. These reviews identified whether children received services, but only contained limited information about the reasons. Therefore, to independently

assess why children did not receive needed physical and mental health services, we also selected a non-projectible, targeted sample of 11 files stakeholders had expressed concerns about. Finally, we talked to a group of 10 stakeholders which included judges, guardians ad litem, contractor staff, and foster parents about their knowledge of whether children received needed services.

These various surveys and reviews showed most children in foster care received the physical and mental health services they needed, including annual physical screenings, dental exams, individual therapy, family therapy, and medication management. DCF's case review for the federal CFSR showed about 80% of sampled children received the mental and physical health services they needed. Similarly, the department's quarterly file review found 88% of sampled children received the mental health services they needed and 81% received needed physical health services. Finally, the children in our targeted file review generally received mental and physical health services, and survey respondents said children usually had no trouble getting physical health services.

However, we saw indications some children did not receive some mental and specialty physical health services or received them late. Although the sources we reviewed showed children received many services, they also showed some children did not receive all the services they needed. Mental health services and less common physical health services like oral or ocular surgery appeared to be more problematic than routine physical screenings or dental exams.

- **Several children in our targeted file review did not receive specialty physical health services and many did not receive timely mental health services.** One of the 11 children whose cases we reviewed did not receive specialty physical services, such as orthodontics. We also saw eight children's mental health services and two children's specialized physical health services were delayed or infrequent. **Figure 5-3** on the following page describes a few of the cases we reviewed in more detail, including the children's needs and the services they did not receive.
- **The stakeholders we talked to reported occasional problems with children's physical health services and frequent problems with mental health services.** All 10 stakeholders told us children frequently experienced barriers to receiving timely mental health services. Half of them also identified occasional barriers to physical health services—particularly specialty services. In general, those barriers were related to a shortage of community resources or poor communication and coordination.

Figure 5-3
Although Most of the Children Whose Files We Reviewed
Received Needed Services, Some Did Not

Although children in our targeted file review received most of the physical and mental health services they needed, some did not receive needed services, did not receive them timely, or received them infrequently. Three examples of children in our sample who did not receive the services they needed in the required manner are summarized below. We changed some specific details about the children to safeguard their anonymity.

- One child with extensive physical disabilities did not receive needed dental work in a timely manner. The nature of her disabilities meant she could only receive dental care while under sedation, but contractor staff told us few providers in the area performed sedation dentistry. As a result, she experienced delays of up to six months any time she needed to see a dentist.
- One child with extreme, trauma-related emotional and behavioral issues inconsistently received the therapy she needed because her issues caused her to move to new foster homes frequently. Contractor staff told us community mental health providers declined to provide her therapy during her short-term placements because they doubted she would be able to make progress before the child moved again. Additionally, she experienced gaps in treatment during each transition between placements, as it took time for providers to send referrals for her, transfer her records, and get her intake sessions scheduled.
- One child who was convicted of sexual assault did not consistently receive the therapy he needed because his foster parent did not personally like the therapist and did not think the therapist was helping. As a result, the parent canceled or refused to take the child to his therapy appointments for several months without the case manager's knowledge. This child also experienced a significant delay in receiving his required sex offender treatment because contractor staff said no outpatient sex offender treatment programs existed near the child's foster home. He therefore had to wait until he was old enough to enter the state's only inpatient sex offender treatment facility with an opening.

- **DCF's case review for the 2015 federal CFSR review showed children did not always receive physical and mental health services.** The review showed Kansas' performance was deficient. That is because although about 80% of the children received the recommended physical and mental health services, that percentage was well below the federal government's standard of 90%.

Inadequate community resources sometimes prevented children from receiving needed services. The CFSR results, our targeted file review results, and stakeholder surveys all suggest a lack of community resources sometimes prevented children from receiving needed services, especially mental health services. All three of these sources identified:

- a shortage of therapists, including those trained to provide things like art and music therapy and sex offender treatment.
- a shortage of specialized placements, including a lack of beds in psychiatric residential treatment facilities.
- wait lists and scheduling difficulties for therapists. It appears this issue is compounded for children in short-term placements because of the time it takes to refer, transfer documentation, and schedule intake appointments with providers.

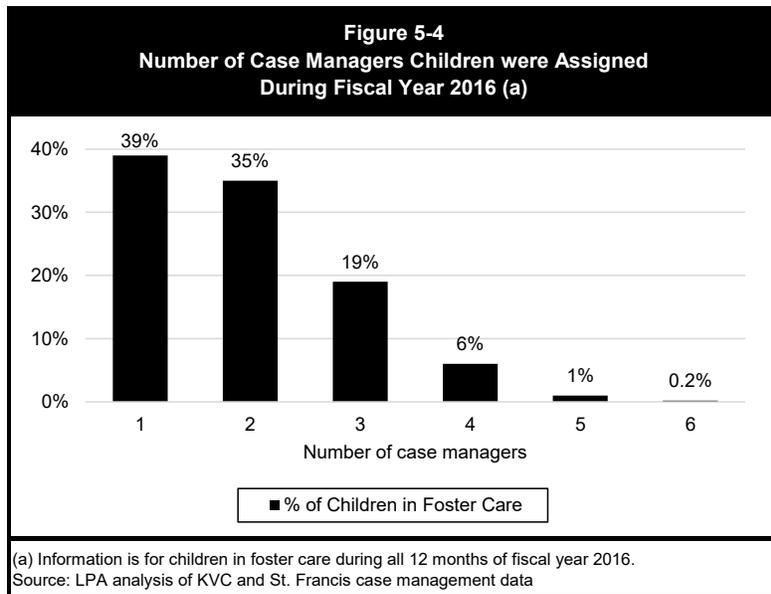
- a shortage of medical providers who can provide services to children with severe mental or physical impairments.
- a shortage of therapists and medical providers willing to accept the Medicaid payment card given to children in foster care.

Determining the underlying reasons why communities might not have adequate resources was beyond the scope of this audit. Further research about available community resources could provide additional and valuable insight into these issues.

Additionally, the two case management contractors had inadequate processes for determining whether children received the services they needed. DCF's case review for the federal CFSR, our targeted file review, and our stakeholder survey all indicated poor communication and coordination between licensed case managers, support staff, and foster parents sometimes prevented children from receiving services they needed. For example, we saw a couple of cases where the case manager relied on foster parents to schedule appointments and provide transportation, but the foster parents did not know it was their responsibility or did not think the appointment was necessary.

Additionally, the case management contractors did not always document a child's needs and services in the child's file and relied heavily on verbal communication. Our review of children's case files showed staff organized and documented this information in different places and at varying levels of detail. They also often did not include documentation from the private provider. The documentation issues we saw were supported by DCF's quarterly file review results in which 19% of the files sampled lacked evidence demonstrating children received needed physical health services and 12% lacked evidence showing children received needed mental health services.

Children in foster care change case managers frequently, which exacerbates the communication and coordination issues. *Figure 5-4* on the following page shows the average number of case managers children had in fiscal year 2016. As the figure shows, about 60% of the children who were in foster care for all 12 months had more than one case manager that year, and 26% had three or more case managers. This makes it especially important children's needs and services are documented in a standardized format so the case management contractors can ensure their needs are addressed during these transitions.



It Appears Many Counties and Cities Did Not Have Enough Licensed Foster Homes

Federal guidelines, federal outcome measures, and the state’s foster care contracts require DCF and the case management contractors to try to place children in the same communities and school districts they were in prior to entering foster care. Such placement is important because it allows children to maintain preexisting connections to their communities, engage in family therapy, and visit their biological families. To achieve consistent placement close to home, there needs to be enough licensed foster homes in each part of the state. Federal law requires the state to recruit appropriate foster homes, and DCF relies on child placing agencies to recruit these homes and case management contractors to place children in them.

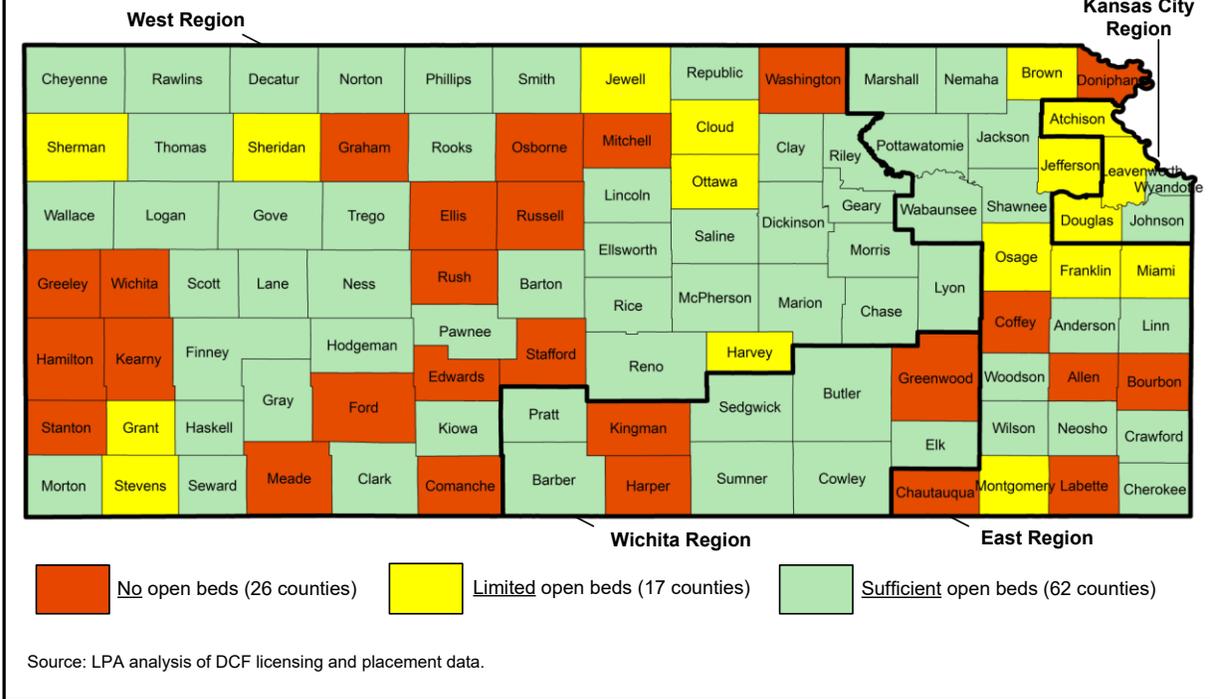
To determine whether licensed foster homes had sufficient capacity to accommodate the number of children in state custody, we compared DCF’s list of children in foster care to its list of licensed foster homes. We also used mapping software to estimate the distances between children’s removal addresses and placement addresses for those in licensed foster homes on June 30, 2016. As described in more detail on page 30, we identified significant inaccuracies in DCF’s data on children’s removal and placement addresses through this process. We made assumptions and adjustments to the data to correct as many of the identified issues as possible. However, we were not able to correct all data issues, so the results in this section should be viewed as estimates only.

We made two important decisions that affected the results of our analyses. First, we included children placed in licensed foster homes, residential facilities, group homes, and runaways. However, we excluded children placed with relatives or close friends because only specific children can be placed in those homes. This resulted in more than 3,000 children in our analysis. Second, because the case management contractors told us licensed homes typically accept fewer children than their licensed capacity, we had to estimate the number of licensed beds that were actually available. Based on estimates we received from five large child placing agencies, we estimated the number of beds in licensed foster homes was about 70% of their licensed capacity.

Although there were enough open beds statewide, more than 40 Kansas counties did not appear to have enough beds to accommodate children needing placements. We conducted a statewide analysis of data in fiscal year 2016 and a county-level analysis of data for June 30, 2016 to assess whether there were enough licensed beds.

- **Statewide, there appeared to be about 20% more open beds than children needing placements in fiscal year 2016.** About 4,500 children statewide were placed in licensed foster homes or may have needed such placement in fiscal year 2016. During the same year, we estimate licensed homes had about 5,500 beds they were willing to fill. Therefore, the number of beds exceeded the number of children needing placement by about 20%.
- **However, our analysis showed 26 counties did not appear to have any open beds.** We then calculated the number of open beds in each county. **Figure 5-5** on the following page shows a map of Kansas and whether each county appeared to have enough open beds to accommodate children needing placement. As the figure shows, 26 counties did not appear to have any open beds. Twenty-two counties had licensed foster homes, but all the beds in those homes were fully occupied. In addition, four small counties (Hamilton, Kearny, Meade, and Wichita) did not have any licensed foster homes.
- **In addition, 17 counties appeared to have only a limited number of open beds.** To determine which counties did not appear to have enough beds, we estimated the net number of children entering each county and compared it to the estimated number of open beds in the same county. The 17 counties we identified as concerns did not have enough open beds to accommodate the estimated number of children who will enter foster care in that county over the next two years.

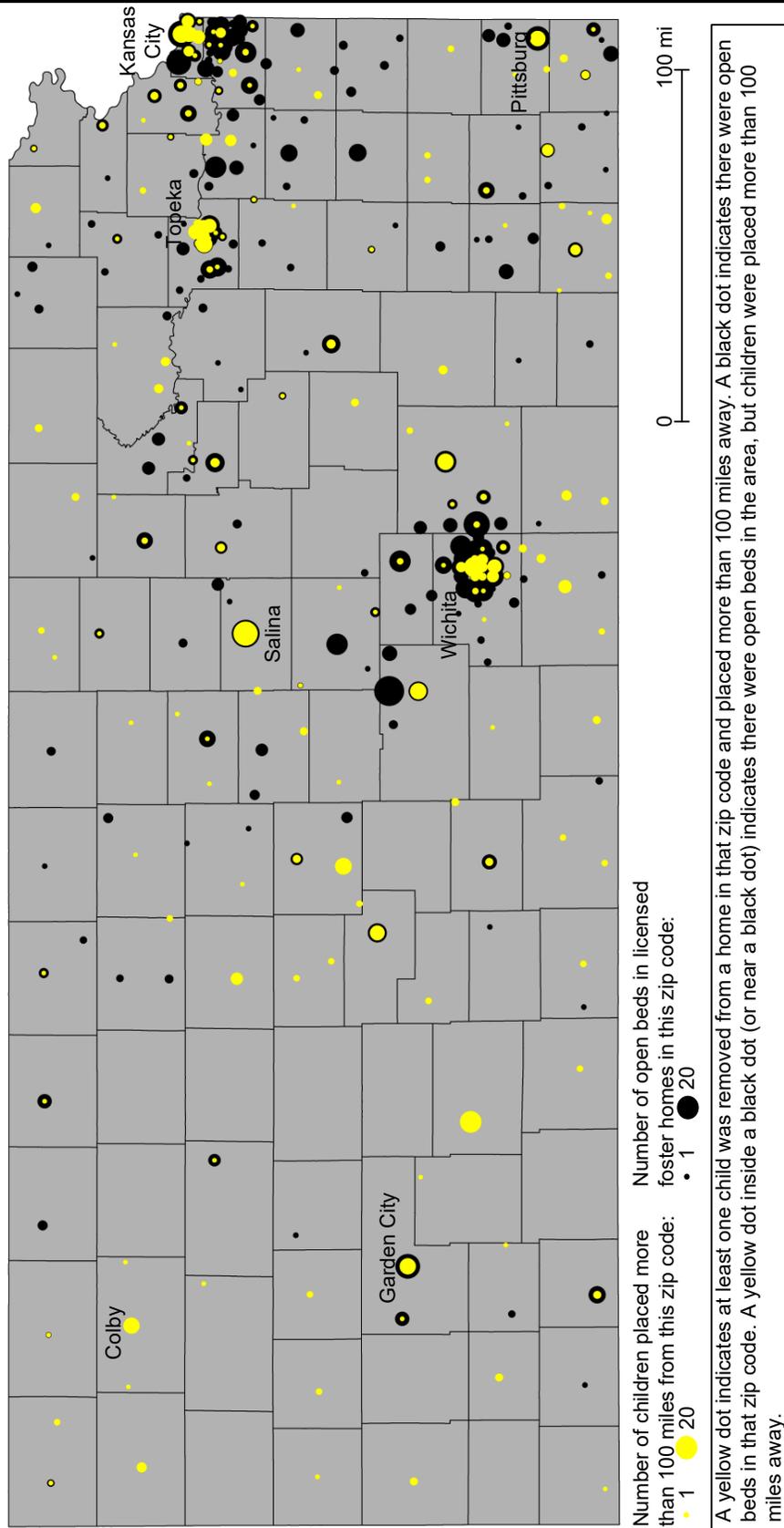
**Figure 5-5
Open Bed Capacity in Licensed Foster Homes by County
June 30, 2016**



As of June 30, 2016, more than 550 children (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. For this analysis, we focused on children in licensed foster homes who were placed more than 100 miles from their removal homes' zip codes. That is because this distance is very clearly outside a child's removal community and school district. **Figure 5-6** on the following page maps this information by zip code. A yellow dot indicates at least one child was removed from a home in that zip code and placed more than 100 miles away. A black dot indicates an open bed in a given zip code. When a yellow dot appears inside a black dot (or near a black dot), it indicates there were open beds nearby but the child was placed more than 100 miles away. The relative sizes of the dots indicate the number of children or beds in a zip code (i.e., larger dots mean more children or beds).

As the figure shows, several yellow dots are either surrounded by black dots or close to black dots, indicating numerous children were placed far from their removal homes despite having open beds in those communities or nearby. In all, these dots represent more than 550 children.

Figure 5-6
Open Beds in Licensed Foster Homes and Children
Moved More Than 100 Miles
June 30, 2016 (a)



(a) We calculated the distance between a child's removal zip code and the zip code of the foster home he was placed in on June 30, 2016. Source: LPA analysis of DCF licensing and placement data

Both case management contractors told us they placed these children far away so they could be near siblings and specialized services, or because a closer bed was not available.

We selected a random, projectable sample of 60 children (30 from each contractor) placed more than 100 miles from their removal address. The contractors told us these 60 children were placed long distances away for the following reasons.

- 34 children had special needs the contractors said could only be met by homes in different communities.
- 13 children needed to be placed with siblings, which the contractors said made it more difficult to find homes in their removal communities.
- 4 children's placements were made for stability. Specifically, one child was placed with an adoptive family, another child was temporarily placed in a home that turned into a long-term placement, and two children were placed in homes the contractors told us were closer but later moved.
- 3 children's placements were made because the contractors told us they could not find open beds in closer homes at the time of the placement.

The contractors could not provide reasons for 6 children's placements. Of these, 4 children were placed by a different contractor prior to 2013 when the current contract became effective. The remaining 2 children were errors in the data DCF provided (e.g., the child was placed with a close family friend, which was a placement we intended to exclude from our analysis.)

Disparate data systems maintained by the two case management contractors and the child placing agencies may have contributed to long-distance placements. As of August 2016, there were 23 child placing agencies in Kansas (two of which were operated by the case management contractors). These agencies recruit and sponsor licensed foster homes and work with the contractors to find appropriate placements for children in foster care. We identified two problems with how data is shared between DCF, the case management contractors, and the child placing agencies that likely contributed to long-distance placements.

- **Individual child placing agencies collected information about the foster homes they sponsor, but did not share that information with other agencies.** Each child placing agency collected information about their own foster homes' preferences, capacities, and skills. However, these agencies did not share this information with the contractors, DCF, or one another. As a result, there is no integrated data to help make optimal placement decisions. This problem is discussed in more detail on pages 29-32.

- **The case management contractors may not have had information about all potential foster homes when making placement decisions.** The contractors told us they sent an email to all child placing agencies when a child was placed in DCF custody by the court or needed to change placements. The child placing agencies then compared the information about the child to their own foster homes and notified the contractors about suitable matches.

According to staff from the case management contractor, timing issues can create problems in this process. For example, children are placed in DCF custody at all times of day and must be placed within a few hours. This means the email requesting placement may be sent outside of normal business hours, such as on weekends or late at night. Staff told us this prevented smaller agencies that are not open during these hours from responding and limited the number of potential placements considered.

DCF could not monitor if children were placed in appropriate homes, in part because it did not collect integrated information about foster homes. Under the state’s foster care contracts, all placements are subject to DCF approval. However, DCF staff did not have information about all available foster homes to assess if other placements were more appropriate.

DCF officials acknowledged this was a shortcoming, but told us they were in the process of developing and implementing improved data systems. Officials told us one of those systems would use mapping software to help them review and approve requests to exceed licensed capacity. Although this is an improvement for processing requests for these specific types of exceptions, the new system as designed does not contain the type of integrated information needed to review all placements. Officials also told us they developed a marketing plan and media campaign in January 2017 to recruit foster homes. Those plans are designed to collect and use data to determine the types of homes needed most.

FINDINGS RELATED TO DCF’S MANAGEMENT AND OVERSIGHT

DCF Could Be More Proactive in Monitoring and Collecting Management Information About the Foster Care System

DCF is ultimately responsible for the state’s foster care system even though most of the day-to-day operations have been privatized. The foster care contracts and state law specify the department has ultimate responsibility for the well-being of children, the quality of the services, and the overall success of the foster care system. The daily operation of the system was outsourced to the case management contractors with privatization. Nonetheless, DCF remains responsible for foster care services and must actively oversee the contractors and evaluate their performance. That oversight includes ensuring children are placed

in appropriate settings, children's physical and mental health needs are addressed, and permanency is secured for them in a timely manner.

DCF's monitoring processes did not capture important management-level information. As the foster care system's lead agency, DCF is responsible for setting expectations, providing guidance, monitoring performance, and delivering feedback on how the system operates. Our work showed the department expected the contractors to ensure children were placed in appropriate homes and their well-being, but did not maintain data to monitor whether this occurred. This hampered its ability to identify and address both contractor-specific and system-wide problems.

- **DCF did not collect and maintain the data it needed to effectively oversee the case management contractors.** Our audit work showed DCF did not maintain important data about both children and foster homes necessary to oversee the performance of the contractors and the foster care system. For example, DCF required the contractors to place each child in the foster home nearest his or her removal home that provided the best fit, as well as to ensure each child received the physical and mental health screenings, assessments, and referrals he or she needed. However, DCF did not develop the processes or maintain the data necessary to ensure these things happened for all children. We discuss these data issues in more detail on pages 29-32.
- **DCF could make better use of the monitoring tools it already has at its disposal to oversee the foster care system.** Although the department has an internal audit office, historically it has not used this function to review the foster care and adoption system. The internal audit office has conducted only a few performance audits of the case management contractors since 2005. Further, while these audits found data problems similar to those we identified, DCF did not follow up on the audits' findings and recommendations.

Additionally, we reviewed several of the major monitoring processes identified in the foster care contracts, including management reports from the contractors and annual administrative site visits. Our review showed the contractors' quarterly reports did not contain management-level information about their performance, and the administrative site visit used incorrect and incomplete contract requirements as criteria. We also reviewed the department's process for handling stakeholder complaints and noted the complaint process did not ensure all stakeholder complaints were accessible to DCF.

DCF has not been aggressive in addressing the problems it identified with its contractors. Performance improvement plans (also called corrective action plans) are the primary method DCF has to address performance issues with its contractors. The foster care contracts allow DCF to request and approve a performance

improvement plan when a contractor does not meet federal outcome requirements or when the department identifies problems through any of its oversight processes. The plans are supposed to include action steps and improvement goals for each unmet outcome or identified problem. The contracts state the department may assess financial penalties if a contractor fails to meet its goals for two consecutive quarters, and may terminate the contract if the contractor fails to meet them by the end of the state fiscal year in which the plan was implemented.

DCF has only required two performance improvement plans since 1997 (the first year of privatization). In both cases the plans were requested in direct response to issues found in LPA audits, including Part 1 of this audit. This is despite the fact the contractors did not meet federal outcome benchmarks in several years. For example, Part 2 of this audit showed the state did not consistently meet several federal requirements related to timeliness, stability, or placing children in the same school district during fiscal years 2013-2016.

DCF appears to have placed more emphasis on working with contractors than enforcing performance requirements, which likely contributed to the oversight issues we identified.

Although it is reasonable for DCF to work with the case management contractors, that relationship should not prevent DCF from providing the necessary enforcement and oversight. Strong oversight is especially important because the contractors and child placing agencies are competitors, which results in a natural lack of cooperation and communication.

The Information DCF Maintained Was Not Adequate to Ensure Children Were Placed in Appropriate Foster Homes

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. Federal guidelines and the foster care contracts require DCF and the case management contractors to place each child in the home that is in his or her best interest based on factors like race, ethnicity, religion, and physical and mental health needs. They also are required to attempt to place children in the same communities and school districts they were in before they entered foster care. To manage all these placement goals, DCF and the case management contractors must have accurate data on all children's removal addresses, placement addresses, and needs, as well as the preferences, capacity, and skills of all licensed foster homes.

DCF's data on children in its custody, including their removal and placement addresses, had significant issues. To help ensure children are placed as close to their homes as possible, DCF needs accurate information about where children were removed from and where they were placed. During the audit, DCF staff were able to assemble this type of data for us, but it had numerous inaccuracies.

- **For this audit, DCF staff were able to prepare an ad hoc dataset including children's removal and placement addresses, but the data had numerous inaccuracies.** For example, more than 2,000 records (about 5%) had missing, unknown, or incorrect removal or placement addresses. We also identified at least 20 children that were missing from DCF's dataset or did not have accurate placement information. However, we could not identify the full extent of such inaccuracies because we were only able to check the data at a high level.
- **DCF did not have a complete dataset it could easily access to show where all children in their custody had been placed.** DCF stored children's placement addresses separately from children's demographic information such as their date of birth, gender, and placement type. DCF had to look in multiple places to get information about a child including where they were placed. Further, the placement data did not have the child's case number or other unique identifier. As a result, DCF had to use an algorithm to match these data for us to conduct this audit. However, that algorithm was an approximation and may not have matched each child to the correct address.
- **DCF's data on removal addresses is not in electronic form and therefore not easily accessible.** The case management contractors collected children's removal addresses on paper forms, but DCF did not collect or enter this information in its main data system on children and families. To satisfy our data requests, DCF staff provided us with a child's last known address if the child had prior contact with DCF (e.g., through family preservation or DCF investigation of abuse or neglect). Not every child had prior contact with DCF, and for some children that contact may have been long before the child entered foster care.

DCF's data on licensed foster homes was outdated and missing important information about the number of open beds. In June 2015, DCF became responsible for licensing foster homes (the Department of Health and Environment was previously responsible for this function). DCF provided us with data on all licensed foster homes for one of our analyses. We identified two major problems with the licensing data.

- **The licensing data showed at least 100 foster homes with more than 260 beds as valid placement options even though they were either closed or temporarily not accepting placements.** Foster homes are required to be sponsored by a child placing agency and submit an annual application to renew their license. We

identified about 1,270 homes (about 43% of total licensed foster homes) that had an overdue renewal date or were missing a sponsoring child placing agency. We did not look into all of these homes, but focused on 126 homes that were the most concerning. Of those, about 100 homes with more than 260 beds should not have been listed in DCF's licensing data as available, because they were either closed or undergoing an investigation. In response to these issues, DCF staff told us they created a new monitoring position and began running monthly reports to identify noncompliant homes.

- **The licensing data significantly overstated the true capacity of licensed foster homes.** Most foster homes are licensed for more beds than they are actually willing to fill. Case management contractors told us foster homes are typically licensed for the maximum number of beds allowed based on space requirements in state law. However, staff told us many homes are not willing to take that many children because of the demands associated with other children already in the home.

Neither DCF nor the case management contractors have data on the preferred capacity of the state's licensed foster homes. Individual child placing agencies may track this information, but they do not share it with other agencies. We estimated preferred capacity to be about 70% of licensed capacity based on estimates provided by five large child placing agencies. As a result, DCF's licensing data likely overstates the true number of potential beds significantly.

Finally, DCF's licensing data included a small number of foster homes (about 100 homes) that typically do not take children in DCF custody and instead focus on children who are privately placed. DCF staff told us these homes must meet the same licensing requirements, and therefore may occasionally serve children in state custody. This likely overstates the number of beds available to the contractors and children in foster care, but only minimally.

DCF's data did not include specific information required to place each child in the most suitable home. Neither DCF nor the contractors could determine whether each child was put in the most suitable home because they had to rely on child placing agencies to share information about the types of children foster homes could accommodate.

- **DCF collects general information about children's physical and mental health needs for federal reporting purposes.** The department gathered basic information about children's needs to collect federal reimbursement for serving high-needs children and track Kansas' performance on federal outcome measures. The information required for these determinations is at a high level, and only places children in basic categories (e.g., basic, moderate, or intensive needs) or describes their needs in general terms (e.g., intellectually disabled or visually impaired).

- **DCF does not have integrated electronic information about the types of children foster homes are willing and able to accommodate.** DCF staff told us they collected paper forms with certain information about foster homes, including the types of needs they were willing and able to accommodate. However, DCF did not maintain this information in an integrated, system-wide dataset that could be used in placement decisions.
- **Case management contractors and child placing agencies have some more useful information, but it was not always complete, was maintained in separate systems, and was not shared with each other or DCF.** The case management contractors and child placing agencies maintained detailed information about children's needs on a case-by-case basis, but only for children they are involved with. There was not a comprehensive system showing this information for all children in foster care. In addition, only child placing agencies maintained detailed information about foster homes, including the types and numbers of children the homes they sponsored were willing to accept (see pages 26-27).

It is important to note DCF has recently begun to expand its use of data in overseeing the foster care system. Historically, DCF has collected high-level information about children in foster care primarily for reporting purposes, but they have not collected management-level information needed to identify, monitor, and resolve problematic placements. However, department staff told us they recently took several steps to begin developing and using data. First, they told us they began collecting and using data to review and approve requests for foster homes to exceed licensed capacity. Second, they told us they began sending information about the location and availability of all foster homes to both contractors in April 2017. As part of this same initiative, department staff told us they are working on a plan to capture additional data elements (e.g., preferred capacity, children's removal addresses, foster homes' skills and abilities) in a format that would be accessible to all parties who need it. Finally, to track and enforce annual licensure renewals, DCF staff said they created a new monitoring position and began running monthly reports to identify noncompliant homes as discussed on pages 32-34.

OTHER FINDINGS

We Identified Several Children Who Were Placed in Foster Homes That Did Not Comply with Licensing Standards

State law and administrative regulations require licensed foster homes be sponsored by a child placing agency and receive an annual physical inspection. When a child is placed in DCF custody by court order, they are typically placed with either a licensed foster home or a relative. State law requires licensed foster homes to be inspected for compliance with statutory and regulatory requirements before they can receive their initial

licenses, and at least every 12 months thereafter. Administrative regulations also require a child placing agency to sponsor the home. At the time of our work, the sponsoring child placing agency was responsible for conducting the annual inspection, and it could withdraw sponsorship if a home was not compliant.

The physical inspection of a foster home is part of a renewal process that requires homes and sponsoring child placing agencies to submit a packet of information to DCF by an annual renewal date. In addition to an inspection survey form, this packet includes a renewal application, a background check form, and a training-hour form. DCF has been responsible for issuing foster home licenses and processing renewal applications since it assumed that role from the Department of Health and Environment in July 2015.

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 discussed on pages 30-31, we reviewed 126 homes of various child placing agencies that had significantly overdue renewal dates or were missing a sponsoring child placing agency in DCF's licensing data. It appeared five of these homes had children in them despite not meeting all licensure requirements. For example, five children were in one foster home for which the annual inspection was almost a year late. When it was inspected, the home did not meet regulatory requirements because there was no evidence the foster parents had completed the required training hours or health assessments, or that family pets had received rabies vaccinations. We identified another two foster homes that also were not inspected timely, but those homes did not appear to have children in them during that time.

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 did not use the licensing system to enforce annual renewal dates, nor did it check renewal applications to ensure the dates on those forms made sense. DCF staff were unaware the licensing system could generate reports to identify noncompliant homes, and the department did not have policies describing the renewal process. Finally, at the time of our work, DCF was about six months behind in processing renewal applications.

DCF is making significant changes to the inspection process. Currently child placing agencies are responsible for conducting annual foster home inspections. DCF staff will take over this responsibility and begin conducting the required annual foster

home inspections in July 2017. This is to mitigate the conflict of interest of having child placing agencies both regulate and sponsor family foster homes. (The child placing agency conflict of interest was discussed more fully in Part 1 of this audit series.) Further, DCF staff reported they have made several changes to address the issues we identified in this report, including creating a new monitoring position, running monthly reports to identify noncompliant homes, and creating draft policies to describe that process.

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

Overall, Kansas' performance on the 11 federal outcomes for children and families we reviewed did not change significantly during federal fiscal years 2000-2013. We reviewed 11 federal outcome measures used to evaluate the performance of states' child welfare systems that were methodologically consistent for the greatest length of time (p. 35). Although Kansas' performance improved or worsened on a few measures, its overall performance did not change significantly from 2000 to 2013 (p. 36). Additionally, while these measures may provide useful insights into Kansas' performance, they also have significant limitations. The data are self-reported and the lack of consistent national standards means the outcomes cannot be compared to other states (p. 37).

We Reviewed 11 Federal Outcome Measures That Were Methodologically Consistent From 2000 to 2013

The federal Child Welfare Outcomes measures are used to evaluate the performance of states' child welfare systems. In Part 2 of this audit series, we reviewed Kansas' performance on outcome measures from the federal Child and Family Services Reviews (CFSRs). The federal Administration for Children and Families administers these reviews, which measure states' performance on federal child welfare requirements and identify their strengths and weaknesses so they can improve outcomes for children and families. The federal government has conducted three rounds of CFSR reviews since 2001. DCF led the most recent CFSR review for Kansas, which was completed in 2015.

For this part of the audit series, we decided to review the state's performance on measures from the federal Administration for Children and Families' Child Welfare Outcomes reports. Those measures have been published since 1998 and provide a longer window to evaluate. These reports give child welfare professionals and advocates the ability to measure states' performance in meeting the needs of children in foster care. They measure several key outcomes related to safety, the stability of placements, and efforts to achieve permanency for children.

We identified 11 outcomes that have been methodologically consistent since 2000. The federal government began publishing the Child Welfare Outcomes reports in 1998. Because this was the first year after Kansas privatized its foster care system, the measures cannot be used to compare the performance of the Kansas foster care system before and after privatization. Based on our interviews with DCF and federal officials, we identified 11

measures that were consistent from 2000-2013 and selected these for our analysis. **Figure 6-1** below summarizes the measures we selected and the state's performance on them in federal fiscal years 2000 and 2013.

Figure 6-1 Summary of Kansas' Performance on 11 Selected Federal Outcome Measures						
Outcome Performance	Kansas' Performance		Type of Outcome			
	2000	2013	Safety	Permanency	Stability	Placement
Outcomes that Exhibited Overall Improvement						
Measure 4.1: How many children were reunified with their parents or caretakers within 12 months of entering foster care?	47.8%	64.0%		✓		
Measure 5.1: How many children were adopted between 12 and 24 months after entering foster care?	20.0%	31.7%		✓		
Measure 6.1: How many children in foster care for the following time periods experienced no more than two placements?						
- Less than 12 months	67.0%	82.1%			✓	
- Between 12 and 24 months	42.5%	64.9%				
- 24 months or more	22.8%	39.5%				
Measure 7.1: How many children 12 or younger who entered foster care during the year were placed in a group home or institution?	4.5%	0.9%				✓
Outcomes that Exhibited Little Change Overall						
Measure 1.1: How many children were the victims of repeated abuse or neglect?	3.2% (a)	2.9%	✓			
Measure 2.1: How many children were abused or neglected by their foster parents or facility staff?	0.1% (a)	0.3%	✓			
Measure 3.1: How many children who exited foster care left to either reunification, adoption, or legal guardianship?	86.9%	85.5%		✓		
Measure 3.2: How many children with a diagnosed disability who exited foster care left to either reunification, adoption, or legal guardianship?	94.5%	81.9%		✓		
Measure 3.4: How many children who aged out of foster care (as opposed to being reunified or adopted) were age 12 or younger when they entered care?	19.5%	15.2%		✓		
Measure 4.2: How many children who achieved permanency ended up re-entering foster care within 12 months?	4.3%	4.9%			✓	
Outcome that Exhibited Overall Decline						
Measure 3.3: How many children who were older than 12 when they entered foster care left to either reunification, adoption, or legal guardianship?	78.3%	59.9%		✓		

(a) As of 2006 rather than 2000 due to a definitional change DCF made in 2005.
Source: U.S. Department of Health and Human Services (unaudited)

Kansas' Overall Performance on These 11 Measures Did Not Change Significantly From 2000 to 2013

Appendix C illustrates Kansas' performance during federal fiscal years 2000-2013 on all 11 Child Welfare Outcomes measures we reviewed. As the appendix shows, most of the measures remained relatively constant, a few measures showed slight improvement, and one declined during the 13-year period we evaluated. Increases in certain measures sometimes indicate declining performance, whereas decreases in other measures indicate improving performance.

Kansas slightly improved its performance on four outcome measures related to reducing time in foster care and increasing placement stability. For example, the percentage of children reunified within 12 months of their removal from home (Measure 4.1) increased from about 48% in federal fiscal year 2000 to 64% in 2013 (though there were some small decreases in a few intervening years). The measures in this category are important because they indicate how quickly children achieve permanency after entering DCF custody. They also show the extent to which children are placed in stable family settings, which maximizes children's well-being while in foster care. Department staff told us they achieved these improvements by mirroring federal outcome language in the foster care contracts and using policy and rule changes to ensure fewer children were placed in institutions.

Kansas' performance on six federal outcome measures related to reducing abuse and neglect and increasing permanency was relatively constant. The state's performance on these six measures varied from year to year, but stayed largely the same overall. For example, about 85% of children achieved permanency (Measure 3.1) from 2000 to 2013 despite slight fluctuations in individual years. All six measures in this category are important because they focus on children's safety and permanency, two primary goals of the foster care system.

Kansas' performance on one outcome measure related to improving permanency declined. The percentage of children older than 12 who achieved permanency (Measure 3.3) decreased from about 78% in federal fiscal year 2000 to 60% in 2013 despite small increases in intervening years. This is an important measure because it is particularly difficult to find permanent placements for older children in foster care. Department staff told us it has become more difficult to secure permanent placements for children in their custody because of the steady increase in the foster care population as a whole.

While These Measures May Provide Useful Insights into Kansas' Performance, They Have Significant Limitations

Kansas' performance on federal outcomes measures are self-reported and unaudited. We interviewed DCF and federal staff to determine how the outcomes data were vetted at both the state and federal levels. DCF staff told us they reconciled the data they received from the case management contractors against the contractors' databases to check for obvious errors. This process ultimately relies on the contractors to ensure the reliability of the data. Federal government staff used a technical process to search for obvious outliers in the data they receive from the states. However, these review processes sometimes fail to catch data

errors. For example, DCF revised several federal fiscal year 2016 outcome measures because of data errors discovered during Part 2 of this audit series.

According to federal officials, Kansas' performance on these measures should not be compared to other states because there are no consistent national standards. Federal staff told us it is inappropriate to directly compare states' performance on the Child Welfare Outcomes measures because each state has different definitions and requirements within the federal government's guidelines. For example, DCF staff reported Kansas was one of the last states to change the standard of proof for maltreatment of a child in foster care from "a preponderance of evidence" to "clear and convincing evidence," a higher threshold. It would therefore be inappropriate to compare Kansas' performance on this measure to other states' during the years they used different evidentiary thresholds.

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 as well as significant start-up costs for DCF to provide foster care and adoption services instead of private contractors. Case management contractors reported total expenses of about \$161 million to provide reintegration, foster care, and adoption services in fiscal year 2016 (p. 39). In comparison, we estimated DCF would have spent between about \$164 million and \$169 million to provide the same services in fiscal year 2016 (p. 41). Additionally, if the state directly provided foster care and adoption services, DCF would incur significant start-up costs (p. 43). Finally, there may be other factors to consider when comparing privatization to a state-run system (p. 43).

Case Management Contractors Reported Total Expenses of About \$161 Million to Provide Reintegration, Foster Care, and Adoption Services in Fiscal Year 2016

To determine how much the contractors spent to provide reintegration, foster care, and adoption services, we reviewed financial data the case management contractors submitted to DCF for fiscal year 2016. Although we did not audit the contractors' financial data, we reviewed the major cost areas at a high level to check for major errors. Additionally, DCF staff told us they review the contractors' financial data annually. The financial data reflect the costs and revenues of providing foster care and adoption services, but do not include costs for providing family preservation services or child placing agency services.

Five primary cost areas accounted for about \$157 million (98%) of the \$161 million in costs reported by the contractors for fiscal year 2016. Figure 7-1 on the following page summarizes the contractors' reported costs. As the figure shows, placement costs (payments to foster families or residential facilities) accounted for about half of all expenditures (\$81 million). The other significant expenses were salaries and benefits for case management staff (\$46 million) and operating costs (\$17 million). Child care, transportation, and other costs accounted for the remaining \$17 million in expenditures.

Although the state pays the foster care contractors for these services, the total payments for fiscal year 2016 were not sufficient to cover all reported costs. Under the current contracts, DCF makes two types of payments to contractors monthly: a base payment to cover the contractors' fixed costs and a variable payment based on the number of children in out-of-home

placements in the prior month. Those payments are supposed to cover all of the contractors' foster care costs, including the cost to place a child in a foster home and services to achieve permanency.

**Figure 7-1
Comparison of RFCA Costs Under State Provision and Private Provision
Fiscal Year 2016**

Expense Area	Description	Private Provision (Actuals)	State Provision (Estimates) (a)		% Change	
			Low	High	Low	High
Placement Costs	Cost of placing children in foster homes and other placement settings (e.g., group homes)	\$81 mil	\$81 mil	\$81 mil	0%	0%
Salaries & Benefits	Cost of compensating staff	\$46 mil	\$50 mil	\$51 mil	8%	10%
Operating Costs	Administration costs (e.g., rent, utilities, office supplies, case manager travel)	\$17 mil	\$14 mil	\$16 mil	(17%)	(8%)
Child Care	Cost of day care for children in foster care	\$7 mil	\$7 mil	\$7 mil	0%	0%
Transportation	Transportation costs for children in foster care	\$6 mil	\$8 mil	\$11 mil	36%	83%
Other	Include, but are not limited to, mental health expenses not reimbursed by Medicaid, independent living costs, clothing, and recreational expenses	\$4 mil	\$4 mil	\$4 mil	0%	0%
Total (b)		\$161 mil	\$164 mil	\$169 mil	2%	5%

(a) We learned DCF's costs may vary in some expense areas and attempted to account for this in our estimates. For example, DCF may not be able to utilize all existing office space, which would increase DCF's operating costs.
(b) Numbers may not add due to rounding. Additionally, the "% Change" does not add to the total because the amounts reflect differences across rows.
Source: LPA analysis of KVC and St. Francis financial data (unaudited) and LPA cost estimates for DCF.

In fiscal year 2016, the state paid the contractors a total of about \$154 million for the foster care and adoption contracts. The contractors also reported receiving about \$1 million in charitable contributions, Medicaid payments, and other miscellaneous revenues. In sum, the contractors reported revenues totaling about \$155 million. Assuming all reported figures are correct, the contractors spent about \$6 million more on the foster care and adoption contracts in fiscal year 2016 than they received in state payments.

A recent contract amendment may require the state to adjust its payments to reflect the case management contractors' actual costs. DCF and the two case management contractors amended the foster care contracts beginning July 2016. The revised contracts indicate DCF may adjust its rates annually to reflect the contractors' actual costs based on DCF's audits of their finances. For example, if the contractors have reasonable and allowable costs that exceed the contract payment rates, DCF may increase its payments, and vice versa. As of March 2017, the department had not completed its audits, and DCF staff were unsure how the provision would be interpreted. DCF staff told us the department would determine how the amendment would be interpreted once the audits were completed in summer 2017.

We Estimate DCF Would Have Spent Between About \$164 and \$169 Million to Provide the Same Services in Fiscal Year 2016

We took several steps to compare the costs of a privatized foster care system to the costs of a state-run system. First, we collected data about the contractors' actual costs to provide foster care services in fiscal year 2016. Second, we interviewed DCF and contractor staff to determine the areas in which costs would likely differ for the state from the contractors. Third, we worked with DCF staff to estimate whether DCF's costs likely would be higher or lower than the contractors' actual costs. In doing this work, we excluded other DCF costs, such as the costs of investigating alleged child in need of care cases or licensing foster homes.

Although we relied largely on self-reported contractor financial data and cost estimates from DCF, we believe that our estimates are valid. To ensure the reliability of our estimates, we performed some high-level tests such as comparing contractor salaries to DCF salaries and specific types of operating costs to determine whether our estimates made sense. When we identified significant discrepancies, we worked with DCF and the contractors to understand why those discrepancies existed and whether they indicated problems with our estimates. We also generated some ranges of cost estimates for certain cost areas to account for reasons why DCF's costs might vary. As a result of these efforts, we think our work is an accurate estimate of the costs for DCF to provide foster care services in fiscal year 2016. *Figure 7-1* on the previous page shows the final results of our analysis.

DCF's costs for placements, child care, and other miscellaneous expenses likely would be comparable to the contractors' current costs. As *Figure 7-1* on the previous page shows, DCF and the contractors' placement and child care expenses would be about the same. That is because the cost of placing children and providing child care services is not dependent on which entity provides the services. For example, both DCF and contractor staff told us they pay the same amount for daycare services for children in foster care. We also assumed all other expenses reported by the contractors, which totaled about \$4 million, would be about the same for DCF. These expenses represented only a small portion of the contractors' expenses, and we did not think these costs would change enough to substantively change our estimate.

However, DCF's costs for salaries and benefits, as well as transportation, likely would be greater than the contractors'. As *Figure 7-1* on the previous page shows, we estimated DCF's compensation costs would likely be about 8-10% higher than the contractors' costs (about \$4 million to \$5 million more), primarily

because contractors pay lower salaries. Officials from one contractor told us they have chosen to tie their salary structures to the state's pay structure, paying just below the state's level and adjusting salaries periodically to maintain the same pay differential. The other contractor told us they set salaries based on organization-wide market research they recently conducted. Additionally, DCF told us they might be able to eliminate as many as 23 foster care liaison positions (about \$1 million) through de-privatization. However, staff thought those positions might be retained for other purposes, so we provided a range for our estimate.

As *Figure 7-1* on page 40 shows, we estimated DCF's transportation costs would be significantly higher than the contractors' costs (about \$2 million to \$5 million more). That is at least partly because the contractors keep costs down by using volunteers to help transport children, something DCF officials thought they would not be able to do.

Finally, DCF's operating costs likely would be lower than the contractors'. We estimated DCF's operating costs would be between 8% and 17% lower than the contractors' expenses (about \$1 million to \$3 million less). That is because DCF estimated its indirect costs for administrative staff such as accounting, purchasing, and IT would be lower than the contractors' costs. DCF already has these types of services established, and would only need to augment them if it added foster care services. Further, we estimated a range for DCF's operating costs to account for existing office space at DCF service centers throughout the state. Staff told us they may be able to house some additional staff in this space, which means DCF would not need to lease as much space. This accounts for the lower of the two cost estimates. However, we also developed an estimate which assumed DCF would need to lease all new space to accommodate these staff (the higher of the two estimates).

The contractors told us they also incurred expenses for purchasing children's Christmas gifts and other similar types of services. We excluded these expenses in our estimate of DCF's costs because they were likely small and unpredictable. The contractors told us they at least partially fund these expenses through charitable contributions of goods and services, and estimated the value of these benefits at about \$1 million annually.

Additionally, DCF Would Incur Significant Start-Up Costs for the State to Directly Provide Foster Care and Adoption Services

We worked with staff from DCF and the two contractors to identify the types of one-time start-up costs the state would likely incur if it took over foster care services. As part of this analysis, we also looked at estimates from St. Francis officials for the one-time costs it incurred when it took over responsibility for the Wichita region in 2013. While we were able to estimate the amounts for some costs, others depend on policy decisions DCF would not need to make unless the state was strongly considering bringing foster care back under state control.

We estimated DCF could spend as much as \$12 million in one-time costs to purchase vehicles and equipment and to prepare office space. DCF could incur costs of up to \$6 million for purchases of additional vehicles, up to \$4 million to remodel or prepare office space, and about \$2 million to equip new employees with items like chairs and computers. However, these are not the only potential start-up costs, which might also include networking with foster parents and other incidental costs in the early years of service provision. Further, actual start-up costs may vary based on policy decisions. For example, DCF could choose to purchase vehicles, lease vehicles, or combine the two options. Purchasing vehicles would result in greater start-up costs but may reduce on-going costs, whereas leasing vehicles would have the opposite effect.

DCF would also incur significant one-time costs to develop the software systems needed to provide case management services. The case management contractors told us they utilize proprietary case management software they have developed and customized through thousands of hours of work. DCF staff acknowledged they would need to develop a case management system, but told us they were uncomfortable speculating about a precise cost. However, they agreed that it would likely be in the tens of millions of dollars.

There May Be Other Factors to Consider When Comparing Privatization to a State-Run System

Privatization may provide added benefits such as security of state funding, protection from legal action, and access to charitable contributions. We interviewed case management contractors, DCF staff, and federal government officials to determine whether there were additional factors that might affect how a state-run foster care system compares to a privatized system. These individuals identified many non-financial factors that decision makers may want to consider when comparing privatization to a state-run system.

- **Privatization may make state funding for foster care services more secure, because the state is less likely to want to default on a contract.** Staff from the Kansas Legislative Research Department and DCF both told us privatization provides some additional security from agency budget cuts. That is because contractual obligations are normally excluded from general budgetary cuts. However, staff from both agencies noted while funding for contracts is more secure, it is not guaranteed.
- **Privatization may shield the state from some legal liability.** Both DCF staff and case management contractors told us privatization removes some amount of legal liability from the state and places it with the contractors. For example, under privatization the contractors take on liability for the services they provide, such as placement and case management. In a state-run system, DCF, and therefore the state, would be liable for all aspects of foster care services.
- **Private not-for-profit contractors have greater access to volunteer resources and charitable giving.** Contractors told us they can access resources not available to the state, such as private fundraising and charitable donations. Neither DCF officials nor the contractors felt DCF would be able to leverage these resources to the same extent as the contractors currently do.

Stakeholders told us a privatized system may be less stable when the case management contractors change. We also talked to a judgmental sample of six foster parents, judges, and case management staff about their opinions of the privatized foster care system. They told us the foster care system is disrupted when the case management contractors change. For example, foster parents and children in care must adjust to any changes in the staff who provide services and changes in policies and procedures related to a change in case management contractors.

Stakeholders also told us the state was unprepared to take over the provision of foster care services in the near future. Each of the stakeholders we talked to told us the state lacks the capacity to directly provide services, and returning to a state-run system would further destabilize these services. DCF officials declined to provide an official opinion regarding the feasibility of returning to a state-run system.

Conclusion and Recommendations

Conclusion

Through the Department for Children and Families (DCF), the state has legal custody of all children in foster care, making it ultimately responsible for their safety and well-being. This responsibility is complicated by the fact that the state has outsourced much of the day-to-day operations of the foster care system to private contractors for about 20 years. However, outsourcing certain activities associated with foster care does not relieve the state or DCF of their responsibilities for the children in foster care. Rather, it means the state must develop a strong system to monitor the private contractors and ensure children are placed in the most appropriate settings, ensure their needs are identified and services are provided, and ensure they make progress toward reintegration with their family or adoption into a new family.

As the results of this audit suggest, the state's system of oversight needs improvement, and a key area for significant improvement is to compile, maintain, and use better data to make decisions about the children in the foster care system. As the custodian of the children in the foster care system, DCF needs accurate information on where those children come from, where they have been placed, and the types of physical, mental health, and other needs they have. It also needs accurate information on all available foster homes, including the numbers of children they are willing and able to accommodate, and their capacities for handling children who need special services. While DCF may have parts and pieces of these types of data, that data is frequently incomplete, inaccurate, or not easily accessible. Improving the quality and accessibility of data about the foster care system should become a priority for the state, as that would better enable DCF to fulfill its responsibility for actively monitoring and ensuring the safety and well-being of the children in its custody.

Recommendations

Department for Children and Families

1. To address management and oversight issues (pages 27-32), DCF should continue with its current efforts to expand its capacity for data-driven decisions by:
 - a. Conducting a full data needs assessment to determine:
 - i. the type of management data it would need to evaluate the overall capacity and performance of the foster care system, to help ensure children are placed in the most appropriate setting, and to

- help ensure their physical, mental health, and other needs are met.
 - ii. the types of operations data DCF should collect and make available to the case management contractors to help them place children in the most appropriate settings.
 - iii. the types of performance data the Legislature will need to provide effective oversight of the system.
 - b. Develop and implement a plan to systematically collect the data identified through the needs assessment in (a). In developing this plan, DCF should consider:
 - i. ways it can modify its existing systems to compile the data; or
 - ii. developing a new data system.
 - c. Develop and implement policies, procedures, and processes for using the data outlined above to actively manage the foster care system through data-driven decisions.
- 2. To address foster home inspection and renewal issues (pages 32-34), DCF should:
 - a. Develop a process to monitor the licensure renewal process and ensure inspections are completed on time.
 - b. Implement a process to notify homes and child placing agencies of impending renewal dates and the materials they need to submit.
 - c. Develop policies and procedures to ensure department staff process and accurately record information about licensing applications and renewals in their licensing system.
 - d. Train department staff on the licensing system's capabilities and uses as a monitoring tool.
- 3. To help ensure children in foster care receive the physical and mental health services they need (pages 18-22), DCF should:
 - a. Clearly establish which party (DCF, case management contractor, foster parent, or other) is responsible for ensuring children's needs are properly assessed and the appropriate services are provided.

- b. Revise its policies and procedures to ensure information on children’s physical and mental health needs and services are consistently documented by the case management contractors.
- c. Require its staff or the case management contractor to regularly review this information and investigate cases in which children do not receive needed services.

Case Management Contractors (KVC and St. Francis)

- 1. To address family support worker qualification issues (pages 16-18), KVC and St. Francis should revise their hiring processes to comply with the experience requirements in their contracts with DCF. Alternatively, they should work with DCF to determine whether the minimum requirements for family support workers should be amended to allow additional education to serve as a replacement for relevant work experience.

Kansas Legislature

- 1. To address the case management contractors’ concerns about the state’s case manager licensing requirements (pages 13-14), the House Children and Seniors Committee or the Senate Public Health and Welfare Committee should:
 - a. Examine the current licensing requirement in K.S.A. 65-6303.
 - b. Consider amending the statute if they determine the licensing requirement should be changed or eliminated.
- 2. To address the community barriers that prevent some children in foster care from receiving the physical and mental health services they need (pages 20-21), the Legislative Coordinating Council should consider directing an interim study to gather information on community-wide resource issues such as provider shortages, service waitlists, and bed shortages at psychiatric residential treatment facilities.

APPENDIX A
Agency Response

On April 11, 2017, we provided copies of the draft audit report to the Department for Children and Families, KVC, and St. Francis. Their responses are included as this appendix. Following each agency's written response is a table listing the agency's specific implementation plan for each recommendation. Although we made a few minor changes and clarifications to the report based on their feedback, agency officials concurred with our audit findings and conclusions and agreed to implement our recommendations.

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Phyllis Gilmore, Secretary

Sam Brownback, Governor

April 25, 2017

Mr. Scott Frank, Legislative Post Auditor
Legislative Division of Post Audit
800 SW Jackson St., Suite 1200
Topeka, KS 66612-2212

Dear Mr. Frank:

Thank you for the opportunity to respond to the draft audit report, *Foster Care and Adoption in Kansas: Reviewing Various Issues Related to the State's Foster Care and Adoption System, Part 3*. We appreciate the work of your audit staff members and their efforts to understand the complex system of foster care and adoption.

SUMMARY RESPONSE

We noted in our response to Part 1 and Part 2 of this audit series that the Kansas Department for Children and Families (DCF) welcomes oversight and review of the child welfare system, which includes DCF and many others. We learn from audits and reviews that are clear and objective and provide us with feedback regarding our performance. As a result of the prior audits in this series, we have made changes to processes that will further improve the child welfare system and the accountability of our contractors. However, even before the audits began more than a year and a half ago, we recognized the system could be stronger and began to make changes in monitoring and oversight of our contractors. The agency has successfully implemented a wide range of improvements to serve the well-being of children.

In Part 3, there are findings and recommendations that discuss (1) contractor capacity to provide foster care service, (2) performance on child welfare outcomes, and (3) costs to privatize and de-privatize the system. The audit notes that Kansas privatized foster care, adoption and family preservation services in 1996 and 1997, in response to a lawsuit filed in 1989. That lawsuit alleged the State of Kansas, through the Department of Social and Rehabilitation Services (SRS, now DCF), failed to care for children in foster care.

We have been told by our own staff that at the time of privatization, there was a belief that through privatization, children could be better served, outcomes for children and families would improve, and at less cost than the current system. Notably, this audit identifies that outcomes for children and families have not changed significantly during the federal fiscal years 2000 to 2013, after privatization occurred. It also states that costs for foster care and adoption services for fiscal year 2016 were \$161 million, as reported by the contractors. (Family preservation costs were not included.) Prior audits conducted by Legislative Post Audit (LPA) have

Strong Families Make a Strong Kansas

Mr. Scott Frank

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reported the growth in costs after privatization, the reasons for that growth and the number of times during the last 20 years SRS (now DCF) had to add additional monies to the foster care system.

The latest round of LPA audits demonstrates that the operation of the child welfare system in Kansas is expensive and complex. It has unique risks, challenges and bureaucratic processes, regardless of who has day-to-day responsibility for case management. We had hoped that this latest round of audits would be an assessment of whether privatization has been successful, but unfortunately that did not occur. We continue to welcome that assessment so that a decision on the performance and cost-effectiveness of privatization can be made.

Prior to the audit, we began many reforms, and those comprehensive system reforms continue. We have responded to the audit recommendations with additional changes and strengthened our oversight of the contractors. These changes will also continue. Throughout the audit process, we have consistently maintained that it is our goal, and that of our contractors and others, to maintain children in safe homes as families achieve stability. We have testified about the safety inherent in our child welfare system and its national recognition as one of the safest in the country. As we continue to strengthen oversight of the contractors and integrity of system data, we will continue towards our ultimate goal of ensuring every child is safe from abuse and neglect.

AUDIT SUMMARY

I would now like to offer direct response to the concerns addressed within the audit. To summarize, the LPA review asked three questions related to foster care and adoption in Kansas to determine: *whether the state's foster care system has sufficient capacity to provide necessary foster care services, how the state's performance on federal outcomes has changed over time and how the cost of the state directly providing foster care and adoption services compares to the current privatized system.* The audit conclusions and responses are discussed below.

DCF RESPONSE

QUESTION 5: DOES THE STATE'S FOSTER CARE SYSTEM HAVE SUFFICIENT CAPACITY TO PROVIDE NECESSARY FOSTER CARE SERVICES?

AUDIT CONCLUSION: The report states that it appears the State's foster care system may not have sufficient capacity to provide necessary foster care services but insufficient data prevented a clear determination.

DCF RESPONSE TO CONCLUSION:

Staffing and High Caseloads

The audit discusses the difficulty our child welfare contractors have had recruiting, hiring and retaining social workers to perform case management functions. We agree that this is a problem and have been working with the contractors to address the shortages in staff. DCF has long recognized this problem and has experienced hiring issues of its own. In response, DCF began an effort more than a year ago to raise salaries of social workers hired by the department. We began to look at recruitment efforts in rural areas—always a difficult market—and included incentives for relocating staff to those areas. We have provided our social workers with improved technology, including laptops and cell phones, so the social workers are connected to their offices more directly than in the past. This has allowed them more time to focus on their work with children and families and to be able to document that work immediately after their interaction with these individuals. We

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have also equipped social workers with tethers for safety. These tethers, coupled with cell phones, have improved the safety of our social work staff members who are placed in potentially dangerous situations as they perform their work. All of these measures improve the marketability of the job across the state.

These efforts have been successful for DCF. After implementing them, we met with our child welfare contractors to discuss their staffing shortages and proposed staffing models. Our successes were shared with them, and we recommended they take similar steps, if not already in place, to aid in recruitment. Corrective action plans developed by the contractors in response to Part 1 of the LPA audit series included recruitment and retention strategies.

It is important to understand that the staffing shortages are strongly related to the restriction in the State of Kansas for working in the field of social welfare. Kansas requires individuals to be licensed as social workers to perform these services. Almost every other state does not. DCF audit staff canvassed all states to determine minimum education requirements for hiring social workers. Kansas is one of only two states that requires its social workers to hold a bachelor's of arts (BA) or bachelor's of science (BS) degree in social work and be licensed at the time of hire or within one year. In fact, setting aside licensure, there are only seven states and territories that require individuals to have a BA or BS degree in social work. In addition, there are seven states that do not require that social workers have a social work degree but do require they be licensed, i.e., they can have degrees in psychology, sociology or some closely-related field. Kansas' requirements are overly restrictive, out of step with national trends and have impacted staffing within the child welfare system. We would urge that this issue be addressed.

The audit report also discusses that a small percentage of case managers had caseloads that exceeded DCF's recommended limit of 30 cases. We have long recognized that caseloads per contractor case manager have been too high. Even before November 2016, DCF was monitoring the situation and working with contractors to reduce caseloads. Meetings were held and continue to be held with the contractors to address the issue, and contractors are required to submit caseload information monthly to DCF. Our latest data indicates contractor caseloads are down to 20 to 25 for out-of-home placement, and continue to improve.

We will continue to work with our child welfare contractors to improve staffing and reduce caseloads. This is not a problem unique to Kansas. Nationally, staffing issues and increasing caseloads are becoming the norm as states struggle to keep social workers in the field of foster care, which is difficult, time-consuming work. An increasing number of social workers and family support workers are being hired by other industries, where they can work in jobs that offer more pay, safer settings and are less stressful.

Finally, we want to address in this section the issue raised about the experience levels of family support workers in the team models of both contractors. We acknowledge there is a contradiction between the contract requirements and the instructions given by DCF Prevention and Protection Services (PPS) staff. Technically, the contractors are out of compliance with the contract requirements. We will be reviewing these requirements and making necessary changes. These changes will not affect the safety and well-being of children.

Physical and Mental Health Services

The audit concluded that most children in foster care appeared to receive the physical and mental health services they needed, including annual physical screenings, dental exams, individual therapy, family therapy and medication management. The report also noted that there were some children who did not receive all the services they needed or received them late. Often, this was the result of inadequate community resources, such

as a shortage of therapists and of therapists willing to accept Medicaid payments, a shortage of specialized placements (PRTF beds, for example), waiting lists for therapists, and a shortage of medical providers for those with severe mental and physical impairments. We agree that service availability needs to improve for children, which is something DCF and the contractors can't always control.

Licensed Foster Homes

This section of the audit examined whether licensed foster homes had sufficient capacity to accommodate the number of children in State custody and also considered how data systems and data sharing within the system impacted the issue. LPA used mapping software to estimate distances between children's removal addresses and placement addresses on one day, nearly one year ago, June 30, 2016. Many assumptions were made about the data which was, admittedly, quite imperfect. Data challenges in this area were significant.

DCF also recognized these challenges, made investments and has made significant improvements since June 2016, when LPA conducted its analysis. DCF appreciates LPA's recognition of these improvements in this section of the report. Today, DCF uses a sophisticated Geographic Information System (GIS) that can provide much more accurate data about the location of children in foster homes than was available in June 2016. DCF is continuing to improve this system to provide enhanced scope and quality of data to address many of the issues LPA has expressed.

We share LPA's concern that disparate data systems maintained by the contractors and the Child Placing Agencies (CPAs) may contribute to a lack of coordination and communication in placement procedures. Individual CPAs maintain information about their foster homes, but the data is not aggregated and shared in any coordinated fashion with the contractors. Placement decisions are not and cannot ever be so simple as to be computerized and automated. But it is indisputable that these important decisions should be fully informed.

While LPA notes that DCF does not collect integrated information about foster homes, LPA recognizes the potential of our GIS system in this regard. DCF intends to enhance its GIS system to incorporate foster home data. The GIS system should then also form the foundation for an information-sharing and coordination platform to enable placement decisions to be made quickly and with a comprehensive understanding of all available foster home resources within the system.

DCF Management and Oversight

This section of the audit report highlights that DCF could be more proactive in monitoring and collecting management information about the foster care system, and that the information we maintained was not adequate to ensure children were placed in appropriate foster homes. Again, we acknowledge that we can continue to improve in both areas. We have taken significant steps to improve both our oversight and data reporting, which we have shared repeatedly since this audit series began. LPA states that it is important to note that DCF has recently begun to expand its use of data in overseeing the foster care system, and we appreciate the acknowledgement of the hard work of our staff.

We agree that in years past, there was a different relationship with the contractor than there is today. This can be seen in the renewed emphasis we have placed on auditing and monitoring the child welfare system since 2011. As early as the summer and fall of 2011, our audit office was asked to look at decisions made to remove children from their homes and not reunite them. Those audit results were finalized in March 2012, and incorporated and referenced in an audit of the same subject performed by LPA and issued in July 2012.

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Financial audits of the contractors began in 2012 to align with federal requirements. Internal audits of the child welfare system have also been ongoing for more than six years.

The renewed emphasis on auditing and monitoring, as well as holding the contractors to corrective action plans/performance improvement plans and imposing fiscal penalties, is representative of the culture shift from prior SRS leadership to current DCF leadership. It represents a shift from a hands-off relationship with the contractors to an emphasis on governance of the contractors. And, long-tenured DCF employees will affirm that the shift has occurred. However, any culture shift takes time, and it has taken us time to make the necessary changes in the tone of the relationship with the contractors. We will continue with our plans to increase oversight and accountability through our new Child Welfare Compliance Unit and our Licensing Division and other efforts within DCF.

This audit also expressed concerns about data and reporting, both within PPS and Licensing, but at the same time, recognized the ongoing and significant improvements we are making. We have already made great strides in Licensing with the GIS system to address issues noted in both Part 1 and Part 3 of this audit series. We do have plans to improve data and reporting that should better ensure the integrity of both going forward. These plans should be finalized by July 1, 2017. Ultimately, DCF needs to improve existing systems that collect information from the contractors on children and families. These were designed and built immediately after privatization occurred and are at maximum capacity and functionality. Significant upgrades and changes will require funding and resources.

We are serious about continued improvements in this area, and given sufficient time, we will make accountability and data integrity and reliability of the system even better.

Placement of Children/Compliance with Licensing Standards

This section of the audit concerns findings about whether private CPAs conducted annual inspections of foster homes in a timely manner. DCF long ago recognized that there were serious concerns with private CPAs conducting annual inspections of foster homes. That is why the determination was made to no longer allow the CPAs to conduct the annual inspections. Effective July 1, 2017, all annual inspections of foster homes will be conducted by DCF staff.

This finding further reaffirms the wisdom of that decision. The current system was never likely to have perfect verification of more than 20 individual CPAs conducting annual inspections in nearly 3,000 foster homes. Over a period of two years, LPA identified a total of five homes with children in foster care that had late annual inspections. We agree that this is a concern, and it is a good reason, albeit not the most significant reason, that DCF, rather than the CPAs, should conduct the annual inspections of foster homes. The most significant reason, as identified by LPA in Part 1 of this audit series, is that CPAs have a conflict of interest in that their primary source of revenue is the placement of children in foster homes. Therefore, CPAs should not conduct regulatory activities over those foster homes. DCF has already taken all necessary measures to address the issues identified with annual inspections by ensuring that DCF staff will conduct the annual inspections, effective July 1, 2017.

QUESTION 6: HOW HAS THE STATE'S PERFORMANCE ON FEDERAL OUTCOMES FOR CHILDREN AND FAMILIES CHANGED OVER TIME?

AUDIT CONCLUSION: The report states performance on the 11 federal outcomes for children and families that LPA reviewed did not change significantly during federal fiscal years 2000 to 2013.

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DCF RESPONSE TO CONCLUSION:

The information reviewed during the audit was submitted as per instruction by the federal government. It is self-submitted and is accepted by Health and Human Services for federal use and comparison to other states. When compared to other states, Kansas has one of the safest child welfare systems in the country.

QUESTION 7: HOW WOULD THE COST OF THE STATE DIRECTLY PROVIDING FOSTER CARE AND ADOPTION SERVICES COMPARE TO MAINTAINING THE CURRENT PRIVATIZED SYSTEM?

AUDIT CONCLUSION: The report states that the State would incur ongoing and significant start-up costs for DCF to provide foster care and adoption services instead of private contractors.

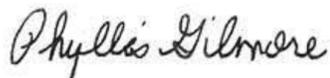
DCF RESPONSE TO CONCLUSION:

We agree that costs would be significant for DCF to provide foster care and adoption services directly. The technology costs alone would be in the tens of millions of dollars. But costs are not the only consideration that should be made in deciding whether privatization is an appropriate fit for Kansas. The safety and security of children is paramount in any future system design. As was stated in the introduction to this response, we would welcome a thorough study of the privatization effort to determine how to best meet the needs of children.

CONCLUSION

Privatization of the child welfare system in Kansas has evolved over the last 20 years. At times, it has consisted of many contractors, poor organization and little oversight. Those days are over. DCF is fully committed to ensuring cohesion within the agency and among the child welfare partners, so that the well-being of children in foster care is always the top priority. The child welfare system should operate cooperatively with the State's child welfare agency providing distinct leadership and direction to those serving children in our care. We are proud that Kansas has one of the safest child welfare systems in the country. But that is not enough. We also strive to make ours the most efficient, effective and successful system possible. Doing so allows us to protect our most vulnerable residents, while empowering Kansas families with the tools they need to be healthy and safely stay together.

Sincerely,



Phyllis Gilmore
Secretary
Kansas Department for Children and Families

Itemized Response to LPA Recommendations

Audit Title: Foster Care and Adoption in Kansas: Reviewing Various Issues Related to the State's Foster Care and Adoption System, Part 3
Agency: Department for Children and Families

LPA Recommendation	Agency Action Plan
Question 5	
1. To address management and oversight issues, DCF should continue with its current efforts to expand its capacity for data-driven decisions by:	
a. Conducting a full data needs assessment to determine:	DCF has already begun this assessment through an internal audit of the PPS data and reporting function. This audit will identify (1) what information is being gathered and reported today, (2) what information is required to be reported to external entities and in what format and (3) what information is needed by management, staff, stakeholders and others involved in the foster care, adoption and family preservation systems. This audit will, as part of the identification process, review existing systems and their functionality. The audit process will also identify new methods and techniques for analyzing data and reporting data to assist management in data-driven decisions.
i. the type of <u>management data</u> it would need to evaluate the overall capacity and performance of the foster care system, to help ensure children are placed in the most appropriate setting, and to help ensure their physical, mental health, and other needs are met.	See above.
ii. the types of <u>operations data</u> DCF should collect and make available to the case management contractors to help them place children in the most appropriate settings.	See above.
iii. the types of <u>performance data</u> the Legislature will need to provide effective oversight of the system.	See above.
b. Develop and implement a plan to systematically collect the data identified through the needs assessment in (a). In developing this plan, DCF should consider:	See (a) above.
i. ways it can modify its existing systems to compile the data; or	See (a) above.
ii. developing a new data system.	See (a) above.
c. Develop and implement policies, procedures, and processes for using the data outlined above to actively manage the foster care system through data-driven decisions.	See (a) above.

LPA Recommendation	Agency Action Plan
Question 5	
2. To address foster home inspection and renewal issues, DCF should:	
a. Develop a process to monitor the licensure renewal process and ensure inspections are completed on time.	Page D-28 of the Performance Audit Report indicates that, "DCF is making significant changes to the inspection process. Currently child placing agencies are responsible for conducting annual foster home inspections. DCF staff will take over this responsibility and begin conducting the required annual foster home inspections in July 2017." Foster Care and Residential Facility Licensing Division Policy Advisory 2017-1, sent on March 31, 2017, informed Child Placing Agencies that they, "will not submit a Survey (FCL 403) or Notice of Survey Finding (FCL 657) with each renewal application. The CPA will continue to submit the other renewal-related documents per the requirements of K.A.R. § 28-4-175(f) and other related regulations: Application (FCL 401); KBI/DCF Background Check Request (FCL 002); Continued Recommendation for Use by CPA (FCL 654); Documentation that annual training requirements were met." It will not be necessary to otherwise monitor and ensure that CPAs are conducting inspections on time.
b. Implement a process to notify homes and child placing agencies of impending renewal dates and the materials they need to submit.	See above. DCF's transition to conducting annual inspections impacts many renewal processes and, as such, DCF is developing and implementing processes to notify homes and child placing agencies of impending renewal dates and the materials, referenced above, they need to submit.
c. Develop policies and procedures to ensure department staff process and accurately record information about licensing applications and renewals in their licensing system.	See above. DCF's transition to conducting annual inspections impacts many renewal processes and, as such, it is developing and implementing policies, procedures and processes to ensure department staff process and accurately record information about licensing applications and renewals in its licensing system.
d. Train department staff on the licensing system's capabilities and uses as a monitoring tool.	See above. DCF's transition to conducting annual inspections impacts many renewal processes and, as such, it is developing and implementing processes to train department staff on the licensing system's capabilities and uses as a monitoring tool.
3. To help ensure children in foster care receive the physical and mental health services they need, DCF should:	
a. Clearly establish which party (DCF, case management contractor, foster parent, or other) is responsible for ensuring children's needs are properly assessed and the appropriate services are provided.	DCF will reaffirm that case management contractors are responsible with collaboration with foster parents and others.
b. Revise its policies and procedures to ensure information on children's physical and mental health needs and services are consistently documented by the case management contractors.	DCF will review and revise its policies and procedures as necessary. Quarterly case read will continue to incorporate this review, which is part of already existing federal outcomes. DCF Audit Services Compliance Unit will also incorporate regular reviews of physical and mental health needs, services and documentation in ongoing case reviews and audits.
c. Require its staff or the case management contractor to regularly review this information and investigate cases in which children do not receive needed services.	Quarterly case read reviews will continue to review those instances when children do not receive needed services. DCF Audit Services Compliance Unit will also incorporate regular reviews of physical and mental health needs and services in ongoing case reviews and audits.



April 21, 2017

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Legislative Division of Post Audit
800 SW Jackson Street, Ste 1200
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Legislative Post Audit,

KVC is appreciative of the time and attention taken by the Legislative Post Audit committee to study the intricate system of child welfare and of its resulting recommendations. We are fully dedicated to ensuring that Kansas child welfare services represent the quality and efficacy that children, families and the state deserve as we continually strive to raise the bar in safety, permanency and wellbeing. KVC is committed to working closely under the leadership of DCF to assure continued emphasis on the accuracy of data and its use in decision making. Despite our significant ongoing efforts and strategies to improve staff recruitment and retention, we appreciate the acknowledgment of the committee that, to assure an adequate, quality workforce in the current environment, may require amendments or exceptions to contract and/or licensing requirements and we look forward to engaging in those discussions. We appreciate as well, the acknowledgement of the importance of the availability of community based resources to assure timely access to services. Assessment of existing resources can help all providers identify gaps in services and can help prioritize problem solving to address identified gaps.

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Sincerely,

Lindsey Stephenson, LSCSW
Vice President of Operations



Itemized Response to LPA Recommendations

Audit Title: Foster Care and Adoption in Kansas: Reviewing Various Issues Related to the State's Foster Care and Adoption System, Part 3

Agency: KVC Behavioral HealthCare, Inc.

LPA Recommendation	Agency Action Plan
Question 5	
<p>1. To address family support worker qualification issues, KVC and St. Francis should revise their hiring processes to comply with the experience requirements in their contracts with DCF. Alternatively, they should work with DCF to determine whether the minimum requirements for family support workers should be amended to allow additional education to serve as a replacement for relevant work experience.</p>	<p>KVC will work with DCF Administration to address family support worker qualification concerns. KVC has revised our hiring process to comply with the experience requirements as outlined in the contract with DCF.</p>



Saint Francis Community Services®

Serving Children and Families Since 1945

April 25, 2017

Mr. Scott Frank, Legislative Post Auditor
Legislative Division of Post Audit
800 SW Jackson Street, Suite 1200
Topeka, Kansas 66612

Dear Mr. Frank,

Thank you for the opportunity to provide information for and comment on the audit report, *Foster Care and Adoption in Kansas: Reviewing Various Issues Related to the State's Foster Care and Adoption System, Part 3*. We appreciate the extensive work of the Legislative Post Audit Division in reviewing the Kansas child welfare system. This report and previous Legislative Post Audit Reports provide an important source of information and feedback for policy makers, state agencies, child welfare service providers, and community partners.

Role of Saint Francis Community Services in Kansas child welfare public-private partnership

Saint Francis Community Services has been a provider within the Kansas public-private child welfare model since 1996, and has been awarded the following:

- The initial Family Preservation contract for 53 counties in the West Region in 1996;
- Family Preservation and Reintegration Services contracts in the West Region in 2000;
- Family Preservation and Reintegration Services (now includes adoption) contracts in the West Region in 2005;
- Family Preservation and Reintegration Services contracts in the West Region, and Family Preservation for 24 counties in the Northwest Region, in 2009;
- Family Preservation and Reintegration Services contracts for the 75 counties in the West and Wichita regions in 2013. We are currently providing these services.

Throughout five Kansas administrations, significant changes to state and federal law, changing contract expectations, changing socioeconomic needs in Kansas communities, increased numbers of children in care, and significant changes to mental health and health care service accessibility, **Saint Francis Community Services has contributed to both consistency and improvement across almost all measures of quality of care for foster children.**

Response to Audit Findings

Following are highlights of changes that Saint Francis Community Services has already made in collaboration with DCF in response to **Parts 1 and 2** of the *Foster Care and Adoption in Kansas: Reviewing Issues Related to the State's Foster Care and Adoption System* reports.

- Revised documentation protocols, trained staff on enhanced documentation expectations, and developed enhanced monitoring systems for documentation to ensure that worker-child visits are completed, safety-focused, and fully documented
- Changed on-call protocols to improve after-hours case management coverage and to support employee morale, retention, and turnover
- Redesigned our employee orientation, onboarding, training, and leadership training standards and practices to address employee morale, retention, and turnover while improving quality of care for children and families
- Enhanced internal auditing and expectations for ensuring foster care homes are meeting appropriate standards for child safety and wellbeing

Related to this report, Part 3, Saint Francis Community Services provides the following comments related to **Question 5: Does the State's Foster Care System Have Sufficient Capacity to Provide Necessary Foster Care Services?**

Saint Francis Community Services supports efforts to increase the capacity of our state and communities to provide the best possible care for children in foster care. We also support any efforts to analyze and understand the increasing numbers of children in foster care which impact the capacity of our communities to ensure all foster children are able to access placements and services best designed to meet their needs.

- Saint Francis Community Services does face challenges recruiting and maintaining qualified social workers and family support workers, especially in the more rural regions of Kansas. We attribute this to both larger workforce challenges in rural Kansas, and to the nature of child welfare work for front-line staff not only in Kansas but across the nation. Working with abused and neglected children, supporting parents in crisis, and struggling to access needed resources for children in certain areas is by nature a very challenging task. We wish to recognize our workers for the difficult work they do every day. We will continue to explore strategies for recruitment, retention, and training to ensure a stable child welfare workforce in collaboration with DCF and Kansas universities.
- We note and are currently exploring, with DCF, the best strategy for addressing this report's finding on the issue related to the combination of education and experience standards for Family Support Workers.
- Saint Francis Community Services agrees that enhanced focus by policy makers, state agencies, and Kansas communities is necessary to ensure that services are available to meet the needs of all children in care and to ensure parents can access needed supports. At the same time, we appreciate and fully understand the audit findings related to the need for standardized documentation of our efforts to secure necessary services, as well as the need to develop additional internal controls for monitoring, at a trend level whether, children are accessing necessary services. We will collaborate with

DCF and other state agencies to review more standardized documentation protocols and auditing/monitoring of these services. Given that access to community based services involves multiple state agencies, partners, and stakeholders, we will support, participate in or lead, conversations about building system capacity to implement needed changes.

- The report finding that available beds for foster care homes placement is a capacity challenge is accurate. Despite diligent recruitment efforts by our agency, DCF, and other child placing agencies, the number of available foster care homes beds has not kept pace with the increasing number of children in care. Saint Francis Community Services will continue to take an active role in collaborating with DCF to explore and implement and target our strategies for recruiting and retaining increasing numbers of foster care homes, especially in the identified locations. We wish to acknowledge the valuable contributions of foster parents who are committed to serving children.

Conclusions and Recommendations:

- We welcome the opportunity to work with DCF to support building agency and system capacity to enhance data – driven decision making and monitoring for children in care, address foster care home inspection and renewal concerns, and ensure all children in foster care are able to access needed mental and physical health services.
- We will clarify work experience employment qualifications for Family Support Workers in accordance with report recommendations.
- We strongly support the recommendation regarding an interim study to gather information on community-wide resource issues such as provider shortages, service waitlists, and bed shortages at psychiatric residential treatment facilities to ensure that all children in foster care have timely access to the physical and mental health services they need. This is an important step in helping communities recognize their role in helping reduce the number of children coming into care and to keep families safe in their communities.

We appreciate the opportunity to work with the Legislative Post Audit Division in analyzing important aspects of these critical services to Kansans. We welcome the opportunity to address issues raised and to actively contribute to the ongoing development of a responsive and effective child welfare system in Kansas.

Sincerely,



The Very Rev. Robert Nelson Smith
President and CEO

cc: Brian Dempsey, President of Operations
Diane Carver, VP of Children and Family Services
Melissa Ness, Senior Advisor – Public Policy
Rachel Marsh, Executive Director, Public Policy

Itemized Response to LPA Recommendations

Audit Title: Foster Care and Adoption in Kansas: Reviewing Various Issues Related to the State's Foster Care and Adoption System, Part 3
Agency: Saint Francis Community Services

LPA Recommendation	Agency Action Plan
Question 5	
<p>1. To address family support worker qualification issues, KVC and St. Francis should revise their hiring processes to comply with the experience requirements in their contracts with DCF. Alternatively, they should work with DCF to determine whether the minimum requirements for family support workers should be amended to allow additional education to serve as a replacement for relevant work experience.</p>	<p>Saint Francis Community Services will implement into its hiring practices of family support workers clarification about what qualifies as "child work experience".</p> <p>Saint Francis Community Services will work with DCF to establish as needed changes to the expected qualifications required for family support workers.</p>

APPENDIX B

Audit Proposal

This appendix contains the audit proposal approved by the Legislative Post Audit Committee for this audit at its December 2015 meeting. Because of the large number of potential concerns legislators had expressed regarding the foster care system, the committee created the Foster Care Scope Statement Subcommittee to develop a list of potential audit questions for the entire committee to consider. The subcommittee presented a list of eight potential questions, seven of which the Legislative Post Audit Committee approved at its December 2015 meeting.

The final audit proposal included seven questions, which we divided into three parts. Part 1 was released in July 2016 and covered Questions 1, 2, and 3. Part 2 was released in September 2016 and covered Question 4. This is Part 3 of the audit and answers Questions 5, 6, and 7.

Questions 6 and 7 of the original audit proposal would have evaluated how privatization has affected outcomes for children and families as well as the cost of foster care and adoption services to the state. However, we learned there were no consistent records of either outcomes or service costs that would allow us to compare the current system to the system as it existed before it was privatized in 1997. Therefore, in consultation with the Legislative Post Audit Committee, we amended Questions 6 and 7 to eliminate comparisons to pre-privatization, but to still address the committee's underlying concerns. The amended questions are those shown in the body of the report.

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

Kansas' foster care program is administered by the Department for Children and Families (DCF) and has been privatized since 1997. The department currently contracts with two service providers—KVC Kansas and St. Francis—to provide foster care services across the state. The foster care program is charged with protecting children who may be physically or mentally abused or neglected. The department may provide preventive services to a family when child abuse is suspected with the goal of keeping the child in the home. However, if preventive services are not successful or if the danger to the child appears to warrant action, the department may ask the county or district attorney to petition the court to place the child in its custody.

After a court order puts a child in the custody of the department, the child may be placed back with the family with the written permission of the court, with relatives or friends of the family, with a foster family, in a group home, or in an appropriate state-operated facility. Child Welfare Case Management Providers, who are private contractors with the state, work with the child and family to resolve issues so the child can return home. If it is not possible for a child to go back to the family, parental rights may be taken away by the court or voluntarily surrendered. At that point the child is available for adoption.

The questions included in this scope statement were selected by the Foster Care Scope Statement Subcommittee for consideration by all members of the Legislative Post Audit Committee. At its December 2015 meeting, the Legislative Post Audit Committee considered an audit request by Representative Jim Ward intended to evaluate whether DCF had discriminated

against same-sex couples through its child placement process. Although the committee did not approve that request, it established the subcommittee to develop a comprehensive audit request of DCF and the foster care system.

A performance audit in this area would address the following questions:

- 1. Is DCF following adequate policies and procedures to ensure the safety of children during the removal and placement process?** To answer this question, we would identify which types of factors and best practices should be considered and implemented as part of the removal and placement process to ensure children's safety (according to professional associations such as the National Association of Social Workers). Interview department officials and review documents as necessary to understand the department's policies and procedures for child removals and child placements (with either the child's original family, with foster parents, or with adoptive parents). As part of that work, we would also determine whether the department allows CINC children to be placed in homes that also house juvenile offenders. We would review the department's policies and procedures to determine whether appropriate factors were included and whether best practices had been sufficiently implemented. Moreover, based on sample of cases, we would review department files and interview staff to determine whether department staff and foster care contractors followed the department's removal and placement policies and procedures as designed.
- 2. Does DCF's child placement process help ensure that children are placed in foster care or adoptive homes with a sufficient living space and sufficient financial resources?** To answer this question, we would interview DCF officials and review department policies and procedures to determine whether factors such as household size, living space, or household income considered by DCF and others when making child placements in foster care or adoptive homes. We would also review foster care licensing requirements and professional literature to determine whether there were any suggested limits on family size, home square footage, or minimum family income that should be considered when making placement decisions. Moreover, we would review DCF files for children placed in very large foster care or adoptive families to determine whether those homes provide sufficient space for the children and to determine whether the financial resources of the families appeared sufficient. In performing that work, we would also interview DCF staff and others involved in the placement decision to identify whether there were ever any concerns raised about these types of home situations and if so, how they were addressed.
- 3. Are DCF's criteria for recommendations regarding the removal and placement of children designed to help keep families together as much as possible?** To answer this question, we would interview DCF to understand their specific role in the removal and placement processes as well as the private contractors they oversee. We would also determine which criteria DCF and contractor staff use when removing children from their homes and which criteria they use to make recommendations of a child's placement in either a foster care or an adoptive home. We would compare that to professional literature and best practices in this area developed by organizations such as the U.S. Department of Health and Human Services. We would conduct a DCF and contractor staff survey and

would interview other foster care professionals and stakeholders as necessary to collect their opinions on whether the criteria used by DCF and its contractors helps keep families together as much as possible. Based on that collective information, we would determine if DCF's placement and removal criteria are sufficient to help ensure that children are not removed from their families too quickly and that children from the same home are placed together whenever possible.

4. **Does DCF ensure that all applicable state and federal laws governing the foster care system in Kansas are followed?** To answer this question, we would interview DCF officials and would work with the Office of Revisors staff to identify all state and federal laws related to the foster care system in Kansas, including any financial requirements. Further, we would work with DCF staff to determine how they ensure compliance with those laws and requirements through their established policies, procedures, and contractual agreements with private contractors. For a sample of cases, we would determine whether DCF staff and contracted staff appear to adhere to those policies and procedures as designed and would determine the primary causes for any non-compliance we identified including any sanctions DCF imposed on staff for any violations. In addition, we would work with DCF and federal state agency officials as necessary to determine the consequences, if any, of any violations of state or federal law we identified.
5. **Do foster care contractors have sufficient capacity to provide necessary foster care services?** To answer this question, we would collect and analyze historic information to determine contractors' staffing and caseloads before and after being awarded their contracts with the state and interview officials regarding any trends we identified. Collect information from each contractor to determine and compare their average staff caseloads and the specialized services they provide for children in their care (e.g. mental health services) to best practices, other contractors, and over time. Work with DCF and contractor officials to identify trends in the number of children in foster care and receiving specialized services in recent years. Review any information the DCF maintains related to contractor performance and complaints. For any problems we identified, we would interview contractor and department officials as necessary to better understand those issues and to determine what has been done to resolve them.
6. **Has the privatization of foster care and adoption significantly affected outcomes for children and families?** To answer this question, we would interview DCF officials and would review DCF records to determine what types of outcomes they have consistently tracked (in areas such as assessments, removals, reunifications, and placements) before and after the privatization of foster care and adoption. We would also interview DCF officials to determine how the foster care and adoption system has changed over time and how that might affect the outcomes they measure. We would compile readily available outcome data for all phases of the foster care and adoption process and compare those outcomes before and after privatization, and would follow up with DCF and Contractor officials about any trends noted in the comparison.
7. **Has the privatization of state foster care and adoption significantly affected the cost of those services to the state?** To answer this question, we would interview DCF staff and review available data to determine how much foster care and adoption cases cost

Kansas before and after privatization on a per child basis. We would also interview DCF officials to determine how the foster care and adoption system has changed over time and how that might affect system costs. We would compare current privatized costs for foster care and adoption services to costs prior to privatization after accounting for relevant factors such as inflation and wage increases over time. Similarly, we would identify other states with foster care and adoption systems similar to Kansas and with similar outcomes, and would work with officials from those states to collect cost information that could be compared to our own. In doing all of this work, we would determine the state's share of funding for these costs both before and after privatization.

Estimated Resources: 5 LPA staff

Estimated Time: 11 months (a)

- (a) *From the audit start date to our best estimate of when it would be ready for the committee; LPA would intend to release several reports during this 11-month period. Note: Our ability to answer questions 6 and 7 on privatization will be subject to how much and what type of records have been maintained since privatization of the foster care and adoption system.*

APPENDIX C

Kansas' Performance on Selected Federal Outcome Measures, Federal Fiscal Years 2000-2013

This appendix includes charts showing Kansas' performance on the federal outcome measures we reviewed in Question 6. To determine how Kansas' performance against federal outcome measures changed since 2000, we analyzed data from the Child Welfare Outcomes reports published by the federal Administration for Children and Families (ACF). These reports give child welfare professionals and advocates the ability to assess states' performance in meeting the needs of children in foster care. Specifically, the reports outline states' performance on several key outcome measures related to children's safety, the stability of children's placements, and efforts to achieve permanency for children. We consulted ACF and DCF staff to determine which measures were reliable and consistent over the longest periods of time, and used these in our analysis. The data are self-reported, unaudited, and are not appropriate for cross-state comparisons because of differences in states' definitions and requirements as explained on pages 37-38.

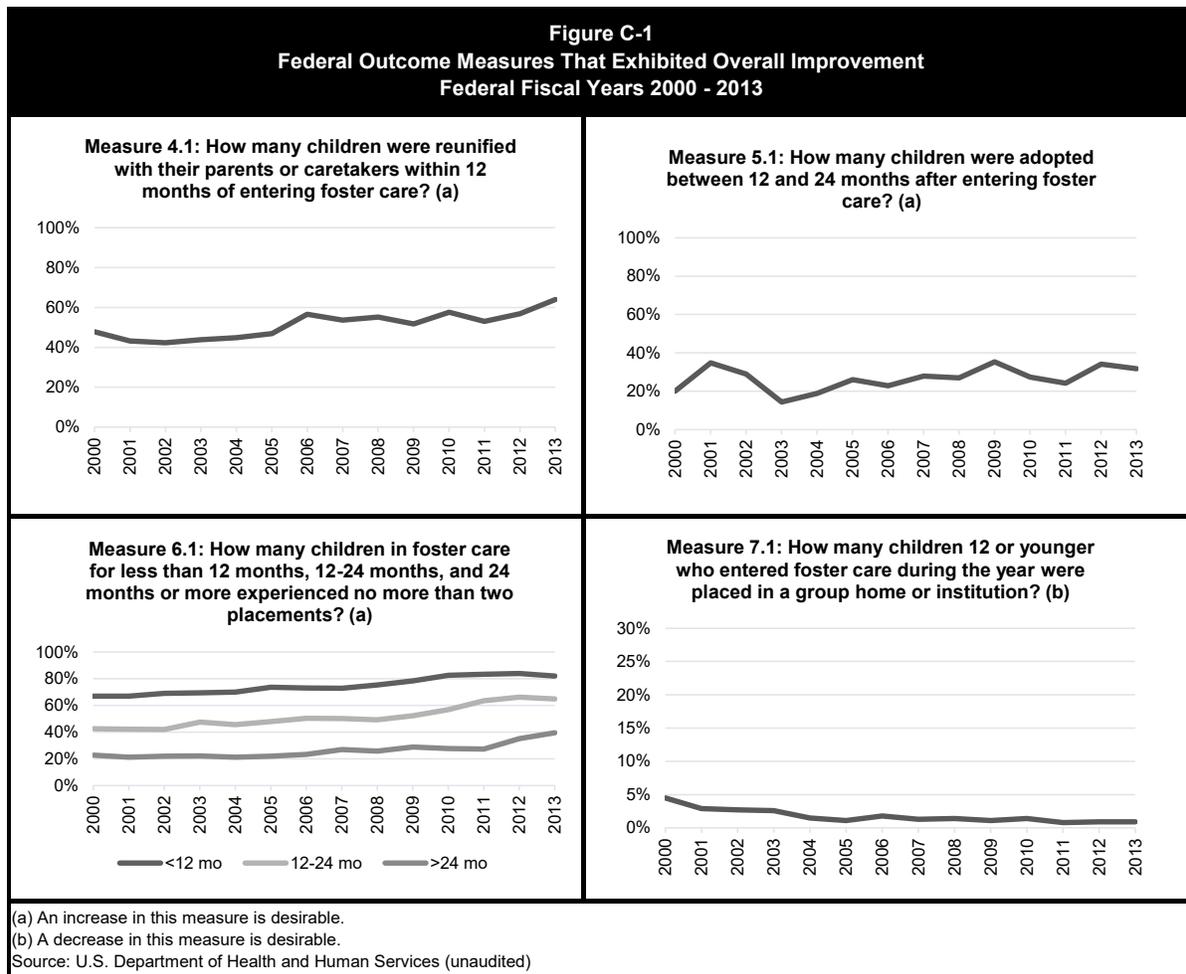
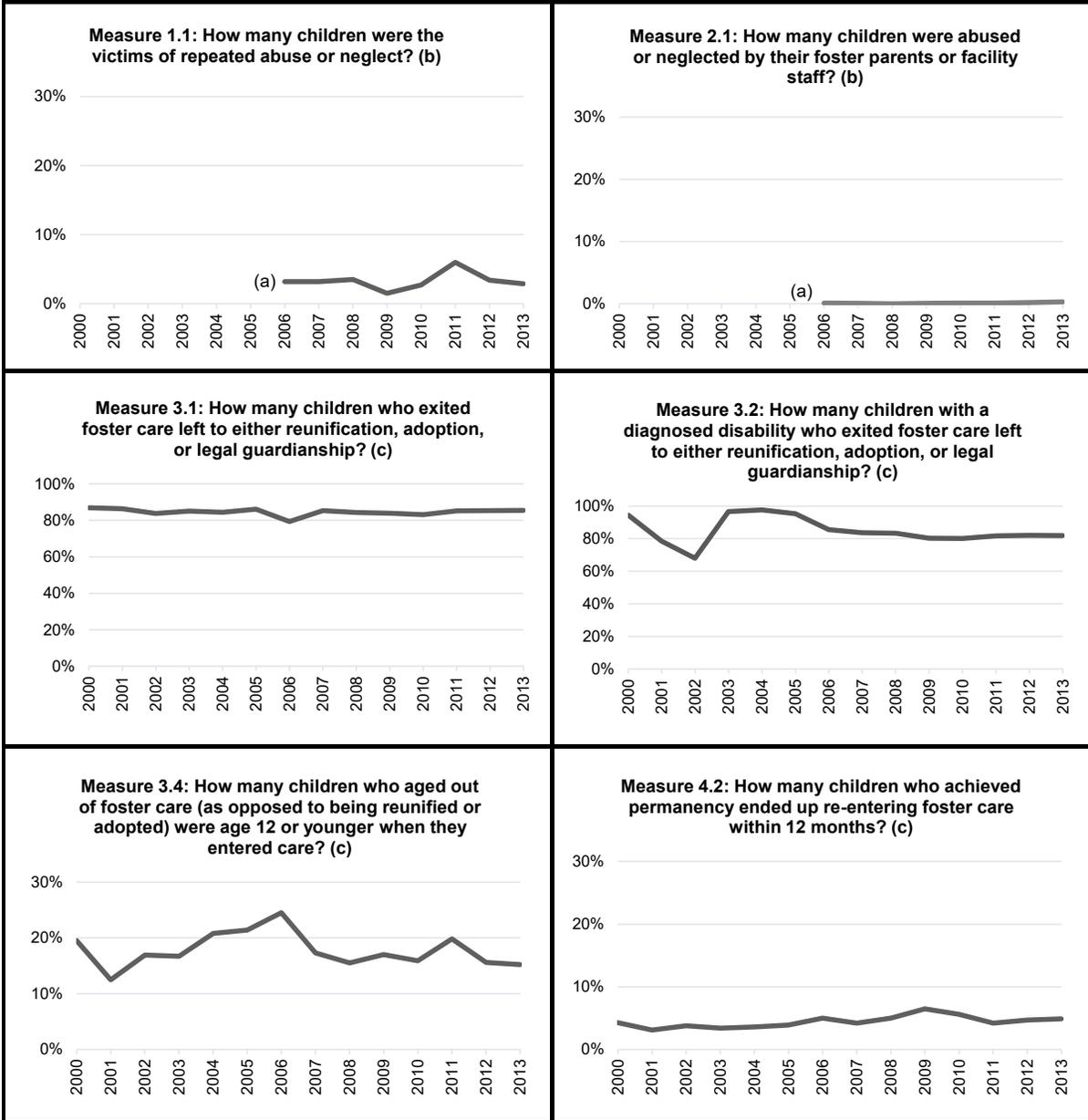
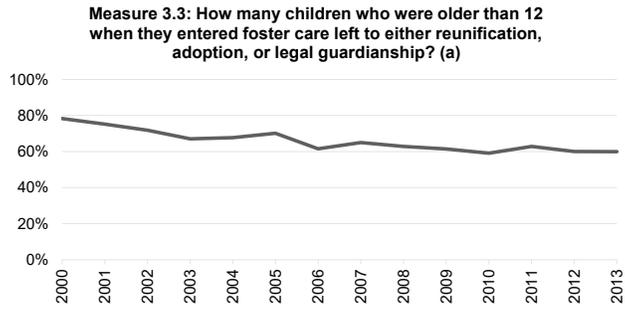


Figure C-2
Federal Outcome Measures That Exhibited Little Overall Change
Federal Fiscal Years 2000 - 2013



(a) Pre-FY 2006 data exist, but a significant definitional change in FFY 2005 makes this measure inconsistent before this year.
 (b) A decrease in this measure is desirable.
 (c) An increase in this measure is desirable.
 Source: U.S. Department of Health and Human Services (unaudited)

**Figure C-3
Federal Outcome Measure That Exhibited Overall Decline
Federal Fiscal Years 2000 - 2013**



(a) An increase in this measure is desirable.
Source: U.S. Department of Health and Human Services (unaudited)

APPENDIX D Cited References

This appendix includes a list of the studies and reports cited in this report.

1. An Analysis of the Kansas and Florida Privatization Initiatives. (2010, April). *Casey Family Programs*.
2. Assessing How Well the Foster Care Program in Kansas is Working, Part 1: Services and Placements. (1998, November). *Kansas Legislative Division of Post Audit*.
3. Assessing How Well the Foster Care Program in Kansas is Working, Part II. (1998, December). *Kansas Legislative Division of Post Audit*.
4. Casework Teaming to Reduce Workload, Enhance Effectiveness & Boost Morale. (2013, January). *National Child Welfare Workforce Institute*.
5. Child and Family Services Reviews: Kansas Final Report. (2015, November). *Administration for Children and Families, U.S. Department of Health and Human Services*.
6. Child Welfare Outcomes. (1998 edition and onward). *Administration for Children and Families, U.S. Department of Health and Human Services*.
7. Children In Need Of Care: Reviewing Selected Issues Related to Handling Their Cases. (2009, August). *Kansas Legislative Division of Post Audit*.
8. Foster Care and Adoption in Kansas: Reviewing Various Issues Related to the State's Foster Care and Adoption System, Part 1. (2016, July). *Kansas Legislative Division of Post Audit*.
9. Foster Care and Adoption in Kansas: Reviewing Various Issues Related to the State's Foster Care and Adoption System, Part 2. (2016, September). *Kansas Legislative Division of Post Audit*.
10. Foster Care: Determining Whether Adoptions are being Finalized as Quickly as Possible, Once an Adoptive Family Is Located. (2005, February). *Kansas Legislative Division of Post Audit*.
11. Foster Care: Reviewing Selected Issues Related to State Contracts for Foster Care and Family Preservation Services. (2008, April). *Kansas Legislative Division of Post Audit*.
12. Privatization of Foster Care Services. (2015, November). *Kansas Legislative Research Department*.
13. The State's Adoption and Foster Care Contracts: Reviewing Selected Financial and Service Issues. (2001, January). *Kansas Legislative Division of Post Audit*.