

Department of Legislative Services
 Maryland General Assembly
 2006 Session

FISCAL AND POLICY NOTE
Revised

House Bill 799
 Appropriations

(Delegate Branch, *et al.*)

Finance

Child Welfare Accountability Act of 2006

This bill requires: (1) an outcome-based system to measure the effectiveness of child welfare services; (2) the development of a process for assessing the quality of casework services; (3) the development of a local department of social services (LDSS) child welfare services self-assessment process; (4) the employment and retention of sufficient numbers of qualified child welfare staff to meet the current statutorily required State caseload ratios following Child Welfare League of America (CWLA) standards; and (5) the establishment of a Child Welfare Training Academy.

The codified provisions of the bill take effect January 1, 2007 and do not terminate. The bill's uncodified provisions take effect July 1, 2006 and terminate June 30, 2012.

Fiscal Summary

State Effect: General fund expenditures could increase by \$834,000 in FY 2007, which includes \$200,000 for contracts to develop a casework assessment tool and a caseload ratio methodology. Future years reflect annualization and inflation. No effect on revenues.

(\$ in millions)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	.8	1.1	1.2	1.2	1.2
Net Effect	(\$.8)	(\$1.1)	(\$1.2)	(\$1.2)	(\$1.2)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary:

Outcome-based System

The Secretary of Human Resources and the Secretary of Budget and Management must develop and implement an outcome-based system of accountability for measuring the efficiency and effectiveness of child welfare services. The system must: (1) address the safety, permanence, and well-being of all children in the State child welfare system; (2) measure performance at the State and local levels; (3) expand on federal outcome measures; (4) use the indicators established by this bill to measure outcomes; and (5) be used in whole or in part in the Department of Human Resources' (DHR) annual managing-for-results submission. The Secretary of Human Resources must adopt regulations establishing guidelines for collecting information at the State and local levels.

The bill establishes outcomes measures to evaluate the effectiveness of efforts to: address child abuse and neglect; protect children removed from their homes from abuse and neglect; address permanency and stability in the living situations of children in an LDSS's, or a placement agency's, custody; and address the health, mental health, education, and well-being of a child committed to DHR.

These measures must be used by LDSSs and DHR's Social Services Administration (SSA), and may be used by an entity that enters into a memorandum of understanding with DHR, to measure the efficiency and effectiveness of child welfare services. State child welfare system information collected by the State or federal government may also be used by the entities listed above to measure the child welfare system's effectiveness.

DHR Casework Services Assessment

DHR must have a process for assessing the quality of casework services. An entity specializing in child welfare services that enters into a memorandum of understanding with DHR may review and provide guidance on the DHR-developed quality assessment process. The quality assessment must determine whether the outcome indicators were substantially achieved.

LDSS Self-assessment Processes

DHR must enter into a memorandum of understanding with an entity that has experience in child welfare best practices to assist in developing and implementing an LDSS self-assessment process to monitor the quality of child welfare services provided by LDSSs

and the SSA's management of the child welfare system. The LDSS self-assessment must be done every three years.

In conducting the self-assessment, the LDSSs must incorporate the outcomes measures and quality assessment of caseworker services results and consider the results of the case reviews conducted by the Citizens' Review Board for Children. After a self-assessment is accepted by SSA, the LDSSs must develop a plan to maintain performance that meets standards, strengthens areas needing improvement, and describes how areas needing improvement will be addressed and how improvements will be measured. The Secretary of Human Resources must adopt regulations governing the LDSS self-assessment process.

DHR must enter into a memorandum of understanding with an entity with expertise in child welfare best practices to collect and maintain information necessary to conduct an LDSS self-assessment and the federally required statewide assessment. Annually, beginning January 1, 2008, the entity that enters into the memorandum of understanding with DHR must report to the General Assembly on the measurement of the LDSSs' and SSA's performance and the information collected and maintained for the LDSSs' self-assessment and the statewide assessment. Any unit of State government substantively involved with abused or neglected children may contribute information to the entity.

Child Welfare Training Academy

DHR must establish and maintain a Child Welfare Training Academy to provide training on best practices for child welfare staff, child welfare administrators, foster parents, and kinship caregivers. DHR may provide training on best practices for the State Citizens' Review Board for Children staff and volunteers and court-appointed special advocate staff and volunteers.

CWLA Caseload Ratio Standards

The Secretary of Human Resources and the Secretary of Budget and Management must ensure that sufficient numbers of qualified child welfare staff, as currently required by statute, are hired and retained to achieve caseload ratios consistent with CWLA standards. DHR, consulting with an appropriate entity with expertise in child welfare services caseload ratios, must develop a methodology to calculate caseload ratios for child welfare services in the State.

Uncodified Requirements

By December 1, 2006, DBM and DHR must report to the Governor, the Senate Finance Committee, the House Appropriations Committee, and the House Judiciary Committee

on an assessment of SSA's and LDSSs' accounting structure and workload measures. The results of the assessment must determine the changes necessary to adopt the Task Force on Child Welfare Accountability's recommendations related to flexible budgeting to meet the needs of families, cost accounting for the child welfare system, and measuring performance of the child welfare system.

By January 1, 2007, the Secretary of Human Resources and the University of Maryland School of Social Work must enter into a memorandum of understanding setting forth the responsibilities of each entity to implement an LDSS self-assessment process to monitor the quality of casework services and to collect and maintain child welfare services data.

By January 1, 2007, the Secretary of Human Resources must consult with CWLA to develop a methodology to calculate caseload ratios in child welfare services for the State and enter into a contract to have CWLA annually review these calculations.

By July 1, 2007, DHR must conduct a comprehensive study of the recruitment, selection, and retention of the child welfare workforce to develop strategies to lower the turnover rate and increase the workforce's qualifications. By that date DHR also must report on the findings and recommendations of its study to the Governor, the Senate Finance Committee, the House Appropriations Committee, and the House Judiciary Committee.

By December 31, 2007, the Secretary of Human Resources must submit a report on the outcome measurement system to the Governor, the Senate Finance Committee, the House Appropriations Committee, and the House Judiciary Committee. The outcome measurement system indicators must be based on the recommendations of the Task Force on Child Welfare Accountability, DHR's Program Improvement Plan, and national best practices. DHR's Child and Family Services Advisory Board must review, assess, and provide guidance on the outcome-based system of accountability.

Additionally, DHR must pursue national accreditation of each LDSS.

Current Law: In 1988, DHR entered into a consent decree to settle a federal court dispute, *L.J. v. Massinga*, brought on behalf of children in the Baltimore City Department of Social Services' custody. The class action lawsuit alleged that foster children were subject to maltreatment in foster care homes, denied necessary health and educational services, and not given adequate opportunities for reunification or visitation with birth parents and siblings. The consent decree required DHR to meet caseload ratios that allowed caseworkers enough time to work with the children in foster care and work with birth and foster parents or relative caregivers to assure the children were safe, cared for, educated, and had a plan for continuing relationships and preparing for adulthood.

Chapter 544 of 1998 required DHR and DBM to take necessary steps to improve the child welfare system, including meeting appropriate caseload-to-staff ratios based on CWLA standards.

DHR may disclose child abuse or neglect records or reports to specified local or State personnel or officials, entities, or individuals.

Background: This bill implements the final recommendations of the *Report of the Task Force on Child Welfare Accountability*. The 2003 *Joint Chairmen's Report* led to the task force by calling for an overall evaluation of the child welfare system and for recommendations in five areas: (1) a method to determine reported and unreported child abuse and neglect; (2) performance measures and qualitative assessment tools for individual cases; (3) best practices for delivering child welfare services; (4) measures of child and family outcomes and a method for collecting data needed to measure outcomes; and (5) an analysis of how the State might maximize federal revenues to improve child safety, permanency, and well-being. The report's recommendations fall within three interrelated categories: (1) a long-term commitment to excellence; (2) an outcome measurement system and a related county self-assessment system; and (3) a quality assurance system.

According to the report, the Maryland child welfare system annually affects 90,000 children and their families. Approximately 11,000 children are in out-of-home placements because of abuse or neglect or because their parents cannot take care of them.

Most of these children live in Baltimore City. In fiscal 2005, 31,501 child protective service investigations occurred statewide, according to DHR. Of these investigations, 6,196 of the cases were closed with indications of abuse or neglect and 7,553 of the cases were closed as unsubstantiated with regard to abuse or neglect.

Many Maryland LDSSs already have child welfare accreditation through the Council on Accreditation (COA). COA accredits public agencies that provide a broad range of services, including alcohol and substance abuse, child welfare, developmental disabilities, and mental health. The LDSSs for the following 11 counties are accredited: Baltimore, Dorchester, Garrett, Harford, Howard, Kent, Prince George's, Queen Anne's, Talbot, Washington, and Worcester.

SSA Audit Results

DHR's February 18, 2005 report showing that it was close to achieving the CWLA-recommended caseworker staffing levels statutorily required by the General Assembly was unreliable, according to a December 2005 Department of Legislative Services (DLS) Office of Legislative Audits report. The DHR estimate did not include all pertinent

factors affecting staffing, such as all relevant CWLA staffing standards, the use of the most current data available, and factors for employee leave. The report estimates that, under one scenario, DHR understated the required staffing level by 130 caseworkers and 26 supervisors by not considering leave usage. The report continues that auditors were unable to determine the actual staff levels and ratios because certain data were missing from the files or were not being accumulated.

Auditors also disclosed problems impacting virtually every facet of child protective services (CPS). CPS investigations tested were often not initiated or completed within time frames required by State law, and certain documents were not always completed during the required investigation. In numerous cases, required supervisory review of decisions not to accept allegations of neglect or abuse for formal investigation was not documented. Auditors also found that, in some cases, when efforts to contact the alleged victim were impeded, the cases were closed without pursuing the available legal means to gain access. Additionally, critical CPS data recorded in the automated DHR Client Information System were not always complete and accurate.

Further, auditors discovered that DHR's automated system was not capable of tracking foster care case assignments to help management ensure cases were continually assigned to active employed caseworkers. In all 111 cases tested (active during the period of January through June 2005), the cases were assigned to active caseworkers. However, caseworker contact with foster care children was inconsistent. In 54 cases, there was no documentation that required monthly visits occurred in each of the six months tested. Missed or undocumented visits ranged from 26 cases where one month was missed to 2 cases for which there was no documented visit for the entire six-month period. Caseworkers acknowledged to auditors that monthly visits do not always occur.

Finally, although the auditors were asked to determine if the Baltimore City Department of Social Services complied with a consent decree requirement to transfer foster care cases within five days of a foster care caseworker leaving or transferring, the auditors could not test this measure because DHR has not tracked or reported the results of this specific requirement in the six-month reports.

State Fiscal Effect: DHR's fiscal 2007 child welfare budget allowance includes \$1.7 million for the Child Welfare Training Academy and \$940,000 to decrease caseworker turnover, allowing DHR to fill positions as they become vacant.

While the bill calls for DHR to pursue national accreditation of each LDSS, many LDSSs are already accredited. Since pursuing national accreditation is already part of DHR's existing practice, the DLS does not believe the bill's calls for national accreditation should be incorporated into the bill's fiscal estimate.

However, general fund expenditures for DHR and DBM are expected to increase by \$834,207 in fiscal 2007, which accounts for a 90-day start-up delay for the staffing costs and related operating expenses and a six-month start-up delay for the costs associated with the contract for collecting and maintaining child welfare data and conducting the LDSS quality assessments. This includes the cost of three contracts to outside vendors; hiring a policy director, an administrator, and a statistician to study child welfare data changes; costs associated with conducting LDSS quality assessments; and operating expenses.

DHR Expenditures

General fund expenditures would increase by \$693,195 in fiscal 2007. This estimate reflects \$375,000 for a contract to collect and maintain child welfare data (\$750,000 annually), \$100,000 for a one-time contract with an outside organization to assist DHR in developing a casework services assessment tool, and \$100,000 for a contract with CWLA to develop new caseload ratio requirements for DHR. It also reflects the cost of hiring one program administrator to create a joint policy and performance measurement body with DBM to study child welfare services and \$41,000 for meals, accommodations, and travel expenses for DHR staff conducting casework quality assessments in four counties (eight counties annually).

Contract to Collect and Maintain Child Welfare Data	\$375,000
Cost for Contracts to Develop Assessment and Caseload Ratio Tools	200,000
Salary and Fringe Benefits	70,240
Quality Assessment Travel, Meal, and Accommodation Expenses	41,000
Operating Expenses	<u>6,955</u>
Total FY 2007 DHR Expenditures	\$693,195

Future year expenditures reflect: (1) a full salary with 4.6% annual increases and 3% employee turnover; (2) \$750,000 annually for the contract to collect and maintain child welfare data; (3) \$100,000 annually for a contract with CWLA to review caseload ratio calculations; (4) \$82,000 annually for quality assessment travel, meals, and accommodations; and (5) 1% annual increases in ongoing operating expenses.

DLS notes that DHR estimates the contract to collect and maintain child welfare data to cost \$750,000 annually. DLS agrees with this estimate.

DLS notes that DHR assumed it would conduct the quality assessment reviews of all of the State's 24 local departments of social services annually. DLS notes that the bill does

not require an annual assessment of all of the LDSSs and assumed in its estimate that DHR could select eight LDSSs annually to evaluate. DLS agreed with DHR's estimate that it would cost \$10,250 (\$5,000 for meals, \$5,000 in accommodations, and \$250 in travel expenses) per LDSS.

DLS further notes that DHR estimated it would cost \$250,000 to contract with a vendor to develop the assessment tool and \$250,000 to contract with a vendor to develop the new caseload ratio requirements. DHR also assumed that these costs would be annual. DLS disagrees with this estimate. DLS believes that each contract would cost \$100,000 in fiscal 2007 and the contract with CWLA to annually review the caseload ratio calculations would cost \$100,000 annually, while the contract to develop an assessment tool would only be incurred in fiscal 2007.

DBM Expenditures

General fund expenditures could increase by an estimated \$141,012 in fiscal 2007, which accounts for a 90-day start-up delay. This estimate reflects the cost of hiring one policy director to create a joint policy and performance measurement body with DHR to study child welfare services and one statistician to track and forecast child welfare data changes. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Salaries and Fringe Benefits	\$127,102
Operating Expenses	<u>13,910</u>
Total FY 2007 DBM Expenditures	\$141,012

Future year expenditures reflect: (1) full salaries with 4.6% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

Additional Information

Prior Introductions: A related bill, HB 1197 of 2005, was amended in the House and reported favorable by the Senate Finance Committee; however no further action was taken.

Cross File: SB 792 (Senator Kelley) – Finance.

Information Source(s): Department of Human Resources; Department of Budget and Management; *Department of Human Resources: Social Services Administration: Certain Aspects of Child Welfare System*, Department of Legislative Services' Office of
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Legislative Audits, December 2005; Council on Accreditation; Department of Legislative Services

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