Children’s Services Reform Initiatives

Presentation to
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House Appropriations Committee
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Virginia’s Reform Initiatives

We are engaged in a number of interrelated efforts to fundamentally change how human services are delivered to children and families in the commonwealth.

Change Drivers

- First Lady’s “For Keeps”
- Sharply Increasing CSA Costs
- Annie E. Casey Study Findings

Reform Initiatives

- Budget and Legislative
- Council on Reform
- Administrative Changes
CSA Expenditures

- $342.2 million in FY07 ($219.7 state; $122.5 local)
- $47.2 million increase ($30.2 million state; $17 million local)

*Medicaid introduced in January 2000 to help offset CSA Costs

* In FY07, average local match was 36%; average state match was 64%; ranging from 17% to 53%.
Budget and Legislative Initiatives

- $22.6M to increase payments to foster care and adoptive families
  - 15% increase in first year, 10% increase in second year
    - $7.9 M (GF) and $5.2 M (NGF) in FY 2009
    - $14.8 M (GF) and $8.4 M (NGF) in FY 2010

- $4.4M to enhance child welfare worker training
  - $2.2 M (GF) and $1.4 M (NGF) in FY 2009
  - $2.2 M (GF) and $1.4 M (NGF) in FY 2010
Budget and Legislative Initiatives

- $6.9M to improve the recruitment and retention of foster parents
  - $3.4M (GF) and $1.1M (NGF) in 2009
  - $3.6M (GF) and $1.2M (NGF) in 2010
  - 17 FTEs to work in regions to assist localities recruit, train, and support foster families

- $300,000 to collect outcome data on children served by the CSA
Budget and Legislative Initiatives

- Changes in CSA State/Local match rates - Aligning financial incentives and service goals.
  Savings:$12.5 million
  - Reduces the local match rate for community based services while increasing the local match rate on congregate care.
  - Changes will be phased in over 3 years to allow localities to conduct training and establish community-based services.
  - $12.5 million represents a reduction of only 5% of the projected expenditures for congregate care over the biennium.
  - A simple reduction in congregate care bed days used can produce savings.
    - Statewide average LOS is 7 months
      - National average LOS is 5 months
CSA Budget

Total CSA Costs (2006) = $295 million*

- Foster Care 4%
- Congregate Care 45%
- Community-Based Services 9%
- Therp. Foster Care 17%
- Special Ed Placements 22%
- Other 3%

CSA Funding Shortfall:
- Caboose Bill: $54 million
- SFY09: $65 million
- SFY10: $93 million

Source: CSA Data 2006
* Does not include Medicaid dollars
Legislative Initiatives

- SB 493, HB 825 - Establishes minimum training requirements for foster care and adoption workers.
- SB 25, HB 811 – Extends eligibility to allow a relative to receive TANF payments for relative child in certain cases. Will produce GF savings of $283,000.
- SB 394, HB 750 – Eliminates De Novo Appeal from the J&DR Court to Circuit Court on Adoption planning and termination of parental rights cases.
Council On Reform (CORE)

- With the assistance of the Casey Foundation, the Council on Reform has been established to help lead this reform effort.
  - Phase I – Work with 13 localities to develop shared vision for children’s services and best practices at state and local levels.
  - Phase II – Implement reform statewide.
Administrative/Policy Initiatives

- Ensuring the provision of “Care Coordination” for children in or at risk for placement in congregate care settings.
- Policy clarification regarding the provision of “start-up” funding.
- Policy clarification of the flexible use of CSA funding to facilitate the development of community based care and support best practices.
Summary of Reform Initiatives

Strengthen Foster Care

“For Keeps”

Financial Incentives

Legislative Initiatives

Administrative Changes

CORE

Culture Change

- Better Outcomes For Kids and Families
- Improved Permanency Rates
- Reduced Costs Per Child Served

Improved Permanency Rates

For Kids and Families

Reduced Costs Per Child Served