



INDIANA ASSOCIATION OF RESOURCES  
AND CHILD ADVOCACY

## **Family & Children Fund Position Paper**

Prepared by Cathy Graham, Executive Director, 11-12-2014, revised 1-15-2015

**Our Position: Indiana needs strong, financially-secure, private agencies with highly qualified staff in every area of the State to provide services to vulnerable children and their families. Children and families are harmed when they do not receive the right services at the right time for the right length of time.**

Indiana's abused, neglected, and delinquent children require a strong partnership between the public and private sectors. The Department of Child Services (DCS), formed in 2005, is charged with intervening to protect abused and neglected children, providing them a permanent family, and working toward the children's well-being. Private agencies provide the daily care and supervision of the children, case management, family preservation and reunification services, adoption services, and behavioral health treatment.

The partnership between the public and private sectors has been strengthened over the past 2 years. We acknowledge the increased efforts of DCS to secure additional federal funding. However, the resources needed by community-based agencies have decreased considerably as a result of actions by state government in prior years. These actions put at grave risk the very agencies that are serving, nurturing, and healing Indiana's abused, neglected, and vulnerable children every day. It is important that both sectors receive the resources that are necessary to fulfill their respective roles. The need for additional resources to support the role of the private sector has never been more urgent.

The attached graphs show the following:

- **Available annual funds for the daily care and treatment of abused, neglected, and delinquent children and for services to families have declined by \$280 million from CY 2008 to SFY 2015.**
- **Available annual funds for public case management services and administration have increased by \$78 million from SFY 2008 to SFY 2015.**

**Indiana now dedicates half as much to the care and treatment of children as it did in 2008.** (\$40,327 per child in 2008 as compared to \$20,257 per child in 2015)

**Indiana now dedicates about two-thirds more per child for case management and administration as it did in 2008.** (\$8,346 per child in 2008 as compared to \$13,406 in 2015)

What the graph doesn't demonstrate are sweeping changes to child welfare services in Indiana during the same timeframe, one of which required providers to become mental health practitioners under a medical model in order to claim additional Medicaid funding. The transformation was accomplished through significant private sector investment in (1) increased professionally credentialed staff, (2) expanded supervision of staff competencies, (3) advanced mental health and risk assessment tools and

methods, (4) additional evidence-based treatment practices, (5) enhanced documentation systems, (6) data-driven quality improvement systems, and (7) increased outcomes measurement. These investments have fully supported DCS strategic objectives and improved services to children and families. As these investments were made, the private sector recognized significant financial losses and remains at significant financial risk in the absence of adequate compensation.

Salaries to retain and recruit qualified staff to work in the private sector with children have suffered, even as the public and other social service sectors have increased salaries:

- **Child care worker salaries: \$23,812/year in CY 2010; \$24,868 three years later.**
- **Case manager salaries: \$34,198/year in CY 2010; \$33,451 three years later.**
- **DCS family case manager (FCM) starting salary for 2014: \$35,776**

The midpoint FCM salary is \$46,631. FCMs received pay raises of 6-10% (depending on length of service as an FCM) in November 2012, according to the DCS Report to the State Budget Committee for SFY 2013. Additionally, for 2013, State employees received a performance-based bonus of \$500-1,000.

Research studies have indicated that if children have the same therapist, social worker, or case manager, they achieve more positive outcomes. Children are more likely to achieve a timely permanent placement with the family and exit the child welfare system. Staff turnover negatively impacts a child's progress toward permanency and successful completion of their treatment.

Since 2008, some agencies have closed their doors or reduced the programs they offered. As fewer agencies are available to provide care and treatment for children, some areas of the state have particularly suffered the consequences:

- In July 2009, 74% of children were able to be placed with a family or in a facility in their home county. In July 2014, only 68% of children were able to be placed within their home county, a decline of 6%. As a result, 640 additional children are placed away from their home county in 67 counties. Placements further away mean that family members are less able to visit their children, and it is more difficult for them to engage in their child's treatment.
- Since 2008, residential and foster care programs have closed in the following areas: South Bend, Kokomo (2), Columbus (3), North Vernon, Madison, Indianapolis (3), Connersville, Ft. Wayne (2), New Castle (2), Shelbyville (2), Jeffersonville (3), Noblesville, Lexington, New Albany, Logansport, Mishawaka, and Carmel.

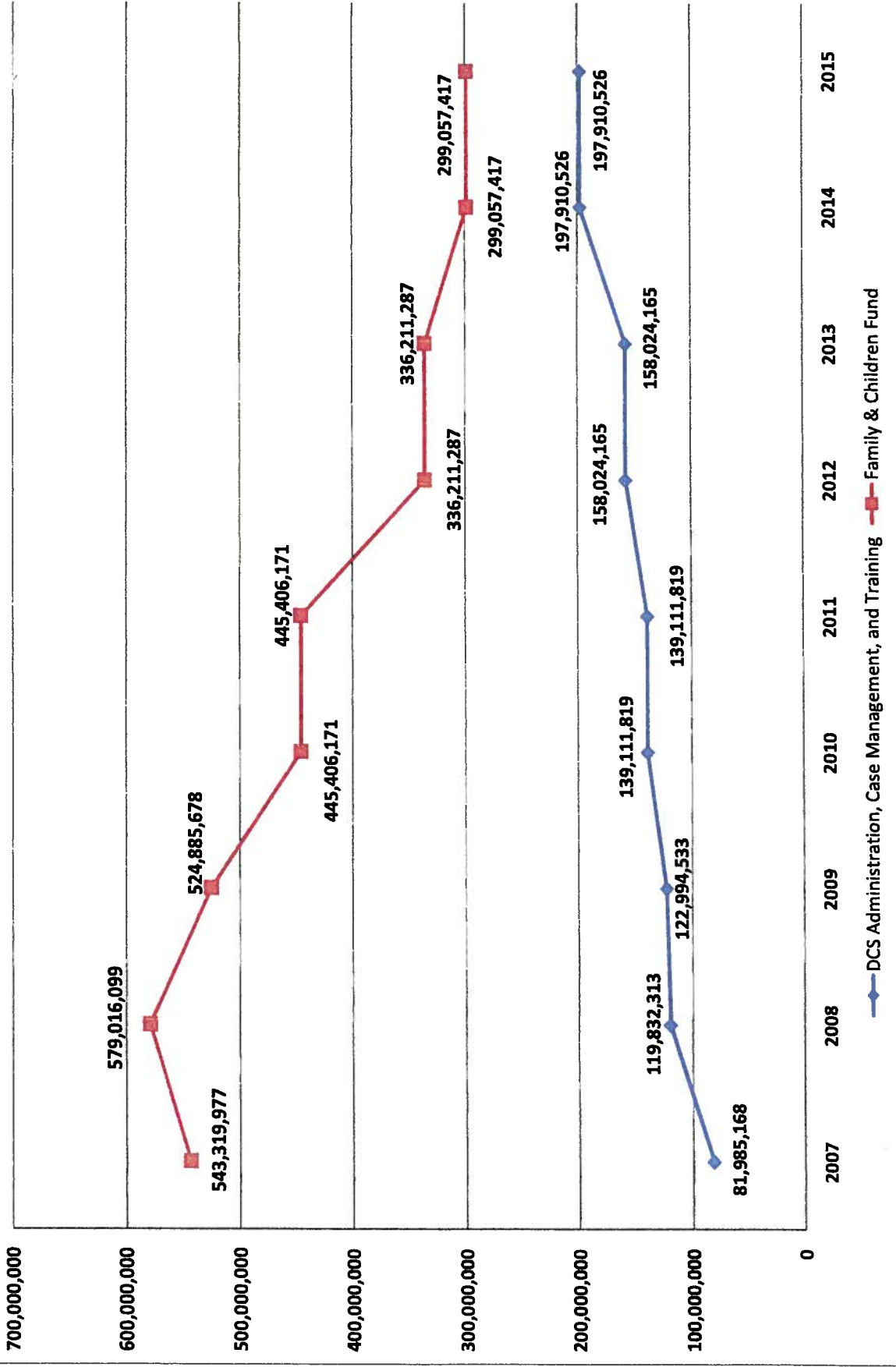
#### **What the providers repeatedly say:**

- Our staff members have gone years without a raise.
- We closed two offices which served seven rural counties.
- We have had a year-end loss for five years and are using more donor dollars to pay for everyday expenses.
- We have had a salary freeze, which makes it very hard to recruit and keep staff.
- We are losing child care workers to local manufacturing jobs.

#### **What we are asking:**

- That the General Assembly appropriate an increase of at least 10% (\$30 million/year) to the Family and Children Fund for SFY 2016 and 2017, with that increase to be used to bolster reimbursement rates to providers and to meet the needs of the increased number of Children in Need of Services (CHINS) and other vulnerable children covered by this funding.
- That the DCS budget be exempted from the 3% deduction from the base appropriation as required by the State Budget Agency.

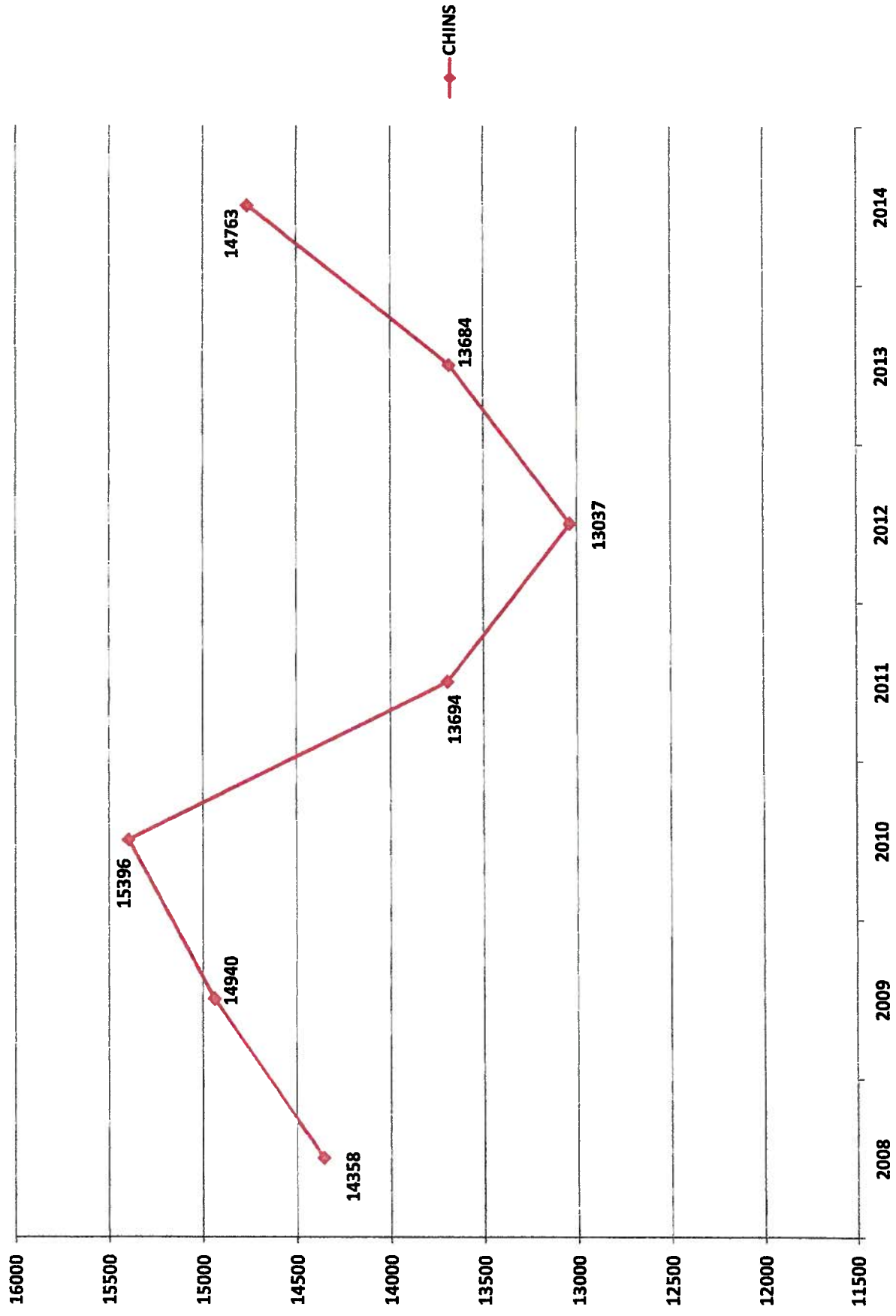
### Dollars Appropriated for DCS Administration, Case Management, and Training and Dollars Appropriated for the Family and Child Fund\* - By SFY



(\* Note: Family and Children Fund amounts for 2007 and 2008 are calendar years, and 2009 is a transitional year of annualized data)  
 Prepared by the Indiana Association of Resources and Child Advocacy, November 12, 2014



**Number of Children in Need of Services (CHINS): as of June**





### IARCA OUTCOME PROJECT - 2013

<u>PROGRAM</u>	<u>% BLACK IN CARE</u>	<u>% BLACK IN POPULATION</u>	<u>OVER- REPRESENTATION</u>
FC	31.00	12.80	2.42
RC-P	13.70	12.80	1.07
RC-O	20.00	12.80	1.56
RC-L	36.30	12.80	2.84
TL	23.00	12.80	1.80
PRTF	15.30	12.80	1.20
ALL IARCA OUTCOME PROJECT PROGRAMS	22.6	12.80	1.77

