CONNECTICUT VOICES FOR CHILDREN

Testimony in Favor of H. B. No. 6415, An Act Establishing a Pilot Program for the Department of Children and Families to Place Abused and Neglected Children in the Care of Families Rather than Institutions

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Senator Doyle, Representative Walker and Distinguished Members of the Human Services Committee:

We testify on behalf of Connecticut Voices for Children, an independent, research-based nonprofit organization dedicated to speaking up for children and youth in the policymaking process that has such a great impact on their lives.

I. Introduction

Connecticut Voices for Children strongly supports H.B. No. 6415, An Act Establishing a Pilot Program for the Department of Children and Families to Place Abused and Neglected Children in the Care of Families Rather than Institutions.

Children deserve to grow up in families, not institutions. Yet far too many children – including very young children – are placed in congregate care settings, due to a lack of planning and support for other alternatives. Research shows that family-based care is more helpful to children's emotional, social and educational development than institutional care, and that children who have the opportunity to grow up in families have far better outcomes than those who do not. Moreover, the cost of family-based care – even with top-notch and extensive wraparound services – represents just a fraction of the cost of institutional care. Several states have developed "money follows the child" initiatives precisely for these reasons. Preliminary research shows that many of the costs incurred would be reimbursable by the federal government; others would be offset by a reduction in institutional expenditures in the short term.

The current budget crisis presents Connecticut with an imperative – and an opportunity -- to spend less money, more wisely. Because experience suggests that DCF is not likely to pursue creative cost-saving measures on its own, a modest "push" from the legislature in terms of a pilot program would yield the data and experience necessary to guide DCF to a more child-centered and economically sustainable model. Connecticut Voices for Children is working with clinical students at Yale Law School to calculate in more detail the potential cost savings from such a program, based on the experience from other states, and the options for federal reimbursement. We will update the Committee as soon as our research is complete.

[1] Substantial research assistance provided by Kristin Shaffer and Brett Edkins, Yale Law School Legislative Advocacy Clinic.

II. Connecticut Institutionalizes Too Many Children in its Care

Approximately one in four children who are in the care of the Department of Children and Families due to abuse or neglect live in "congregate care" -- that is, non-family-based settings.[2] Roughly 300 of these children are 12 years and younger;[3] some are infants, many are toddlers.[4] Many children are placed in temporary congregate care settings based solely on availability, rather than the need for a particular level of care. Indeed, the *Juan F.* Court Monitor found that in 27.1 percent of cases, placement in the temporary congregate care facility was decided *based on availability alone,* while in other cases, "many of the documented rationales for selection of this congregate setting over family setting were in fact, secondary in nature *as the main rationale was the need for immediate placement and the lack of available and appropriate foster and therapeutic foster homes."*[5] A significant number of children remain in institutions past the dates they were supposed to be discharged simply because there is no place for them to go. For many of these children, "delay in discharge [is] detrimental to the child's well-being and/or permanency needs."[6] Children "languish in higher levels of care than clinically necessary waiting for foster/adoptive placement resources."[7]

III. Children Do Better in Families than in Institutions

A wealth of research demonstrates that children develop better in families than in institutions for a host of reasons. [8] Workers turn over quickly in institutions, take shifts, and are often not as well-trained or experienced as parents.[9] Because a permanent relationship between workers and children is never intended, both must maintain an emotional distance, depriving children of close emotional bonds.[10] The artificiality of the environment deprives children of the opportunity to learn how to interact well with others once they transition to a less structured setting. [11] And research shows that exposure to other children with behavioral or mental health issues stemming from trauma can reinforce negative behaviors.[12]

In a 2000 report on Children's Mental Health, the Surgeon General's summarized studies and meta-analyses evaluating the effectiveness of different treatment structures for youth who display severe emotional and behavioral disorders. The report found that even for children with severe disorders, the evidence for home and community-based treatments (such as foster care) was generally positive. In

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[2] *Juan F.* Court Monitor Report, December 2008, p.17 (citing data from 8/3/08)
[3] May 5, 2008 Letter from Ira P. Lustbader et. al. to Ray Mancuso, DCF Court Monitor, et. al., regarding *Juan F. v. Rell*, Civil Action No. H-89-859 (AHN), Appendix A, Table 1.1 (citing data from March 2007-February 2008).
[4] *Id.* at 62 (showing children's initial placement settings – family, congregate, or other – by age and entry cohort).
[5] *Id.* at 4 (quoting Court Monitor's March 17, 2008 report on Children in Overstay Status within Temporary Congregate Care Placement Settings at 20-21).
[6] *Id.* at 3. (quoting Court Monitor's March 17, 2008 report on Children in Overstay Status within Temporary Congregate Care Placement Settings, at 8).
[7] *Juan F.* Court Monitor Report, March 31, 2008, p.51 (citing data from 8/3/08).
[8] *See generally* The Bazelon Center for Mental Health Law, Fact Sheet: Children in Residential Treatment Centers (citing research), http://www.bazelon.org
[9] *Id.*
[10] *Id.*
[11] *Id.*
[12] *Id.*

marked contrast, the report found discouraging results for common forms of institutional care, some of which were shown to have negative outcomes.[13.]

Institutional placements are also harmful since they are less likely to lead to on-going relationships for children than foster or relative care, as institutional workers rarely seek to adopt their charges.[14.] Children in residential care are three times as likely to have reported seeing their biological mother less than once a month than children in non-kin foster care, and are more likely to report that visitations have been frequently canceled than children in non-kin or kin foster care[15.] Children in residential care are more likely to try to run away, dislike those who they are living with, and are less likely to want their caregiver to adopt them than children in traditional foster care[16.] Children who leave group care are also those who have the highest rate of return. Children aged 6 to 12 see re-entry rates of 34% -- compared to youth in foster care of the same age who have a re-entry rate of 23%[17.]

Moreover, because children who are institutionalized have so little chance of finding a permanent family, they struggle terribly when they turn eighteen. Youth who "age out" of foster care are more likely to be homeless[18,] not finish school[19,] become young parents[20,] struggle financially[21], engage in criminal behavior[22,] and use illegal substances than foster youth who have been able to form attachments to families.

See *Report of the Surgeon General's Conference on Children's Mental Health: A National Action Agenda* at http://www.surgeongeneral.gov/topics/cmh/childreport.html

[14] See Courtney, M. (2005). Network on Transitions to Adulthood Policy Brief: Youth Aging out of Foster Care at page 1. Can be viewed at http://www.transad.pop.upenn.edu/downloads/courtney--foster%20care.pdf

[15] See Barth, R.P. (2002). Institutions vs. Foster Homes: The Empirical Base for the Second Century of Debate. Chapel Hill, NC: UNC, School of Social Work, Jordan Institute for Families at pages 4,5

[16] Id.

[17] Id. at page 16

[18] Courtney found that 12% of the youth reported being homeless at least once since leaving care. See Network on Transitions to Adulthood Policy Brief: Youth Aging out of Foster Care at page 1. Can be viewed at http://www.transad.pop.upenn.edu/downloads/courtney--foster%20care.pdf. The Casey National and Northwest Alumni Studies found that nearly one-in-four respondents (22.2%) had been homeless for at least one night within a year of leaving care in 2005.

[19] Courtney found that 37% of foster youth aged 17–20 had not completed high school degree or received a GED. See Network on Transitions to Adulthood Policy Brief: Youth Aging out of Foster Care at page 1. Can be viewed at http://www.transad.pop.upenn.edu/downloads/courtney--foster%20care.pdf. The general population high school graduation rate is 85.6% (U.S. Census Bureau, 2004). Most foster care study findings show a range of 40% to 77% for high school completion (Mech & Fung, 1999; Blome, 1997; Cook, 1991; Casey Family Services, 1999; Courtney et al., 2001).

[20] The Midwest Evaluation of the Adult Functioning of Former Foster Youth Study found by approximately 19 years of age, nearly half of the females in the study had been pregnant, as opposed to 20% in the general population. Nearly a quarter of the young adults in the Midwest Study reported that they had at least one living child — 31.6 percent of females and 13.8 percent of males. Can be viewed at http://www.wispolitics.com/1006/Chapin_Hall_Executive_Summary.pdf. at 11, 12.

[21] The Midwest Evaluation of the Adult Functioning of Former Foster Youth Study found 72 percent of youth who aged out of care worked for pay in the previous year, and only 47 percent were employed at the time of the survey. Additionally, of those who did work for pay, 84 percent made less than $9.00 an hour. Can be viewed at http://www.wispolitics.com/1006/Chapin_Hall_Executive_Summary.pdf.

[22] The Casey Young Adult Survey found that nearly one in three respondents (32.2%) had been arrested since leaving foster care, and more than one in four (26.3%) had spent at least one night incarcerated. One in five (20.3%) respondents had been convicted of a crime. Of the interviewed sample, 1.4% was incarcerated. However, of the total located sample in 2006 (including those located but not interviewed), 7.0% were incarcerated and an additional four were pending criminal charges or were on probation. Can be viewed at http://www.casey.org/NR/rdonlyres/0F34595D-A32A-4295-9764-664512E2E3C8/665/CaseyYoungAdultSurveyThreeYears1.pdf at page 10.

IV. Placing Children in Families Would Save Connecticut a Significant Amount of Money, Both in the Immediate Term, and in the Long Term

A. Comparison of Costs of Institutional Care vs. Family-Based Care in Connecticut

In Connecticut, monthly foster care maintenance payments range from $783 for young children, up to $859 for older youth – which adds up to about $**10,000** per year. In 2006, Connecticut Public Television published a report on the "Costs of Care" for Connecticut's DCF-run facilities. It found, using estimated numbers provided by DCF, that the High Meadows facility cost $9.97 million per year to run at a capacity of 42 children, with a cost of **$237,380** per child. It found that Riverview Hospital was being run at the cost $34.38 million per year for 75 children, or **$458,440** per year, per child. Connecticut Children's Place was estimated to cost $11.7 million dollars for the year with 52 children, at a rate of **$243,750** per child. These three facilities had a combined estimated cost of $56.05 million.[23] Connecticut's Office of the Child Advocate calculates that the per diem costs for 2007-2008 (based on FY 2006-2007 costs) are $1,366 for Connecticut Children's Place, $1,403 for High Meadows and $2,369 for Riverview Hospital. The Legislative Program Review and Investigations Committee has found that SAFE Homes costs *twice* as much as foster care.[24] We are still looking into the per diem costs for privately run facilities and for group homes. However, it is well established that, across the country, congregate care can cost 6-10 times more than foster care, and 2-3 times more than specialized treatment foster care. [25]

Even if a child is provided with significantly greater resources to enable a family to care properly for her – including funds for wraparound mental health services -- it is hard to imagine that such additional expenditures could come close to the costs of institutionalizing that child. Indeed, a "money follows the child" model could offer a tremendous range of individualized, top-quality in-home or community-based services, plus compensation to offset any additional expenses incurred by the foster family or guardian (such as from needing to reduce work hours outside the home), while still saving Connecticut thousands of dollars per child.

To put Connecticut's over-investment in institutional care into perspective, it is worth noting that DCF's "Board and Care—Residential" budget more than *tripled* between FY '94 and FY '05.[26] In contrast, the growth rates for "Foster Care – Residential," preventive supports, and services designed to keep children in family-based settings were far more modest.[27] Even in the strongest economic climate, the amount allocated to the "Board and Care - -Residential" line item is staggering. When one considers that so many resources are devoted to institutional models that offer such poor results, our decisions seem wasteful, even reckless.

B. Significant Costs Would Be Reimbursed by the Federal Government

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[23] See report at http://www.cptv.org/pdf/Costs_Care.pdf

[24] Legislative Program Review and Investigations Committee, Department of Children and Families Monitoring and Evaluation, December 2007, p. 118

[25] Richard P. Barth, Jordan Institute for Families School of Social Work, "Institutions vs. Foster Homes: The Empirical Base for a Century of Action," (June 17, 2002).

[26] Connecticut Voices for Children, Candidate Briefing 2004, "Greater Effectiveness at a Lower Cost: Helping Abused and Neglected Children" www.ctkidslink.org

[27] Id.

Under a "Money Follows the Child" pilot like the one suggested in H.B. 6415, many of the costs of services would be covered by Medicaid. In addition, like many other states, Connecticut could apply for a Title IV-E waiver to provide community-based services for children. The details regarding the scope of reimbursement are being figured out by clinical students at Yale Law School, and we expect to send the Committee a memo shortly.

V. Why a "Money Follows the Child" Model Makes Sense

A. Connecticut Has Used a "Money Follows the Person" Model in Related Contexts

The "Money Follows the Child" pilot suggested in H.B. 6415 is modeled after a federal initiative that seeks to move elderly and disabled persons out of nursing homes and into home and community-based settings. Connecticut has been one of the states selected for a "Money Follows the Person" demonstration for seniors and the disabled. Connecticut can leverage this experience to craft a cost-effective and evidence-based model to improve the lives of children.

B. Other States Have Used a "Money Follows the Child" Model in Related Contexts

Several states and localities have already adopted "Money Follows the Child" pilots and initiatives, described briefly below. An affidavit describing one particularly successful model, the Wraparound Milwaukee, is attached as an appendix to this testimony because it contains important evidence of the demonstrated success of that model.

Milwaukee, Wisconsin

Wraparound Milwaukee is designed to reduce the use of institutional-based care (such as residential treatment centers and inpatient psychiatric hospitals) while providing more services in the community and in the child's home. It began as a pilot project in May 1995 to serve children who had already been placed in residential treatment centers and who had no immediate discharge plans. Since then it has continued to provide wraparound services to children with severe psychological and emotional needs. It was developed out of a 6 year, $15 million federal grant that Milwaukee County received from the Center for Mental Health Services in Washington, D.C. It is currently being funded by a combination of several state and county agencies, including the Bureau of Milwaukee Child Welfare, the County's Delinquency and Court Services, Behavioral Health Division, and the State Division of Heath Care Financing who operates Medicaid, provide funding for the system. Funds from the four agencies are pooled to create maximum flexibility and a sufficient funding source to meet the comprehensive needs of the families served. Part of the County's Behavioral Health Division, Wraparound Milwaukee oversees the management and disbursements of those funds acting as a public care management entity.

Results:

- Reduced the number of youths in residential care from 375 in the mid-1990s to fewer than 60
- Returns more than 80 percent of the children in residential treatment centers to their homes or communities

- Reduced dramatically the number of days of psychiatric hospital care for children placed in residential treatment centers. In 1996-1997, the children in residential treatment centers required a total of 5000 days of psychiatric hospital care. In 2004, an average of 600 children per day required a total of 180 days of psychiatric hospital care.
- Reduces cost: The monthly cost of placement in a residential treatment center is approximately $7,400, or **$8,000 to $10,000** with services included. The monthly cost for Wraparound Milwaukee services, in contrast, is **$3,900** per child, including services. [28]

Florida

Florida has been using a Title IV-E waiver to divert funds from out-of-home care to intensive in-home services, reunification, and foster care. This 5-year demonstration initiative was implemented October 2006, whereby the money "follows" the services provided.[29]

California

In 1997, Senate Bill (SB) 163 allowed California counties to develop wraparound services with state foster care money. Funds went to services and planning, rather than to group homes. The purpose of the bill was to return children to their homes and communities or help children at imminent risk of being placed in group homes to remain in their homes. This program was extended in 2001. As of August 2006, 31/58 of the counties in California are active SB 163 counties. SB 163 requires that wraparound services be family-centered and individualized; be community-based; develop a child and family team plan to identify service needs; place child in the least restrictive environment; be cost neutral to the State; and reinvest cost saving into child welfare programs.

The Mental Health Services Act, effective January 1, 2005, further required that all counties develop Wraparound programs for children and their families unless specified conditions are met. This legislation noted that wraparound was intended "to provide children with services alternatives to group home care through the development of expanded family-based services programs," (§ 18250). The California Department of Social Services provides training and assistance to counties regarding planning, implementing, and administering wraparound programs.[30]

Michigan

Wraparound is used in roughly 75 counties, funded by state and local funds, in-kind contributions, and community resources. A state interagency Wraparound Steering Committee promotes integration of wraparound philosophy through all agencies, provides training and technical assistance, and helps hold an annual, statewide conference on wraparound.

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[28] All data are taken from the Declaration of Bruce J. Kamradt, the Director of Wraparound Milwaukee, in 1995. See attached.

[29] *See* http://74.125.47.132/search?q=cache:tMvKyU5Es7IJ:www.dcf.state.fl.us/transition/docs/accomplish_titleIV_E_fostercarewaiver.pdf+money+follows+the+child+foster&hl=en&ct=clnk&cd=1&gl=us&client=firefox-a

[30] *See* http://www.childsworld.ca.gov/PG1320.htm).

Results

- 95% of families that complete wraparound exhibit improved family functioning.
- 90% of participants stay with the family after returning home from out-of-home placements after 6 months after termination of wraparound.
- 85% of participants remained with the family after 12 months.

New York City

New York City's Administration for Children's Services has been focusing on reducing reliance on institutional care and increasing investments in family-based care through its Improved Outcomes for Children Plan. It uses funds saved from capping the number of costly group care facilities toward additional staff and services for foster homes.[31]

Results

- 34 percent reduction in the number of children living in congregate care between June 2004 and March 2008
- Elimination of 1,200 group care beds

VI. A Pilot Program Represents a Modest, Practical First Step Which Would Enable Connecticut to Measure Cost Savings and Evaluate Improved Results

Leaders of the Milwaukee project described above recommend that other localities interested in pursuing such a model begin with a pilot project. The appeal is clear: by starting small, one can gather data and experience necessary to inform the proper structuring of a larger scale initiative. Given the wealth of research showing that institutionalization harms children, Connecticut Voices for Children would like to see Connecticut move to a more flexible, creative, home and community-based model. However, we would also like to see this transition happen in a thoughtful and efficient manner, which builds on the experience of other jurisdictions and which is implemented carefully, with faithful attention to data. Like many in the state, we are disheartened by the looming budget crisis. However, we also see the current economic challenges as a tremendous opportunity to invest our resources more wisely.

For the reasons stated above, Connecticut Voices strongly supports H.B. No. 6415. Thank you for considering our testimony.

[31] The New School, Child Welfare Watch: The Changing Face of Foster Care, Vol. 16, Summer 2008 http://www.newschool.edu/milano/nycaffairs/documents/ChildWelfareWatch_Vol16.pdf