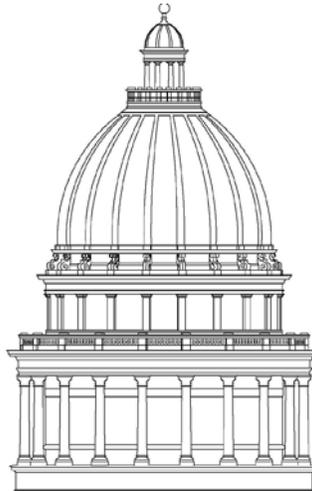


REPORT TO THE  
**UTAH LEGISLATURE**

Number 2011-02



**A Performance Audit of  
The Division of  
Child and Family Services**

January 2011

Office of the  
LEGISLATIVE AUDITOR GENERAL  
State of Utah





STATE OF UTAH

# Office of the Legislative Auditor General

315 HOUSE BUILDING • PO BOX 145315 • SALT LAKE CITY, UT 84114-5315  
(801) 538-1033 • FAX (801) 538-1063

**Audit Subcommittee of the Legislative Management Committee**  
President Michael G. Waddoups, Co-Chair • Speaker Rebecca D. Lockhart, Co-Chair  
Senator Ross I. Romero • Representative David Litvack

JOHN M. SCHAFF, CIA  
AUDITOR GENERAL

January 18, 2011

TO: THE UTAH STATE LEGISLATURE

Transmitted herewith is our report, **A Performance Audit of the Division of Child and Family Services** (Report #2011-02). A digest is found on the blue pages located at the front of the report. The objectives and scope of the audit are explained in the Introduction.

We will be happy to meet with appropriate legislative committees, individual legislators, and other state officials to discuss any item contained in the report in order to facilitate the implementation of the recommendations.

Sincerely,

John M. Schaff, CIA  
Auditor General

JMS/lm



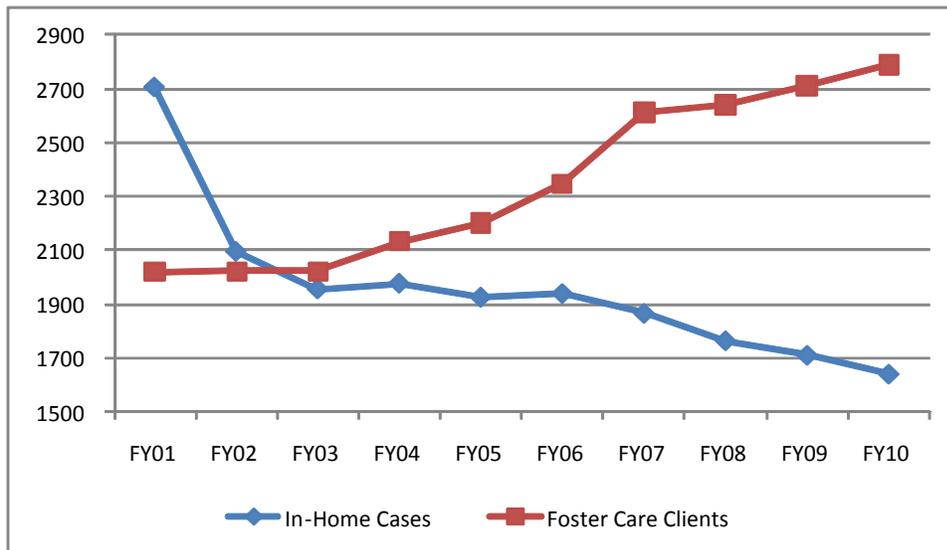
# Digest of A Performance Audit of The Division of Child and Family Services

The Division of Child and Family Services (DCFS) protects children who are at risk of abuse, neglect, or dependency. In response to the David C. Lawsuit (1993) and settlement agreement, the Legislature significantly increased the DCFS budget and staff levels from \$45 million and 323 staff full-time equivalents (FTEs) in fiscal year 1993 to \$157 million and 1018 FTEs in fiscal year 2010.

In this report we identify areas where DCFS can become more efficient and effective and we provide 19 recommendations to help the division improve. One theme that reoccurs throughout this report is the need for stronger state oversight to reduce regional inconsistency.

**Effective In-Home Services Can Prevent Some Expensive and Disruptive Foster Care Placements.** Over the past decade, the number of children DCFS serves in foster care has increased by 38 percent, while the number of families receiving in-home services that allow children to remain home has decreased by 40 percent.

**Figure 1. Number of In-Home Cases and Foster Care Clients by Year.** Foster care has increased while in-home services decreased.



## Chapter I: Introduction

## Chapter II: Enhanced In- Home Services Can Reduce Costly Removals

### Chapter III: Foster Care Placements Need Better Controls

DCFS' focus on providing foster care services rather than in-home services is problematic for the following reasons:

- Research shows that children are best served and permanency outcomes are enhanced when children can safely remain at home with their families.
- Foster care is much more expensive than in-home services and the average duration of foster care cases is nearly four times longer than in-home cases.

These reasons make foster care a more costly alternative to allowing a child to remain with his/her family when it is safe to do so. *Utah Code* 62A-4a-201(c) states that "it is in the best interest and welfare of a child to be raised under the care and supervision of the child's natural parents." Other states have seen significant cost savings as they reduce the number of children in foster care and increase their in-home services that keep children home. Therefore, the division should reverse its practice of diverting resources from in-home programs.

**DCFS Should Proactively Monitor Placements and Implement Cost-Saving Changes.** Some children and youth may be inappropriately placed in higher-cost foster care placements. As we reviewed the division's controls over high-cost placements, we identified the following problems:

- DCFS regions are placing children with proctor providers (private companies) that are over \$30 per day more expensive than placing children in lower cost, structured foster homes that meet the child's needs. There are too few parents trained to provide structured foster homes, resulting in an overdependence on private providers.
- Permanency Utilization Reviews are not regularly reviewing all high-cost placements to ensure services meet client needs. Controls should be established that identify when children are unnecessarily placed in residential facilities and evaluate how well providers are addressing children's needs.

These problems demonstrate that DCFS needs to more closely monitor its service providers.

**DCFS Should Centralizing Intake and Review its Abuse and Neglect Definitions to Ensure Consistency with Statute.** The division is moving toward centralizing its intake process, predicting \$269,000 in annual cost savings by eliminating seven FTE positions. We applaud the division for moving on this path that should also result in improved communications, and increased service availability. In addition, some DCFS staff told us the division has a broader definition of what constitutes abuse and neglect than other states. Consequently, the division may investigate more cases and have a higher number of supported findings than the national average because it applies a different policy than intended by the Legislature. DCFS should ensure its *Administrative Rule* definitions are consistent with statute so that limited resources are directed toward those cases intended by the Legislature.

**Caseworkers Need to Perform Work More Efficiently.** In 2002, our office conducted an audit that identified strategies to make caseworkers more efficient; the division responded that it was hopeful to make these changes. However, our review of division practices found that the following inefficiencies remain:

- DCFS regions have not relied on caseworkers in other regions to visit clients who are placed outside their region, which would reduce the amount of travel required by caseworkers.
- Some DCFS regions are not providing their caseworkers with technology and training to perform data entry in the field.
- DCFS unnecessarily places its caseworkers and support personnel in private offices.

These inefficiencies diminish the ability of caseworkers to complete all of their casework activities. As a result, caseworkers have expressed concerns about their workloads.

We reviewed the division's caseloads and found that regional differences in how casework is assigned and the types of staff available to do the work make available caseload statistics unreliable. Although caseload is an important measure, less than half of all DCFS employees in DCFS regions dedicate all of their time completing casework, which is the core function of DCFS. Only 370 of the 933 region employees carry a full caseload of at least eight CPS, in-home and/or out-of-home cases.

## **Chapter IV: Centralizing Intake and Reviewing Abuse and Neglect Definitions Will Cut Costs and Increase Consistency**

## **Chapter V: Management of Caseworker Activities Should Be Improved**

## Chapter VI: Adoption Assistance Program Needs Better Fiscal Controls

DCFS uses questionable assumptions to account for region differences when calculating average caseloads. The division reports these unreliable average caseloads to the Legislature to show that it has insufficient staff. Therefore, DCFS needs to correct its average caseload calculation and make accurate assumptions about caseloads.

**Monthly Subsidy Standards Need to Ensure Consistent Awards to Adoptive Families.** Monthly adoption subsidies were intended to provide financial assistance to overcome barriers that may prevent a child from being adopted. DCFS regions rely on the same set of standards to determine how much assistance to provide a family. However, these standards are not strong enough, because they have produced the following different results among the regions:

- In fiscal year 2010, Salt Lake Valley region awarded subsidies to 46 percent of new adoptions, whereas Northern and the other regions awarded subsidies to 65 and 71 percent.
- Salt Lake Valley region averaged \$135 per month on new subsidies whereas other regions were between \$215 and \$220.

DCFS did not adjust its division-wide standards to specify which needs would no longer receive assistance. Therefore, regions were left to make their own changes. We also found that DCFS regions receive different amounts of funding to provide assistance to new adoptions, which also contributes to differences in subsidies given to families.

**Funding Practices Need to Be Addressed.** We were also concerned that the amount of adoption assistance funding increases DCFS requested from the Legislature is overstated. In its fiscal year 2011 budget request, DCFS based its needs on higher historical amounts rather than fiscal year 2010 levels, increasing program needs by 46 percent. We think the division should request amounts that reflect post-budget cut levels, so it will not revert back to previous practices. If post-budget cut funding levels are insufficient, then the division should demonstrate the need for higher funding by showing that the number of failed adoptions is increasing, and the cause of those failed adoptions was insufficient monthly adoption subsidies.

# REPORT TO THE UTAH LEGISLATURE

Report No. 2011-02

## **A Performance Audit of The Division of Child and Family Services**

January 2011

Audit Performed By:

Audit Manager	Rick Coleman
Audit Supervisor	Maria Stahla
Audit Staff	Tim Bereece Anndrea Parrish Craig Monson, Contract Auditor



# Table of Contents

	Page
Digest .....	i
<b>Chapter I</b>	
Introduction.....	- 1 -
DCFS' Expenditures Have Grown .....	- 3 -
DCFS Has Several Funding Sources and Uses .....	- 4 -
Division Oversight.....	- 5 -
Audit Scope and Objectives.....	- 6 -
<b>Chapter II</b>	
Enhanced In-Home Services Can Reduce Costly Removals.....	- 7 -
Imbalance Exists Between In-Home and Foster Care Services.....	- 7 -
Statute and Best Practices Suggest Focus on In-Home Can Prevent Removals .....	- 16 -
Recommendations .....	- 19 -
<b>Chapter III</b>	
Foster Care Placements Need Better Controls .....	- 21 -
Higher Placement Levels Serve Fewer Children But Are More Costly.....	- 21 -
Proctor Care Is Overused.....	- 22 -
Residential Facilities Are Overused .....	- 26 -
Recommendations .....	- 31 -

**Chapter IV**

Centralizing Intake and Reviewing Abuse and Neglect Definitions Will Cut Costs and Increase Consistency .....- 33 -

    DCFS Is Preparing to Realize Savings from Centralizing Intake .....- 33 -

    Other States Centralize Their Intake Processes .....- 35 -

    DCFS Should Review *Administrative Rule* Definitions to Ensure Consistency with Statute.....- 36 -

    Recommendations .....- 38 -

**Chapter V**

Management of Caseworker Activities Should Be Improved.....- 39 -

    Caseworkers Should Be More Efficient .....- 39 -

    Different Region Practices Make Average Caseload Calculations Unreliable .....- 45 -

    Recommendations .....- 49 -

**Chapter VI**

Adoption Assistance Program Needs Better Fiscal Controls.....- 51 -

    Adoption Subsidy Standards Should Be Strengthened.....- 51 -

    Funding Practices Need New Methodologies .....- 57 -

    Recommendations .....- 61 -

**Appendix**.....- 63 -

**Agency Response**.....- 67 -

# Chapter I Introduction

The Division of Child and Family Services (DCFS) in the Department of Human Services provides statewide child welfare services. DCFS has been under tremendous pressure and scrutiny because of the David C. lawsuit filed in 1993. The state signed a settlement agreement in the lawsuit in August of 1994. Subsequent to entering into the settlement agreement, the Legislature responded with significant funding increases for staffing and treatment services. DCFS' budget grew from \$45 million and 323 staff full-time equivalents (FTE) in fiscal year 1993 to \$157 million and 1,018 FTE in fiscal year 2010. The David C. lawsuit was dismissed with prejudice in January 2009.

---

**Since 1993, DCFS' budget and FTE count have tripled.**

---

For budgetary purposes, DCFS is organized into 12 appropriation units as described in the figure below.

**Figure 1.1 DCFS Appropriation Units and FTEs for Fiscal Year 2010.** The Legislature appropriates funds to DCFS using 12 appropriation units. The majority of division staff are in the service delivery appropriation unit.

Appropriation Unit	Expenditures	Percent	FTEs
Service Delivery* (KHB)	\$ 68,190,456	43%	889
Out-of-Home Services (KHE)	44,713,530	28%	-
Adoption Assistance (KHP)	14,697,963	9%	2
Domestic Violence (KHM)	5,514,782	4%	43
Child Welfare MIS (KHS)	5,069,464	3%	13
Minor Grants (KHH)	4,530,136	3%	14
Administration (KHA)	3,554,097	2%	38
Facility-Based Services (KHG)	3,508,646	2%	19
Selected Programs (KHK)	3,132,613	2%	-
Special Needs (KHL)	2,230,090	1%	-
In-Home Services (KHD)	1,718,398	1%	-
Children's Trust Fund (KHN)	386,240	0%	-
<b>Total Expenditures</b>	<b>\$157,246,415</b>	<b>100%</b>	<b>1018</b>

*Total percents do not add to 100 % due to rounding errors.*

Most of the division staff are included in the service delivery appropriation unit. All the caseworkers for the different programs are separated from the payments made to providers. To understand the

true cost of different services, we need to look at the direct costs of a program. DCFS provides six services. The following figure shows the direct cost of each service for fiscal year 2010.

**Figure 1.2 Direct Costs of DCFS Programs for Fiscal Year 2010.**

DCFS operates six major programs. This figure shows the direct costs of each service, including personnel, travel, current expense, and pass-through payments to providers. The administrative overhead for the state office and the MIS computer system were not allocated to the programs but are shown on the last line.

**Foster care is the largest DCFS program, consuming 60 percent of direct costs in fiscal year 2010.**

<b>Programs and State Office Administration</b>	<b>Expenditures</b>	<b>Percent</b>
Foster Care (Out-of-home)	\$ 94,482,806	60%
Adoption Services	18,223,085	12%
Child Protective Services	16,346,629	10%
In-Home Services	6,929,821	4%
Domestic Violence	5,975,539	4%
Child Abuse Prevention	3,442,862	2%
<b>Subtotal Programs</b>	<b>145,400,742</b>	<b>92%</b>
Administration & MIS	11,834,345	8%
<b>Total Expenditures</b>	<b>\$ 157,235,087</b>	<b>100%</b>

*The total expenditure amount in this figure differs from the amount in Figures 1.1, 1.4, and 1.5. However, the difference is immaterial.*

- **Out-of-Home (Foster Care)** – housing, maintenance, and health care services for children who are removed from their homes and in DCFS custody. Includes payments for all levels of care from basic foster homes to residential facilities and institutions.
- **Adoption Services** – monthly or onetime subsidies paid to families who adopt a foster child
- **Child Protective Services** – services provided by DCFS to investigate allegations of abuse, neglect, or dependency of children
- **In-Home Services** – services provided to children at risk of abuse, neglect, or dependency and families who are at risk of being separated by an out-of-home placement
- **Domestic Violence** – outreach and case management services provided to domestic violence victims and their dependent children through contracted family violence shelters and community services

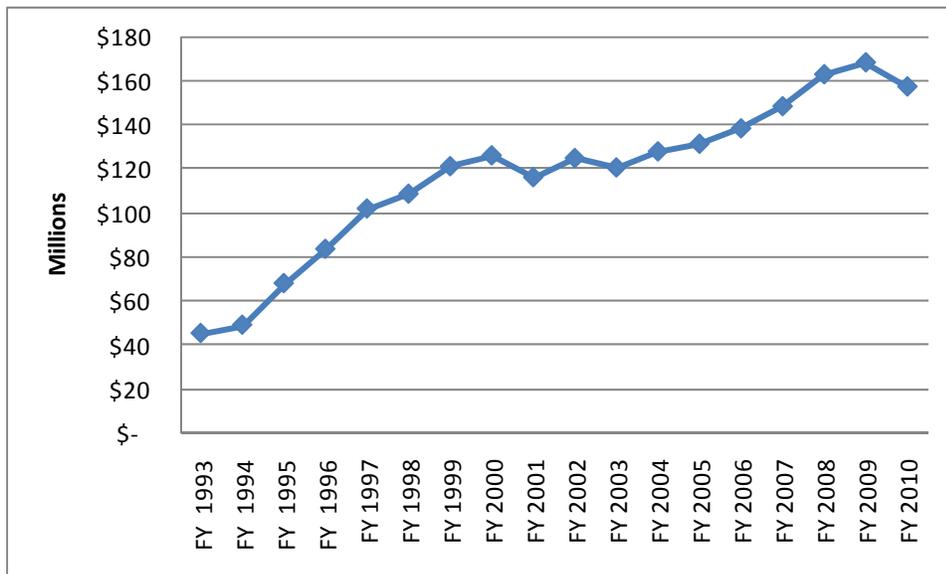
- **Child Abuse Prevention** – preventative services through contracted providers and community-based organizations that help families resolve conflicts and behavioral or emotional concerns

We will discuss most of these programs in more detail in the remaining chapters of the report.

## DCFS Expenditures Have Grown

Expenditures grew quickly from 1993 to 2000. Since then, the expenditures have continued to grow, but not as fast. Figure 1.3 shows historical expenditures.

**Figure 1.3 Historical DCFS Expenditures Fiscal Years 1993 to 2010.** DCFS expenditures have grown from \$45.1 million to \$157.2 million.



Expenditures grew by 7.6 percent per year from fiscal year 1993 to 2010.

Source: Office of the Legislative Fiscal Analyst and Governor's Budget Summaries.

DCFS' expenditures grew from \$45 million in fiscal year 1993 to \$157 million in fiscal year 2010, a 7.6 percent growth rate, per year. A steep increase in expenditures began in 1994, primarily due to the class action lawsuit filed in 1993 by the National Center for Youth Law (NCYL). A more gradual increase in expenditures occurred from fiscal year 2000 to 2009. A decrease in expenditures occurred from 2009 to 2010. The division did not spend its full legislative

Because of a hiring freeze, the division did not spend its full legislative appropriation in fiscal year 2010.

appropriation because of a hiring freeze. The following section shows the aggregate sources and uses of DCFS funds.

## DCFS Has Several Funding Sources and Uses

DCFS resources come from a variety of sources and are used to provide services for families and children.

**Figure 1.4 Various Funding Resources Are Available to DCFS (Fiscal Year 2010).** DCFS has resources available from a variety of sources, primarily state General Funds and federal funds.

Resource	Amount	Percent
General Fund	\$ 91,554,600	58%
Federal Funds	47,425,475	30%
Medicaid Transfers	24,044,868	15%
Beginning Balance	5,271,000	3%
Medicaid ARRA Transfers	3,783,811	2%
Restricted Revenue	2,840,700	2%
Dedicated Credits	2,593,550	2%
Federal ARRA Funds	932,395	1%
Closing Balance	(3,764,200)	-2%
Lapsing Funds	(8,402,619)	-5%
Other Transfers	(9,033,165)	-6%
<b>Total Resources</b>	<b>\$ 157,246,415</b>	<b>100%</b>

Source: Office of the Legislative Fiscal Analyst.

More than half of DCFS' budget comes from state General Funds, and less than one third comes from federal funds.

More than half of DCFS' budget comes from state General Funds. DCFS also receives federal funds. However, the majority of federal funding is currently reserved for out-of-home services (foster care) and cannot be used for prevention or reunification services or supports. States can access dollars under Federal Title IV-E, the principal source of federal child welfare funding, only after children have been removed from their home and enter foster care. The division is able to claim a small amount of IV-E administrative funds for children at imminent risk of removal.

With the funds from multiple sources, the division incurs expenditures in various categories. As the following figure shows,

most of the division's funding pays for service provider contracts, staff compensation, and other division current expenses.

**Figure 1.5 Almost Half of DCFS Funds Are Passed Through to Service Providers.** This figure shows how DCFS used funds in fiscal year 2010.

Use of Funds	Amount	Percent
Pass-Through to Public and Private Providers	\$ 72,050,366	46%
Staff Compensation	63,047,230	40%
Current Expense	17,489,025	11%
Data Processing Current Expense	4,184,179	3%
In-State Travel	432,439	0%
Capital Expenditure	22,165	0%
Out-of-State Travel	21,011	0%
<b>Total Uses</b>	<b>\$ 157,246,415</b>	<b>100%</b>

Source: Office of the Legislative Fiscal Analyst.

The largest division expenditure is contracts with the division's service providers. The second largest expenditure is division staff salary and benefits.

## Division Oversight

DCFS operates in five regions with multiple offices in each region. Each region operates autonomously under the direction of a region director. While there is a state administrative office, there is a lack of centralized administrative oversight which leads to a lack of consistent practice statewide and too much autonomy allowed to regional administration. State office staff report that all regions are concerned about the lack of funding and the distribution of funding among the regions. They have tried various strategies to distribute funds equitably, but have not settled on a distribution formula. Currently, funding among the regions is not based on a formula, but rather, is based on previous years' expenditures.

Efforts have been made by the division to improve practice inconsistencies. The divisions newly revised Practice Guidelines are demonstrative of their efforts to enhance statewide consistency while incorporating some of the best practices found in child welfare to date. Unfortunately, we encountered a number of instances where the

---

**Lack of regional oversight is the root cause of many problems identified in this audit.**

---

Practice Guidelines were inconsistently implemented or followed. The following chapters will highlight some of these inconsistencies.

In this report we identify areas where DCFS can become more effective and efficient and we provide recommendations to help the Division improve. Though each chapter explains why problems occur, the lack of centralized administrative oversight or enforcement is a root cause. The Division needs to reduce regional autonomy in the areas we have identified to ensure that problems are resolved throughout the state.

## **Audit Scope and Objectives**

We were asked to review the productivity and efficiency of the division's staff, focusing on caseworkers' caseloads, but also including a review of administrative and support staff. We were also asked to review the organization of the division and its five regions to determine whether the division is organized effectively, how resources are allocated to the regions, and whether the working relationship among the five regions operates efficiently.

## **Chapter II**

# **Enhanced In-Home Services Can Reduce Costly Removals**

The number of children in foster care and the amount of time they remain in foster care have both increased, and the cost of the foster care program continues to increase. However, less expensive in-home services to prevent at-risk children from being removed from home are decreasing. This trend is concerning because research indicates better outcomes result for children served in their own home. Providing in-home services to minimize future foster care placements will result in immediate savings that should more than pay for additional in-home services.

In-home services are required by statute to prevent or reduce the removal of children from their homes. Other states have effectively implemented in-home models and, as a result, children were removed from their homes less often. We recommend the Division of Child and Family Services (DCFS) choose evidence-based service options that will prevent additional children from being removed from home and bring removed children back home as quickly as possible.

### **Imbalance Exists Between In-Home and Foster Care Services**

The ratio of in-home cases to foster care cases has decreased dramatically in the past decade. This trend is concerning because research shows that children are best served and permanency outcomes are better when children can safely remain with their natural families. Also, the cost of foster care is higher than the cost of in-home services, increasing expense to the state. With reductions in in-home services, more children are being placed in foster care. To stop this growth in foster care placements, the division should begin providing more in-home services to reduce future removals and return children to the home as quickly as possible.

---

**Providing in-home services to minimize future foster care placements will result in immediate savings and improved outcomes for children.**

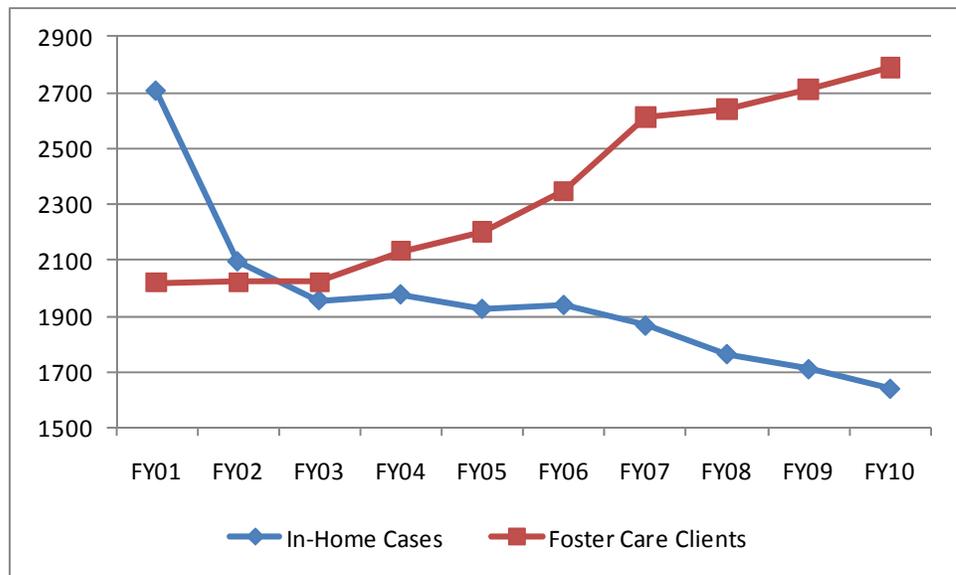
---

## Ratio of In-Home Cases to Foster Care Cases Has Decreased

The ratio of in-home cases to foster care cases has decreased dramatically in the past decade. The trend is shown in the following figure.

**Figure 2.1. The Number of In-Home Services Have Decreased While the Number of Children in Foster Care Have Increased (Point in Time 6/30).** This figure shows that the number of children in foster care has steadily increased while in-home services, provided to prevent removals, have decreased.

While the number of children in foster care continues to increase, the number served with in-home services is decreasing.



The number of children in foster care has increased from 2020 to 2790 in the past decade. The number of families provided services to prevent at-risk children from being removed from home has decreased from 2707 to 1640. Regional differences are shown in the following Figure 2.2.

**Figure 2.2. The Ratio of In-Home to Foster Care Cases Has Decreased While the Total Number of Children in Foster Care Has Increased (Point in Time 6/30).** This figure shows a relationship between the reduction in in-home services and an increase in the number of foster care cases.

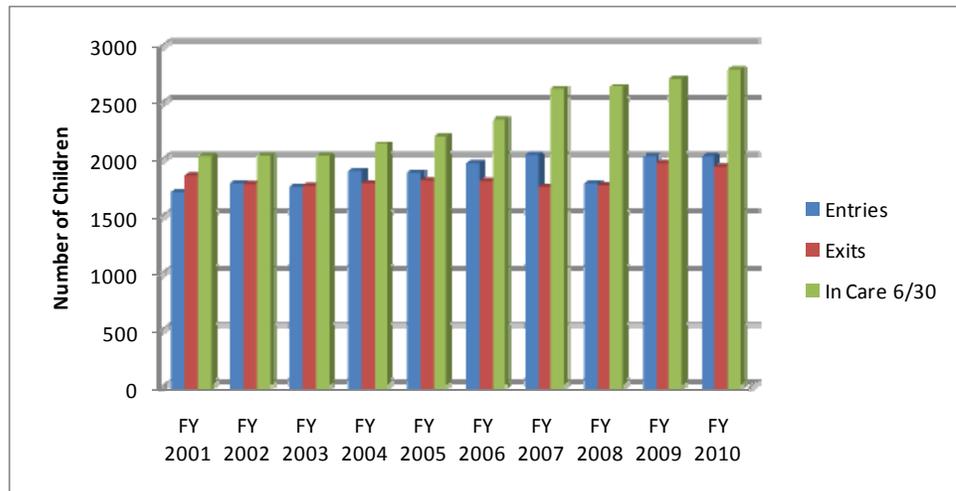
Region	Ratio of In-Home to Foster Care			Number of Children in Foster Care		
	2002	2010	Change	2002	2010	Change
Northern	1.45	0.60	-59%	399	699	75%
Salt Lake	0.72	0.44	-39%	1,030	1,008	-2%
Western	1.45	0.53	-63%	252	542	115%
Eastern	1.21	1.27	5%	209	271	30%
Southwest	1.18	0.53	-55%	133	270	103%
<b>Weighted Average</b>	<b>1.09</b>	<b>0.62</b>	<b>-43%</b>	<b>2,023</b>	<b>2,790</b>	<b>38%</b>

The above figure shows that, in fiscal year 2002, four of five regions had more in-home than foster care cases. However, by fiscal year 2010, four of five regions had fewer in-home than foster care cases. The figure also confirms regional directors' comments that they have cut back their in-home programs because of an increase in foster care cases. For example, in fiscal year 2002, the Western region had 1.45 in-home cases for every foster care case. However, by fiscal year 2010, the number of children in foster care doubled and caseworkers had been moved to foster care, reducing the resources to provide in-home services.

A reduction in in-home services results in more children being placed into foster care because there are fewer services to prevent at-risk children from being removed from the home, or to bring a removed child back home as quickly as possible. Figure 2.3 shows the continual increase in the number of children who remain in foster care.

**As in-home services decline, more at-risk children are placed in foster care because fewer alternatives exist that could keep them home.**

**Figure 2.3 Historical Numbers of Children Entering, Exiting, and Remaining in Foster Care Statewide.** This figure shows that the number of children in foster care has grown continuously in the past decade.



The number of children going into foster care has outpaced exits from the system each year since fiscal year 2002. We found, however, that other states are reducing their foster care populations. According to the National Conference of State Legislatures (NCSL), the number of children in foster care has dropped nationally. Also, the average length of time that children stay in care has also been declining, from 20 months in 1998 to 15 months in 2006. In contrast, in Utah, the average length of stay has increased.

**Since the number of children entering foster care outpaced those exiting, the number in foster care has been increasing.**

Although the total number of Utah children in foster care has increased from 2020 to 2790 (38 percent) in the past decade, there are regional differences. Placement staff in one region with increasing removals told us that some children are removed, not because the risk is too high, but because there are not sufficient in-home services to keep children safely in their homes. This has led to substantial increases in foster care placements.

There are likely multiple reasons for increases in foster care placements. In this chapter we focus on the lack of in-home services. While population has increased, these increases do not fully explain the growth. As we describe below, Western region staff told us that with more in-home services, they would place fewer children in foster care. Interestingly, the number of accepted referrals from Child Protective Services has stayed relatively flat for all regions throughout this period. Thus, with approximately the same number of investigations of abuse

and neglect, more children are being removed from their homes and placed in foster care.

The growth in foster care reflects the child welfare community's change in practice to take children into custody more frequently and place them in foster care rather than provide in-home services. The child welfare community includes DCFS staff and the court personnel who are responsible for these decisions. Other believe the David C. lawsuit has made DCFS and court staff risk-averse and led them to believe they can protect children in foster care more than in-home.

### **In-Home Services Cost Less Than Foster Care**

The average cost for a foster care case is much higher than that of an in-home service case. DCFS' finance staff calculated total expenditures by program by distributing the cost of caseworkers' salaries and benefits and payments to providers. We used that data to calculate the average cost for an in-home and a foster care case, shown in Figure 2.4.

**Figure 2.4 The Cost of One In-Home Case Is a Fraction of the Cost of a Foster Care Case (Fiscal Year 2010).** This figure shows the annualized cost for one case if it were open for the average duration.

<b>Program</b>	<b>In-Home</b>	<b>Foster Care</b>
Direct Cost of Program*	\$ 6,929,821	\$ 94,482,806
Number of Cases (6/30/10)	1,640	2,790
<b>Average Cost per Case</b>	<b>\$ 4,226</b>	<b>\$ 33,865</b>
Average Duration in Months	4.88	16.46
<b>Annualized Cost for One Case</b>	<b>\$ 1,718</b>	<b>\$ 46,451</b>

*\*As shown in Figure 1.2 includes personnel, travel, current expense, and pass-through payments to providers.*

Figure 2.4 shows the average expenditure for an in-home case and a foster care case in fiscal year 2010. Taking into consideration the average duration for each case, the average cost for an in-home case is \$1,718 and \$46,451 for a foster care case. While these figures are averages and cases vary widely in cost, the figure clearly shows there is a significant difference between in-home and foster care case costs.

The average cost to provide in-home services is significantly cheaper than foster care.

**Family preservation services could save up to \$6,300 per at-risk child who is kept out of foster care.**

For each case, DCFS pays various expenses depending on the needs of the child, the natural parents, and the foster parents. For in-home cases, DCFS pays for caseworkers to provide case management, clinicians to provide counseling, peer parents, and the costs of various tests and assessments. Foster care expenditures include the costs of caseworkers to provide case management and the daily rate payments to foster parents, proctor homes, or residential facilities. In addition, for each foster child, DCFS pays therapy and medical expenses, a clothing allowance, and a joyous season payment. DCFS also pays other costs, such as mileage reimbursement for foster parents. If children were kept in their own home instead of being placed in foster care, the state would save the foster parent payments. The services provided directly to the children would still be paid. Figure 2.5 depicts a cost comparison between the two services, identifying areas of possible savings.

**Figure 2.5 Cost per Child Comparison between Family Preservation Services and Foster Care with Reunification (Fiscal Year 2010).** This figure shows the potential savings, per child, available by providing in-home family preservation services instead of removing the child to foster care and then returning the child to the natural home.

<b>Case Type</b>	<b>In-Home-Family Preservation</b>	<b>Foster Care Then Reunification</b>
Duration of case (in months)	3.2	11.7
Average Caseload (6-30-10)	8.6	13.9
Cases Worker Can Complete in a Year	32.5	14.3
Average Hourly Rate for Worker	\$ 24	\$ 18
Annualized Salary	\$ 49,275	\$ 36,754
Caseworker Cost per Case (calculation)	\$ 1,518	\$ 2,574
Basic Foster Care Daily Rate	\$ -	\$ 5,256
<b>Total Cost</b>	<b>\$ 1,518</b>	<b>\$ 7,830</b>
<b>Potential Savings</b>		<b>\$ 6,311</b>

Figure 2.5 shows that about \$6,311 could be saved for each child if DCFS provided family preservation services, thereby preventing a foster care placement. In fiscal year 2010, 731 children in foster care were returned to their original homes after foster care placements. If intensive family preservation services had been provided instead of foster care services for the 731 children, the cost savings would have been approximately \$4.6 million in fiscal year 2010. Even if more intensive family preservation services were provided by lowering

family presentation caseloads to 4 cases per therapist, instead of 8.6, savings of \$4,565 per case, or \$3.3 million could occur.

Although it is difficult to establish the true savings because of the need for a more intensive in-home model and more expense to divert children from foster care, we still believe there will be savings keeping children at home and providing in-home services.

There are two main reasons for the potential savings that we calculated in fiscal year 2010. First, family preservation services are intensive and on average last 3.2 months. In contrast, foster care reunification cases last an average of 11.7 months before a child is eventually reunified with the family. Second, DCFS pays at least \$15 per day to house a child in a foster home. The costs would be higher if the child were placed in a higher-cost placement. While sometimes children must be placed in care because parents are unavailable, savings are possible when parents are available and could benefit from intensive family preservation services.

As noted, benefits of in-home services include cost savings to the state and less trauma to the child and family. Despite these benefits, some DCFS regions have reduced in-home services. In the next section, we describe the cuts and how they have affected service delivery.

### **Resources Committed to In-Home Services Have Decreased**

Regional resources committed to in-home services differ. For example, the Eastern region has increased the number of full-time equivalent staff providing in-home services. The Western region, however, has reduced in-home services staff to meet the growing foster care caseload. We believe that the division needs to implement effective in-home services throughout the state. Division management needs to select an in-home model, then ensure that all regions implement it.

Currently, DCFS has two types of in-home programs. In family preservation services, licensed clinical caseworkers provide intensive service to the natural parents. The caseworkers, on call 24 hours a day, visit the family frequently to teach parenting, conflict resolution, and problem-solving skills, and to coach parents in these skills. This service

---

**Family preservation services are intensive and last about 3 months, whereas foster care cases last over 11 months.**

---

---

**Resources committed to in-home services differ by region.**

---

---

**Three regions reduced their in-home services to respond to a growing foster care caseload.**

---

usually lasts a few months. The other type of in-home service, protective supervision, can be requested by the parents or court-ordered. Protective supervision caseworkers are not required to have clinical licenses and visit homes much less frequently than family preservation workers do. This level of service can last for up to a year.

Each region has significant latitude in how much and how to offer in-home services. We found differences among the regions in the level of in-home services provided. Three regions, Northern, Western, and Southwest, reduced the level of in-home services and caseworkers in response to a growing foster care caseload. As we discuss below, Western region administration moved in-home staff to foster care because they felt they did not have the resources to handle the increasing number of foster care cases.

Western region went from over 16 in-home services FTEs to less than 10 FTEs in order to add caseworkers to meet the increased foster care demand. Northern and Southwest regions likewise reduced their in-home resources to meet increased foster care demand. However, Eastern and Salt Lake regions adjusted in-home resources relative to foster care differently.

**With Limited In-Home Services, More Children Are Being Placed in Foster Care**

Staff in the Western region explained that with limited in-home services, they have fewer options for working with families, so they are forced to place more children in foster care. We observed placement committees in the Western region as they determined placement options for recent cases. Committee members said they have had to place some children in foster care because there weren't sufficient in-home services for the families.

In years past, family preservation workers with small caseloads intensively counseled and trained families whose children were in danger of removal. Workers typically spent 10 or more hours per week with each family. However, the number of family preservation workers has been cut and those who remain are not able to spend the required time with families because the division has added foster care cases. With limited options for service in the home, children are often placed in foster care. If family preservation services were more

available, the committee members reported that fewer children would need to be placed in foster care.

In addition to the number of family preservation workers being cut, the number of protective services staff have likewise been reduced. Though these workers do not provide the intense service level as do family preservation workers, they still provide services to help children remain at home safely. Remaining protective services staff are also responsible for foster care cases.

Unlike the Western region, Salt Lake and Eastern regions better maintained their in-home services relative to foster care services. One way these services can prevent removals is by providing intensive counseling to families. For instance, two Salt Lake region Child Protective Services (CPS) supervisors told us that a family preservation worker takes cases of children in danger of being removed from the home, working intensively with the family to prevent removal. One supervisor cited a case several months ago of an adolescent who was refusing to return home and his parents did not want him back. A family preservation worker counseled both the adolescent and the parent, and the child remained in the home with a safety plan. Without the family preservation worker's intervention, the supervisor said the child would have been placed in foster care.

Western region placement staff also said that community prevention services have been reduced or eliminated contributing to increases in foster placements. The Families and Communities Together (FACT) program, for instance, was eliminated in 2006. This program was housed in schools and provided services for children at risk of going into foster care. A DCFS caseworker and others would provide services to the family to try to prevent removal. DCFS staff report that other services have also been cut including parental respite care and a day treatment program for children with behavior problems. Western region placement committee members believe these cuts have contributed to increasing numbers of children in foster care.

The Western region director and associate region director reported that increases in numbers of foster care cases caused them to shift resources away from in-home services. As less goes into in-home services, more and more children are placed in foster care. Time

---

**Two regions appear to have maintained their in-home services.**

---

---

**One region has reduced its community services, which contributes to increases in foster care placements.**

---

constraints prevented a more in-depth study on what happened in the other regions. The data above, however, suggests that the same scenario occurred in the Northern and Southwest regions, where in-home services were cut to meet increasing foster care demands, which in-turn led to more foster care placements.

## **Statute and Best Practices Suggest Focus on In-Home Can Prevent Removals**

In-home services can help reduce the number of children in foster care. Further, in-home services are required by state statute. Child welfare organizations in other states have been able to reduce the number of children in foster care. While Utah has the lowest proportion of children in custody, DCFS staff have recognized that they should be able to reduce the proportion even further. Preventing foster care placements and finding permanency for children quickly will result in fewer children in foster care, will be better for children, and will be less costly for DCFS and the state. Even though Utah is already one of the lowest of all states in the population of children in care, they can still learn from other states.

### **In-Home Services Are Required by Statute**

The *Utah Code* requires DCFS to make reasonable efforts to prevent the removal of a child from the child's home. Providing in-home services to families help keep children in their own homes. Specifically, *Utah Code* 62A-4a-203(1)(a) requires the division to "make reasonable efforts to prevent or eliminate the need for removal of a child from the child's home prior to placement in substitute care." Furthermore, *Utah Code* 62A-4a-201(c) describes the benefit for children to remain in their own homes:

It is in the best interest and welfare of a child to be raised under the care and supervision of the child's natural parents. A child's need for a normal family life in a permanent home, and for positive, nurturing family relationships will usually best be met by the child's natural parents.

---

**Utah Code requires DCFS to make reasonable efforts to prevent the removal of children from their homes.**

---

*Utah Code* 62A-4a-202 specifically requires the division to provide preventive, in-home, and family preservation services within funding constraints. This section also directs the division to seek funding from federal and private sources to provide, expand, and improve the delivery of in-home services. Unfortunately, the funding for in-home services has decreased over the past five years.

### **In-Home Services Can Reduce Foster Care Placements**

The national trend is toward placing fewer children in foster care and reducing the number of children who are already in care. An NCSL report titled *Legislative Strategies to Safely Reduce the Number of Children in Foster Care* found that some children entered foster care because their parents and extended family could not provide them with safety and protection; many, however, would not have become foster children “if services and supports had been available to their families.”

Some literature suggests that if home-based services are provided and their principles rigorously followed, the chances of successfully avoiding a foster care placement can improve. For instance, one family preservation service called the “Homebuilders Model” provides intensive, in-home crisis intervention, counseling, and life-skills education for families who have children who are at “imminent risk of being removed” and placed in state-funded care. Key principles of this program include professional therapists visiting the family several times a week to coach and train, and therapists are on call 24 hours a day for 7 days a week to help the family deal with crises. Other family preservation models exist whose purpose is to keep the child in the home with services to prevent removal.

A study by the Washington State Institute for Public Policy (Institute) reported that the Homebuilders Model was successful in reducing foster care placements. This July 2008 report states:

One effective intervention program is Intensive Family Preservation Services (Homebuilders-model); it provides short-term, on-call, in-home services to families in crisis. The goal is to prevent an at-risk child from being removed from home, or to bring a removed child back home as quickly as possible. This program

---

**NCSL reports that removals can be prevented if services and supports were offered to families.**

---

---

**Intensive family preservation services in Washington have shown a \$2.54 benefit for every dollar spent.**

---

---

**Over the past 15 years, Hampton, Virginia has reduced its number of high-cost placements and has not placed a child in an institution for several years.**

---

demonstrates significant reductions in re-occurrences of child abuse and neglect as well as foster care placements.

The Institute calculated the total benefit-to-cost ratio (per participant) to be \$2.54 for the Intensive Family Preservation Service Programs. In other words, for every dollar spent, there would be \$2.54 benefit. The total savings was estimated at \$4,775 per participant.

### **Other States Have Effectively Implemented In-Home Models**

Some child welfare organizations in other states have been able to reduce the number of children in foster care. The child welfare director in Larimer County, Colorado, reported that their “high-cost placements”—children placed in structured settings because of the child’s severe behaviors—have declined from 80 to around 12 over the past several years, by implementing a model developed in Hampton, Virginia. Under this model, an inter-agency committee is given money to design community services to prevent a foster care placement. These services could include a family coach going into the home for 20 hours a week, crisis respite care, or other services.

For additional information, we contacted the child welfare director in Hampton, Virginia, who said that, about 15 years ago, their Legislature wanted to reduce high-cost placements. The Legislature took money for high-cost placement from the city DCFS and other placement agencies to fund a multi-disciplinary team to design community services. Over the years, the number of high-cost placements has been reduced to the point where the city has not placed a child in an institution for several years. They use an extensive network of community supports to accomplish this reduction.

DCFS needs to ensure that an in-home model is uniformly implemented in all the regions. Statewide implementation of a good in-home services model is needed to ensure consistent services from region to region. However, DCFS administration also needs to monitor what is happening in each region and take action when in-home services decline. In summary, reducing foster care placements and finding permanency for children as quickly as possible will be better for children and less costly for DCFS and the state. One difficulty that may need to be overcome is when the courts and DCFS do not agree on the level or type of services needed.

## **Recommendations**

1. We recommend that DCFS select an in-home services model, train staff, and provide in-home services to families whose children are at risk of being removed from their home.
2. We recommend that DCFS require all regions to implement the model and monitor regional use of the in-home model.

**This Page Left Blank Intentionally**

## **Chapter III Foster Care Placements Need Better Controls**

Some children and youth may be inappropriately placed in higher-cost foster care placements because of a lack of lower-cost options. DCFS can reduce costs by controlling the placement of children, adding performance measures to contracts, and reviewing the performance of providers. Savings could be used to provide services to others.

National studies show that, when possible, children should be placed in family settings instead of residential facilities. While some children may need residential facilities, it is important to identify the most capable and most successful facilities using performance measures. DCFS should consider implementing performance measures for all high-cost placement facilities, systematically reviewing all children in high-cost placements, and using guardianship subsidies to provide permanency for youth.

### **Higher Placement Levels Serve Fewer Children But Are More Costly**

Fifty-nine percent of the days children spent in DCFS custody were in low cost placement levels I through III and consumed only 21 percent of resources. In contrast, high cost placements accounted for 41 percent of these days and consumed the remaining 79 percent of resources dedicated for children in foster care. The majority of resources are concentrated on a small portion of children, highlighting the need for strong placement management.

DCFS has a defined placement structure based on a continuum of care. As the levels of care progress, each level is designed to provide more intensive services and supervision than the prior level. The following figure shows the daily placement rates and totals paid by DCFS for housing children in fiscal year 2010.

---

**The majority of DCFS resources are spent on a small portion of children residing in intensive placements.**

---

**Figure 3.1 Foster Care Daily Rates and Expenditures by Placement Structure Show the Wide Range of Payment Levels and Costs to the State (Fiscal Year 2010).** On average, as placement level increases, the daily rate increases.

Placement Level Prior to 7/1/10	New Placement Level Starting 7/1/10	Total Spent FY 2010	Days of Service	Wt. Avg. Daily Rate
Basic Home	I	\$ 4,332,306	278,306	\$ 15.57
Specialized Home	II	\$ 2,146,767	113,550	\$ 18.91
Structured Home	III	\$ 2,067,280	68,760	\$ 30.07
<b>Subtotal DCFS Foster Homes:</b>		<b>\$ 8,546,353</b>	<b>460,616</b>	<b>\$ 18.55</b>
Proctor Home	IV	\$10,391,910	162,734	\$ 63.86
<b>Subtotal</b>		<b>\$10,391,910</b>	<b>162,734</b>	<b>\$ 63.86</b>
Residential - moderate	V	\$ 2,228,732	15,151	\$ 147.10
Residential - intensive	VI	\$12,174,499	73,799	\$ 164.97
Residential - individualized		\$ 7,081,597	32,770	\$ 216.10
*DSPD Waiver		\$ 1,214,748	37,035	\$ 32.80
<b>Subtotal</b>		<b>\$22,699,576</b>	<b>158,755</b>	<b>\$ 142.98</b>
<b>Grand Total</b>		<b>\$41,637,839</b>	<b>782,105</b>	<b>\$ 53.24</b>

*\*These costs only include foster care maintenance for those on the DSPD waiver. The treatment portion is paid by Medicaid. The expenses listed in this figure were provided by DCFS staff. It includes 93 percent of the \$44.7 million out-of-home services expenses listed in Figure 1.1. It does not include part of outpatient mental health treatment, peer parenting, respite care, and tracking.*

**DCFS spent \$41.6 million for foster parents and residential facilities in fiscal year 2010.**

In fiscal year 2010, DCFS paid \$41.6 million in placement costs to care for children in custody. Although there may be potential for cost savings at each level, we focus in this chapter on two potential areas of concern:

- The overuse of proctor homes (instead of lower-level structured homes)
- The overuse of residential facilities

### Proctor Care Is Overused

One area where potential savings may occur is the increased use of lower-cost structured foster care homes instead of the current practice of using higher-cost proctor homes (Level III versus Level IV). Although both types of homes are family-based, the daily rate for the proctor home care is more than double the rate for structured home placement. We recommend that DCFS determine how it can increase the number of structured home placements.

## DCFS' Overuse of Expensive Proctor Home Placements Should Be Reviewed

DCFS places some foster children in proctor home placements rather than in family-based structured home care because of a lack of lower-cost options. According to division staff, proctor care is not as good for the children and is more expensive. Proctor home families typically do not want to adopt or take guardianship of foster children—consequently leaving some children to age out of the system without a permanent family. The following figure shows the difference in placement rates for these two levels of placement and the number of children placed in each category.

**Figure 3.2 Comparison of the Use of Structured Family Homes and Proctor Homes Shows the Much Higher Use of Proctor Homes. (Point in Time 6/30/2010.)** Each region's placements are shown and expressed as a percentage of the two types of homes.

Region	Structured Foster Home	Structured as a % of Total	Proctor Home	Proctor Homes as a % of Total	Total Placements
Eastern	18	27%	49	73%	67
Northern	48	34%	95	66%	143
Southwest	6	13%	40	87%	46
Salt Lake	7	3%	219	97%	226
Western	102	65%	56	35%	158
<b>Statewide Total</b>	<b>181</b>	<b>28%</b>	<b>459</b>	<b>72%</b>	<b>640</b>

As the above figure shows, 28 percent of placements statewide were in structured homes compared to 72 percent of placements in proctor homes. The regions differ widely in the use of the two categories. For example, the Salt Lake region relies almost exclusively on the more expensive proctor home placement level. The Western region uses structured homes more often than proctor homes. However, the other four regions use proctor homes more often. Staff at the division told us that they would prefer to place children in structured homes over proctor homes because structured homes fit into the division's model of permanency more than proctor homes do. Also, staff told us that proctor homes should be used as a last resort to family-based homes.

**Children are placed in proctor homes because there is a lack of lower-cost placement options.**

## **Proctor Care Is More Expensive Yet Does Not Meet DCFS' Permanency Philosophy**

---

**The daily rate for proctor home care is more than double the rate for well trained structured care families.**

---

It was surprising to us that DCFS spent five times the amount for proctor home placements as was spent on structured foster home placements. The average daily rate for structured foster care was \$30 or less than half the daily rate of \$64 for a proctor home. We have been told that proctor rates include room and board, treatment services, education, supportive services such as on-call clinical support for foster families, and trackers for youth. With the unbundling of Medicaid rates in July 2010, the proctor rates decreased to between \$49 and \$56.50 per day.

Some caseworkers told us they place children in proctor homes rather than structured homes because of the lack of structured homes. They would prefer placing children in structured homes, but placements are not available. It is concerning to us that the division is placing children in levels that may not meet their needs, do not help with permanency, and are more expensive. We believe it is the division's responsibility to increase the availability of homes that best meet the needs of foster children.

One important difference exists between structured and proctor home placements. Structured homes contract directly with DCFS while proctor homes contract through a licensed child-placing agency. Structured homes are more in line with DCFS' philosophy of permanency for children. Proctor homes, on the other hand, are professional parents who typically do not provide permanency for children through adoption or guardianship. In a proctor home, children and youth are provided a home until they leave foster care at age 18. The division has to move the child from the proctor home to give them a permanent home. Often times, youth age out of foster care while in the proctor placement.

---

**Most children in proctor care are over 14, and typically remain there till they age out at 18.**

---

As of June 30, 2010, about 80 percent of proctor care placements were for youth aged 14 and older. According to DCFS data, the division has 746 juveniles ages 14 to 18 in custody; however, only 198 DCFS foster care providers indicate a preference for this age group. Consequently, the division uses proctor homes to place the youth.

Given that structured home care is better for the child, this level of placement could be better for DCFS as well because of lower costs.

The division could save \$30 per child per day using structured homes instead of proctor homes. For each child who moves from a proctor home to a structured home, the savings could be used to increase payments to foster parents, provide training, or provide supportive services to the foster parents or for numerous other foster care expenses.

According to division staff the savings not be as high as we have indicated because the structured care expenses in Figure 3.1 do not include the supportive services that families have told DCFS lead them to stay with proctor agencies rather than becoming DCFS licensed families. Examples of these supportive services include trackers and mentors. It is unclear the extent and cost of the supportive services that DCFS would have to pay for to help DCFS licensed families. However, there should still be some cost savings. And having homes that line up more with DCFS' permanency philosophy would support the transition from proctor to structured homes.

### **DCFS Should Increase Availability of Structured Home Placements**

Structured home foster families are trained by the Utah Foster Care Foundation (UFCF) through a sole source contract with DCFS. UFCF told us they do not have the training resources to train additional structured home parents. It is concerning to us that the UFCF has had a sole-source contract with DCFS for over a decade, but is reportedly not meeting DCFS' needs. In practice, UFCF recruits and trains foster parents for basic (Level I) and specialized (Level II) care but does not recruit for structured home care (Level III). Instead, foster parents with at least one year of experience with DCFS could be trained to receive Level III children. (This Level III experience requirement has recently been eliminated.) However, UFCF claims they do not have the training resources to train specialized parents to become structured parents.

It appears that because there are so few structured homes, children are being placed in higher-level and higher-cost proctor homes. If private providers are able to recruit and train proctor parents, we wonder why UFCF is not able to do so. We recommend that DCFS review the UFCF contract to see if UFCF might be able to find alternatives to proctor home placements without the overhead costs associated with private providers.

---

**The Utah Foster Care Foundation has a sole source contract to provide structured homes for DCFS.**

---

**DCFS should ensure its sole source contract for structured care families is meeting its needs.**

Foundation efforts could be expanded to identify parents who could accept more difficult children (and therefore higher-cost placements). We did not do an in-depth review of the UFCF budget. If the recommendations in Chapter II are implemented and more children remain at home receiving family preservation services, an overabundance of basic foster parents may result. Under that scenario, UFCF could then shift resources from recruiting and training of basic foster care parents to increasing the availability of structured home placements.

DCFS should review the UFCF contract and determine if UFCF is meeting the needs of DCFS. If UFCF is not meeting the division's needs, changes to the contract should be initiated.

## **Residential Facilities Are Overused**

As shown in figure 3.1, DCFS spent almost \$22.7 million on residential facilities (also called congregate care facilities). These facilities are concerning because a disproportionate percent of resources are spent on a small proportion of children –mostly youth– in custody. Research shows that youth fare better in family care than in congregate facilities. We recommend that DCFS move toward implementing proven strategies to reduce the use of residential facilities.

### **Oversight of Providers Is Necessary**

With present contracting practices, the business of providing foster care may be at odds with the practice of expedited permanency. Permanency is viewed, at both the state and federal levels, as a critical component for ensuring positive outcomes for children and their families. DCFS contracting practices, however, do not provide sufficient oversight to ensure that permanency is a consistent priority.

The division director has voiced concerns regarding the way DCFS provides oversight. We credit the division for developing a work group to address these concerns. Our limited review of documentation and discussions with pertinent parties suggests the

need for enhanced provider oversight. The following list highlights a number of concerns that we believe need to be addressed:

- Insufficient DCFS auditing function and poor risk assessment
- An overreliance on provider “trust” to deliver services and outcomes
- DCFS’ monitoring system is compliance-driven rather than outcome-driven, with few performance measures in place.

**Auditing and Risk Assessment Could Be Enhanced.** DCFS has a team of contract monitors that are responsible for performing annual audits to ensure provider compliance. The intent is to audit all contracts annually, yet there are few staff to conduct these audits. Consequently, only limited reviews are possible. We are concerned that no risk assessment is done when selecting which contracts to audit. For example, the division’s top service provider, at \$4.5 million a year, received the same level of review as providers with much smaller contracts. We feel that the level of review should be commensurate with the risk. In our opinion, the residential contract audit tool does not provide sufficient assurance that providers deliver appropriate services in a timely manner. Any deficiencies found during such audits are to be addressed in a plan by the provider, but it is unclear if there are any serious consequences for non-compliance. Because of the number of clients being served each year, and the amount of funds involved, we believe a more in-depth audit process is needed.

**The Division Has an Insufficient Oversight of Providers to Deliver Services and Outcomes.** The division relies on providers to determine the length and intensity of residential treatment services and what is needed to complete a treatment program. In other words, there is a culture of “provider trust” to deliver outcomes; we found this unsettling. No benchmarks or performance measures currently exist to assess whether treatment services are completed in a timely manner.

To illustrate, in the Northern region, a youth was placed in a sex offender treatment program. After four years, the Permanency Utilization Committee and a DCFS clinician wanted him moved

---

**DCFS monitoring of residential facilities focuses on compliance and lacks performance metrics.**

---

---

**The division is relying on residential providers to determine the length and intensity of treatment.**

---

because he had not made progress during the four years. DCFS' level system indicates that the targeted length of treatment for this kind of behavior is nine to fifteen months. While the establishment of treatment time frames is relatively new for DCFS, we are concerned with the region's insufficient and untimely oversight on this case. We were unable to determine from case records how often this case was reviewed by the region.

**The Current Monitoring System Is Compliance-Driven Rather Than Outcome-Driven.** Although DCFS' practice model states that Permanency Utilization Reviews (PUR) must be performed at least every three months for children placed in a higher level of care (proctor home care and above), the reviews have not been fully implemented in all regions and are not yet mandatory. The reviews are intended to determine whether placement and treatments are meeting the child's therapeutic needs. These reviews should also provide much needed management oversight on high-cost placements. Because reviews are still in the process of being implemented, much of the decision making process is determined by providers and not DCFS. In recognition of this concern, Salt Lake region has recently requested that caseworkers more actively manage placements with providers to ensure that division goals of improved outcomes and residential permanency are met.

According to newly revised DCFS guidelines, a Child and Adolescent Needs and Strengths (CANS) assessment should be used to evaluate every new placement and every placement change. CANS is an externally validated assessment tool that was intended to be implemented statewide to provide more objective and consistent placements and to help measure outcomes. This assessment tool, however, has not been widely employed. While plans are underway to implement the tool, our observation of the Salt Lake Valley placement meeting confirmed that the CANS tool has not yet been fully implemented. Caseworkers reported that they value CANS but are resistant to the additional workload. We commend the Northern region for implementing the CANS assessment tool. They believe the CANS assessment will be useful in determining the correct placement for a child.

---

**Medicaid changes have necessitated fewer residential placements.**

---

This enhanced management tool has been one of the benefits of recent Medicaid changes that significantly limited the range of services

and placement options. As one of the division's clinical consultant's states, "the upside is that it has forced us to bring kids out of residential care and in to lower placements." In order to maintain lower level placements, more wrap-around services or individualized services are being offered. We recommend that the division continue to enhance placement management by fully implementing their own policies. The division should perform routine CANS assessments and ensure that all high-cost placements are reviewed at least every three months or more frequently if needed.

### **Casey Report Recommends Accountability of Institutional Placements**

In Utah, the number of children and youth in residential (congregate) care has increased 50 percent in the last decade. Residential care is more expensive, and studies show that it may not be as helpful to youth as home-based care. DCFS is aware of this issue and is trying to do what they can to reverse the trend. We recommend that the division use the proven strategies detailed in the report by the Annie E. Casey Foundation (AECF), *Rightsizing Congregate Care: A Powerful First Step in Transforming Child Welfare System*. The report indicates that reducing states' reliance on congregate care for children in the child welfare system has potential benefits for both child wellbeing and child welfare costs. The report describes how the Casey Welfare Strategy Group worked with child welfare agencies in four jurisdictions--New York City, Maine, Louisiana, and Virginia to reduce reliance on congregate care. Each system implemented changes in at least two of the five "Levers of Change" identified in the foundation's report (see Appendix A for more detail on "Levers of Change").

In this section we will describe an example of one targeted lever of change that may be helpful to DCFS. The system lever of change was policy and the actions to effect the change were the following:

- Mandate family-based concurrent planning for all children and youth
- Limit the use of independent living as a case goal
- Identify potential kinship homes earlier
- Encourage youth to consider open adoption arrangements that permit birth-family contact

---

**The Annie E. Casey Foundation suggests that reductions in congregate care produce cost savings and better outcomes for children.**

---

**Utah had the 12<sup>th</sup> highest percent of children aging out of foster care without a family.**

- Require prior authorization and utilization reviews for entry into congregate care

DCFS uses the goal of independent living for youth age 14 and above. Although DCFS has an independent living program for youth, the data shows that many youth age out of the system without a family. This is a sad situation for youth. According to *Time for Reform: Preventing Youth from Aging Out on Their Own* (published by the Pew Charitable Trusts in 2008), of all 50 states, Utah had the 12<sup>th</sup> highest percentage of youth aging out of foster care without a family in 2006. DCFS data shows that this unacceptable trend is continuing, as 10.7 percent of youth left care without a family in 2010.

The Casey report shows that other states implemented aggressive policies to improve the opportunity of permanency for youth. The relevant agency mandated family-based concurrent planning for youth in foster care, limited the use of independent living as a case goal, and encouraged teens to consider open-adoption arrangements that would permit contact with their birth families. The results were significant. Congregate care beds were reduced, funds were saved and reinvested in supportive and aftercare services, and initial placements for teens entering the system were in family settings rather than congregate care.

The report includes an analysis on the outcomes associated with these implementation efforts. It suggests that a reduced reliance on congregate care leads to better outcomes for children and families; children tend to spend more time in family settings and less time in institutional settings. Furthermore, reducing congregate care use supports community-based services that strengthen neighborhoods and provides cost savings that can be reinvested into evidence-based family supports services. The report also indicates that reforming congregate care can lead to larger system transformations, as evidenced by reductions in the number of children in foster care in areas where the levers of change were implemented.

We believe DCFS will benefit from implementing the Casey report's strategies to reduce their reliance on congregate care. We recommend DCFS focus on one or two principal change levers and then go on to implement all the levers. All five levers of change and actions to target the levers of change are shown in Appendix A.

Another best practice to reduce the number of youth in foster care is to use guardianship subsidies allowed by the federal law, Fostering Connections to Success and Increasing Adoptions Act of 2008. Initially, DCFS chose not to use these subsidies. However, division staff told us they are now reconsidering the use of the subsidies.

---

**Guardianship subsidies, allowed by federal law, are another strategy that reduces the number of children in foster care.**

---

## Recommendations

1. We recommend that the Division of Child and Family Services determine strategies to provide lower cost alternatives to residential care by developing additional structured foster care homes.
2. We recommend that the Division of Child and Family Services review the Utah Foster Care Foundation contract to ensure the contract is meeting each region's needs for foster homes.
3. We recommend that the Division of Child and Family Services require and monitor that all regions complete the Permanency Utilization Reviews as required by policy.
4. We recommend that the Division of Child and Family Services strengthen controls over contracts.
5. We recommend that the Division of Child and Family Services consider implementing the levers of change described in the Annie E. Casey Foundation report *Rightsizing Congregate Care* in order to reduce the use of expensive residential care.
6. We recommend that the Division of Child and Family Services reconsider its decision to not use the guardianship subsidies allowed by the Fostering Connections to Success and Increasing Adoptions Act of 2008.

**This Page Left Blank Intentionally**

## Chapter IV

# Centralizing Intake and Reviewing Abuse and Neglect Definitions Will Cut Costs and Increase Consistency

The Division of Child and Family Services (DCFS) has proposed centralizing its intake process, predicting \$269,000 in annual cost savings, improved communication with stakeholders, and increased process consistency will result from this change. About half of all states have already implemented centralized intake, with many reporting positive results. Therefore, we recommend that the division implement its plans to transition intake from a regional process to a centralized statewide process.

In addition, we think DCFS should review their child protective services (CPS) procedures and definitions of abuse and neglect. Some DCFS staff told us that the division has a broader definition of what constitutes abuse and neglect than other states. As a result, DCFS may investigate more cases and have more supported findings of abuse and neglect because it applies a different policy than intended by the Legislature. Since these lower risk cases do not receive services anyway, the concern is that families and children are unnecessarily stigmatized and division resources are diverted from more serious cases.

Intake is the first stage of the CPS process. It is the stage at which referrals for child maltreatment are either accepted for a CPS investigation or screened out. This screening process is very important because all other services the division could offer a family are dependent on whether a referral is accepted for CPS investigation. Therefore, it is critical that this process produces a consistent evaluation of each referral of child maltreatment.

### DCFS Is Preparing to Realize Savings from Centralizing Intake

DCFS anticipates that centralizing its intake process will promote savings by reducing the total number of full time equivalent (FTE) employees and intake related overtime expenses. The division also

---

**Centralizing DCFS intake processes could save the division \$269,000 annually.**

---

---

**DCFS has already drafted a proposal to centralize its intake process.**

---

reports that other entities that work with DCFS have voiced their support for centralized intake. In addition to its proposed cost savings, centralization would also allow the division to standardize what is and is not accepted as a referral on a statewide basis.

The division has drafted a proposal for centralizing intake that outlines some of the benefits of this change. The division anticipates the following savings from centralizing the intake process:

- A reduction of seven FTEs equals \$269,000 in savings a year with onetime start-up costs expected to be \$10,500; twenty-four workers and four supervisors, who currently perform intake, will continue to provide services
- A partial elimination of overtime (on call) expenses
- A reduction in duplication of administrative effort; with headsets available, intake workers can input information into an electronic database as calls are received
- A reduction in time spent processing inter-regional transfers

We think these potential savings make centralized intake a good solution that will make the division more efficient when processing referrals. Preparations for centralizing intake have already begun, and are anticipated to be completed in July 2011.

We also think that centralizing intake will simplify communications with stakeholders in the community. The division reports that community stakeholders such as the Children's Justice Center, Primary Children's Medical Center, and local law enforcement agencies have vocalized support for centralization. Centralization will promote communication between stakeholders by expanding services to 24 hours a day, 7 days a week. Given the opportunity to increase consistency, reduce inefficiencies, promote savings, and enhance communication, we recommend that the division continue to implement centralized intake.

At the time of this audit, intake is being handled separately by each of DCFS' five regions, causing variation in evaluating referrals. While the division has made efforts to enhance consistency in handling child maltreatment referrals, some inconsistencies have continued. This is because some regions have centralized their intake within their regions, while other regions have intake workers at each office. Figure

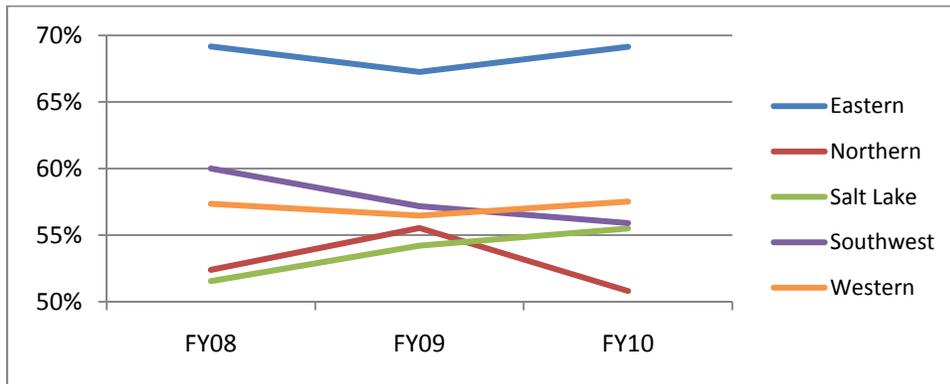
---

**Centralized intake will allow DCFS to be available 24 hours a day and seven days a week.**

---

4.1 illustrates the inconsistencies that have been identified by the division “as long standing issues within DCFS and in the community.” The Eastern region accepted a larger proportion of calls for CPS investigations than the other regions. This may be due to the rural demographics of that region as well as the fact that in some instances, receptionists are answering calls rather than trained social workers.

**Figure 4.1 There Is Variation in the Number of Referrals Accepted for Investigation.** Regional variation exists for handling child abuse and neglect referrals.



As Figure 4.1 shows, Eastern region has been consistently approving a significantly higher number of referrals for CPS investigation than the other regions. While the other four regions show much smaller variation, centralizing intake would also address how any small referral differences in these regions are handled. Given the potential cost savings and consistent handling of referrals, we support the division’s efforts to centralize its intake process.

### Other States Centralize Their Intake Processes

About half of all states have statewide centralized intake systems and report various benefits from the centralized structure. Casey Family Programs, a foundation that focuses on improving and preventing the need for foster care, also reports various advantages and identifies potential issues that states implementing centralized intake may encounter.

**Centralizing DCFS intake processes should address regional inconsistencies.**

---

**About half of all states have centralized their intake processes.**

---

Our research of other states' intake processes found that 23 other states have implemented a centralized process. The following are highlights reported by two of the states that have successfully implemented a centralized intake:

- Texas fully implemented centralized intake in 1999, reporting that intake worker turnover has decreased and stakeholders' support for the system has increased.
- Mississippi began transitioning into a centralized intake process in 2009 in an effort to "ensure consistent reporting and screening processes, prompt response times, and accurate data collection of child maltreatment reports."

As the experiences of these two states show, centralized intake appears to provide a number of potential advantages besides the cost reductions identified by DCFS.

According to a survey conducted by the Casey Family Programs in May of 2008, many states cited advantages with centralized intake, including uniform processing of child maltreatment referrals, consistent use of safety assessments, and increased ease of implementing policy and procedure changes that affect intake. However, the report also provides the caveat that transitions from regional intake to statewide intake have been met with challenges. Organizational changes will require significant internal and external support, as well as an outlay of funds to cover initial costs. Setup expenses and an information campaign to publicize new reporting procedures are the most commonly cited costs. Overall, the benefits of centralized intake appear to outweigh the costs, and we recommend that DCFS continue its plans to centralize its intake process.

### **DCFS Should Review *Administrative Rule* Definitions to Ensure Consistency with Statute**

DCFS appears to apply a broader definition of what constitutes abuse and neglect than other states. As a result, Utah may investigate more cases and have a higher number of supported findings than the national average. Some DCFS staff told us they believe too much emphasis is placed on low risk cases at the expense of more serious cases of maltreatment. If so, the division may want to refocus

resources on those children and families most in need of intervention and services. It was beyond the scope of this audit to evaluate the issue in depth, but we recommend DCFS review their definitions of abuse and neglect in administrative rule to ensure they are consistent with statute.

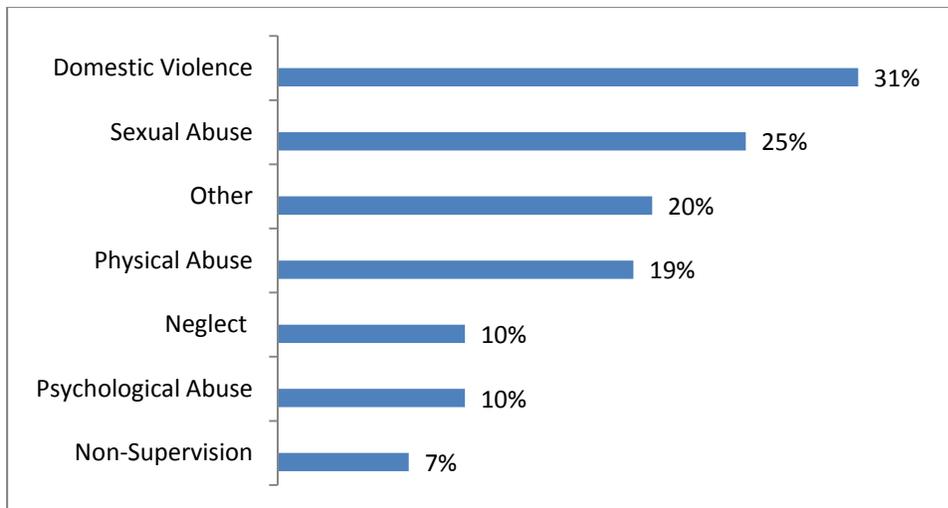
Utah has a higher rate of supported findings than the national average. Nationally in 2008 (based on a federal report of 50 states), 10.3 per 1,000 children were victims of maltreatment. Utah, in the same year, had 15.5 victims per 1,000. Although Utah has more supported findings, fewer children are removed from homes than in other states. In most cases when a DCFS investigation supports a finding of abuse or neglect, the division provides a CPS response and referrals to community resources. Any person for whom the division has made a supported finding will be listed on a central registry that is accessible to the Office of Licensing and the Department of Health for background checks.

---

**Utah supports CPS investigations of alleged child abuse at a higher rate than the national average, but removes fewer children.**

---

**Figure 4.2 Supported Allegations by Case Type.** Domestic violence represents 31% of all supported child-maltreatment cases in fiscal year 2009.



*Note: The "other" allegation category includes allegations of safe relinquishment of a newborn child, child endangerment, dependency, and failure to protect. A single case may have more than one supported allegation. Thus, the total percentage will exceed 100 percent.*

Senior management contends that the division may be casting too wide of a net in finding abuse and neglect. They are concerned with a few types of cases. Their biggest concern involves *some* domestic violence cases. Some cases of domestic violence in the presence of a child may result in emotional and developmental difficulties and

---

**Considerable debate surrounds whether CPS investigations of less serious allegations are in the best interest of families.**

---

---

**DCFS should ensure that administrative rules are consistent with statute regarding when CPS investigations should take place.**

---

should be referred to law enforcement as a possible criminal offense. Less severe cases, however, may not warrant a supported CPS finding of abuse.

Domestic violence in the presence of a child is the most frequent type of supported finding in Utah as shown in Figure 4.2. However, there is considerable debate regarding how child welfare agencies should respond to allegations of children witnessing domestic violence. While serious cases should be investigated, CPS involvement may not always be in the best interest of families. Some advocacy groups are concerned that minor instances where a finding is supported but no services are provided may harm rather than protect children. In some cases, the investigation could victimize the child more than the incident.

As noted, we were unable to review this issue in detail. However, based on the concerns voiced by some DCFS staff that limited resources were being diverted from serious cases that need services to less serious cases that received no services anyway, we think the division should review the definitions of abuse and neglect in their administrative rules. The division should ensure their rules are consistent with statute so limited resources are used as intended by state policymakers.

## **Recommendations**

1. We recommend that the division continue efforts to centralize intake.
2. We recommend that the division review the definitions of abuse and neglect in administrative rule to ensure they are consistent with statute.

## Chapter V

# Management of Caseworker Activities Should Be Improved

The Division of Child and Family Services (DCFS) needs to make its caseworkers more efficient with their time through greater utilization of courtesy worker visits and the use of laptops to allow caseworkers to be more productive in the field. In addition, the division has been overusing private offices and needs to update its space standards for its caseworkers. DCFS regions have adopted different practices to assign casework to their employees, which make determining how many employees are performing casework uncertain. Uncertainty about how many employees are performing casework has led to questionable assumptions being used for calculating average caseloads. The division has relied on average caseload calculations to report it is understaffed. However, the questionable assumptions make this average unreliable and need to be corrected.

### Caseworkers Should Be More Efficient

Our review of caseworker practices found three areas where the division should more efficiently use its casework resources. First, we found that the utilization of courtesy visits has shown no improvement since our 2002 audit that identified the same problem. These visits can reduce the amount of time caseworkers spend driving to visit clients. Second, DCFS regions have not used mobile data-entry technologies, such as laptops and transcription services, which could be used during unproductive times in the field and make caseworkers more efficient. Finally, the division has been overusing private offices for its caseworkers and support personnel because it failed to update its space standards with the Division of Facilities Construction and Management (DFCM).

Our prior audit of DCFS in 2002, *A Performance Audit of Child Welfare Caseworker Workload*, recommended greater utilization of courtesy worker visits and technology to make caseworkers more efficient with their time. The division's response to that audit showed support for these recommendations and a positive outlook towards implementation. However, the division has not followed through on

---

**DCFS has not implemented efficient caseworker practices that we recommended in our 2002 audit.**

---

its commitment to implement these recommendations. We therefore reiterate our prior recommendations that the division needs to make policies and implement practices that increase caseworker efficiency.

### **Courtesy Visits Still Underutilized**

Courtesy visits are a DCFS practice intended to reduce the time caseworkers spend driving to complete mandatory monthly visits with clients located outside a caseworker's region. The division has dismissed this efficient practice because only six percent of inter-region placements have a courtesy worker assigned. One region manager expressed her preference to have caseworkers spend time driving long distances to visit a client. However, we think this time would be better spent performing more important casework activities than driving. The division's response to our prior audit assured greater use of courtesy workers, but utilization levels appear to be unchanged.

---

**Courtesy visits allow caseworkers to avoid driving long distances to visit clients by having a closer worker complete the visit.**

---

DCFS caseworkers have a mandatory requirement to visit clients at least once a month. Occasionally, children are placed outside the caseworker's region, but the case is not transferred to another region because the placement is not considered to be long term. To avoid spending long periods of time driving, the division has implemented a practice where a closer caseworker from another region can perform monthly visits, thus saving time and allowing the original caseworker to spend more time on more important activities. Our prior audit identified that this practice is fairly common, since it reported that five of seven states were using this more efficient practice.

DCFS reports for November 2010 showed that only 35 of 559 inter-region cases had a courtesy worker assigned. The following figure shows the extent to which each region utilizes the practice.

**Figure 5.1 Inter-Region Placements Experience Low Rates of Courtesy Visits.** This figure shows the number of placements outside each region as well as the number of courtesy visit agreements each region has with another region.

Region	Inter-Region Placements	Courtesy Workers	Utilization Rate
Southwest	37	11	29.7 %
Western	94	6	6.4
Northern	122	6	4.9
Salt Lake Valley	201	5	2.5
Eastern	105	7	6.7
<b>Statewide Total</b>	<b>559</b>	<b>35</b>	<b>6.3 %</b>

As Figure 5.1 shows, the level of utilization among the five regions is relatively similar, with the exception of Southwest region. In the regions with low courtesy visit utilization rates, we are concerned that caseworkers may not be as productive as possible if they have to drive significant distances each month to visit clients. In Northern region for example, we identified 10 cases that were located in Iron, Sanpete, Sevier, or Washington counties in Southwest region. According to DCFS reports, only two of the cases have a courtesy worker visit arrangement in place. Therefore, the rest of these employees must drive down south once per month to conduct mandatory visits.

As we talked with DCFS personnel about the practice, it was clear that personal preference played a significant role in deciding whether to utilize a courtesy worker. One region director told us that the region believes that the added cost and caseworker time brings much-needed consistency and quality to each child’s case. For example, she thought the additional \$100 for a hotel room for a worker to travel from Logan to St. George to visit a child seemed appropriate. However, we question the necessity of these costs as well as the wasted time caseworkers spend driving, which could be spent on more productive activities.

In our prior audit, we raised concerns about the limited use of courtesy worker visits. In the division’s response, it agreed that “the policy on courtesy supervision needs to be highlighted” and that “workload savings would come from travel time.” Unfortunately, the number of courtesy workers has shown almost no increase, rising from 32 of about 2,000 total cases in fiscal year 2002 to 35 of 2,836 cases

---

**Only six percent of cases with children living in another region have a courtesy worker assigned.**

---



---

**The number of courtesy worker visits is about the same as in our 2002 audit.**

---

in the first quarter of fiscal year 2011. Courtesy visits need to become the standard for long-distance placements with exceptions from courtesy worker visits granted on a case-by-case basis. We found the opposite practice is in place, requiring more drive time, which takes the caseworker away from more productive activities.

### **Mobile Technology Would Make Workers More Productive**

The division has not followed through on its response to our prior audit that it would implement and promote mobile technologies that would enable caseworkers to be more productive for greater portions of the day. Caseworkers spend significant portions of their time documenting case activities. Caseworkers could be more productive if DCFS regions would use technology that would allow caseworkers to perform documentation without coming to the office.

In 2002, our office recommended that DCFS increase caseworker productivity by enhancing its transcription service and providing laptop computers for caseworkers. Division management supported the recommendations and acknowledged that laptop computers were expensive, but “the outlook is hopeful in that [DCFS is] finding the costs of such tools is starting to be within our reach.”

Unfortunately, DCFS has implemented limited amounts of technology to make its caseworkers more mobile. Though the division has had a transcription service for 14 years, only 53 workers in the division use it. One benefit of the transcription service is that employees can dictate their activities over the phone while in the field, and the service generates a written log for them. Multiple reasons cited for the low usage of the service include initial service problems, personal preferences, and workers who have not tried the service. While use of the service should not be mandatory, regions need to promote the service since it can enhance worker mobility.

Utilization of laptops has also been limited in some regions in DCFS. In one region, three employees who were waiting for a court hearing said that they have access to laptops but did not bring them. In another region, the use of laptops by caseworkers has not been implemented at all. Some caseworkers resorted to buying their own laptops and transferring their logs onto their work machines when they return to the office.

---

**Only 53 DCFS employees use the transcription service to dictate case activities while in the field.**

---

---

**Without laptop computers, employees must document activities at their DCFS office.**

---

According to a 2007 division workload study, the percent of time a caseworker spends documenting activities varies by case type:

- Child Protective Services (CPS) caseworkers spend 26 percent
- Home-Based caseworkers spend 17 percent
- Out-of-Home caseworkers spend 15 percent

During our rides with caseworkers, we found that caseworkers have periods of the day when productivity is minimal, such as waiting for court or driving back to the office to document activities. If caseworkers were using technology that would enable them to be productive in the field, then waiting time could be more productive and travel back to the office could be reduced.

Six caseworkers we interviewed said they frequently wait for extended periods of time for cases to be heard by the judge. Three of these caseworkers told us they average five court hearings per month. These workers said that they use the waiting time to talk to clients and other caseworkers, but much of their time is still unproductive. Without laptops, two workers we went with drove back to the office throughout the day to document activities. We repeat the prior audit's recommendations that the division needs to implement division wide technologies that will make caseworkers more productive while in the field.

### **Caseworker Office Space Should Be Reduced**

DCFS pays too much for leased space because caseworkers and some support service personnel are unnecessarily provided with private offices. DCFS failed to update its facility needs with the Division of Facilities Construction and Management (DFCM), allowing the practice to continue. The Legislative Fiscal Analyst's Office identified similar concerns with overusing private offices. Our limited review of facility usage in the Salt Lake Valley region found that space needs could be reduced about 12 percent by implementing appropriate space standards for caseworkers.

DCFS' practice has been to provide private offices to caseworkers and some support personnel, but DCFM guidelines specify that private office space should be provided when workers typically conduct confidential interviews. Most confidential interviews

---

**Caseworkers spend a significant portion of their day documenting case activities.**

---

---

**Caseworkers could better use some of their time, such as waiting in court, to document their cases.**

---

conducted by DCFS caseworkers take place in client homes or during team meetings held in division conference rooms. Rarely do these conversations take place in worker offices. Private offices for DCFS caseworkers were originally granted in 1995 when the Department of Human Services made a private office request for Family Support workers who spent approximately three hours per day interviewing visitors in their offices. As discussed earlier, now interviews are conducted in client homes. Therefore, private offices do not appear to be necessary.

**DCFS should explore alternatives to providing private offices for its caseworkers.**

The Legislative Fiscal Analyst’s Office also reported the excessive space guidelines in November 2010 during their in-depth budget review of the Department of Human Services. The analysts recommended that the division explore alternatives to the current practice of providing private offices for individual caseworkers.

For fiscal year 2010, the Department of Human Services reported that the Division leases 231,582 square feet of space in 33 locations throughout the state, costing \$4,082,341 per year or an average of \$17.63 per square foot. We reviewed two leases in the Salt Lake area containing 27,168 square feet, of which a significant part of the space is private office space for caseworkers and support staff. The following figure shows the amount of space that single caseworkers and support workers occupy at the two locations.

**Figure 5.2 Space Occupied by Single Caseworker and Support Worker Offices.** This figure shows the lease space consumed by providing private offices to employees that do not meet DFCM standards.

	<b>Building A</b>	<b>Building B</b>	<b>TOTAL</b>
Caseworker Offices	22	29	51
Support Offices	9	4	13
<b>Total Offices</b>	<b>31</b>	<b>33</b>	<b>64</b>
Square Feet per Office	104	110	
<b>Total Square Feet</b>	<b>3,224</b>	<b>3,630</b>	<b>6,854</b>

**Eliminating private offices for caseworkers could eventually reduce lease requirements by 12 percent**

Figure 5.2 shows that offices occupied by single caseworkers or support workers account for 6,854 square feet. If caseworkers and support workers were two to an office, 3,427 square feet of these buildings’ 27,168 total square feet of lease space could be reduced, which is about a 12 percent reduction. If a similar 12 percent

reduction in space needs were realized throughout the division, total savings would amount to almost \$500,000 per year when all DCFS leases are renewed. Until these leases come up for renewal, we support the Legislative Fiscal analyst's recommendation that the division begin preparing now in order to realize these savings when their leases are renewed.

## **Different Region Practices Make Average Caseload Calculations Unreliable**

Less than half of all employees in DCFS regions dedicate all of their time completing casework, which is the core function of DCFS. We are concerned with the different approaches that regions take to staff cases and believe that region practices need to be more fully reviewed. The assumptions the division uses to calculate average caseloads are concerning because they may distort what the division reports as actual caseloads. The division needs to ensure that average caseload calculations are correct, since the division and Legislature rely on them to address caseworker staffing needs.

### **Regions Assign Casework Activities Differently**

Regions have assigned full caseloads to 40 percent of their employees, which seems low considering that casework is one of the core functions regions provide. We found that 12 percent of cases are not completed by workers with full caseloads, such as new caseworkers and trainers. DCFS staff made us aware that other employees in the regions have the same job titles as caseworkers but do not perform casework. Regions are also using assistant caseworkers to different extents, which impacts caseloads reported by the regions. All of these differences in the way regions assign casework justify the need for the division or our office to review how regions are using their human resources.

According to DCFS records, only 370 of the 933 region employees carry a full caseload. These caseloads consist of CPS, in-home, and out-of-home cases, and DCFS has decided that a full caseload consists of eight or more cases. Considering that these three types of cases are the core of what DCFS does, we question why the

---

**Region practices make identifying how many employees are doing casework difficult.**

---

---

**Only 40 percent of all DCFS employees in region offices carry a full caseload of at least eight cases.**

---

**New caseworkers and other employees with small caseloads are not included in DCFS' average caseload calculation.**

regions have only 40 percent of their employees devoting the majority of their time to casework in core areas.

Caseworkers with a full load are assigned to 88 percent of total cases. The remaining 12 percent of cases are staffed by other employees whose primary focus is not casework. Therefore, they are not included in the average caseload calculation. These employees with a partial load include new caseworkers, who are not supposed to have a full load for the first six months of employment, as well as other staff, such as one training manager who was staffing five cases. Since some staff, such as this trainer, are staffing cases, we are concerned whether other staff are partially staffing cases and what other functions they may perform for the division.

We also found that employees with the same job titles as caseworkers are not performing casework. DCFS caseworkers are classified by the Department of Human Resource Management under the following four job titles and account for 483 full-time equivalent (FTE) caseworkers.

**Figure 5.3 FTEs with Caseworker Job Titles Working for DCFS.** This figure shows the five regions' supervisor and caseworker FTEs at the end of the first quarter of fiscal year 2010. A part-time employee was treated as .5 of an FTE.

<b>Caseworker Job Titles</b>	<b>Full-Time</b>	<b>Part-Time</b>	<b>FTE Count</b>
Social Service Worker	317	28	331.0
Caseworker I	77	7	80.5
Caseworker Specialist	40	10	45.0
Social Worker	26	1	26.5
<b>Total Caseworker FTEs</b>	<b>460</b>	<b>46</b>	<b>483.0</b>

**Job titles assigned to caseworkers are also used for employees without a caseload; therefore, identifying caseworkers is difficult.**

Not all of the 483 FTEs are focused on core casework. DCFS staff said that some of these employees are resource family consultants, court liaisons, domestic violence staff, for example, who perform other job functions within the division. Greater insight into the duties these employees perform, as well as those who perform limited casework, would be beneficial to assess how well regions are utilizing their staff. Due to time constraints, we were not able to do a full analysis on this area and recommend that either the division or our office evaluate how regions are using their employees to complete core casework.

Another staffing practice that impacts the way cases are assigned to workers is regional use of assistant caseworkers. Assistant caseworkers perform basic tasks on cases so that the primary caseworker can focus on more specialized tasks. We found that the regions use these assistants to different degrees. For example, Salt Lake Valley region has limited its use of assistants, using the funding to pay for additional regular caseworkers. In contrast, Northern region relies heavily on assistants. As a result, we see different average caseloads for these two divisions. Salt Lake Valley's average caseload in October 2010 was 13.8, whereas Northern region's average was much higher at 15.4 because it has fewer caseworkers and more assistants. Considering the regions' different uses of assistants as well as part-time caseworkers, the division must make various assumptions to calculate average caseloads; however, we question whether the division's assumptions accurately address these complexities.

### **DCFS' Average Caseload Calculation Is Based on Questionable Assumptions**

The division calculates average caseloads using assumptions that we question. First, the division excludes all workers with caseloads fewer than eight, creating a "floor" that the average cannot go below. Second, lead workers are treated as a half an FTE, which artificially inflates their caseloads. Since the division uses its average caseload calculation and these assumptions to justify its requests for additional staff, it needs to adjust its assumptions and ensure its average caseload calculation is accurate.

At the end of each quarter, the division's reports average caseloads by case type. To make these calculations, the division makes the following adjustments to the data because of differences in employee workloads for caseworkers, lead workers, and supervisors:

Cases for supervisors are included as are cases for lead workers. However, supervisors are not included in the caseworker count and lead workers are counted as ½ caseworker. Except for family preservation workers, caseworkers with less than 8 cases are not included.

Using this methodology, low caseloads are omitted, lead worker caseloads are inflated, and the resulting average represents a portion of the entire caseworker population.

---

**Some regions rely heavily on caseworker assistants while others do not.**

---

---

**DCFS' average caseload calculation excludes some FTEs and cases and only reports a portion of the division's casework.**

---

---

**All caseworkers with a caseload less than eight are excluded from the average caseload calculation.**

---

---

**DCFS counts lead workers as half an FTE, which inflates their calculated caseload to 27.**

---

Our primary concern with this methodology is that caseworkers with caseloads lower than eight are omitted. The division told us that this assumption is used to exclude new employees with small caseloads. However, we think that the purpose of reporting an average is to allow seasoned caseworkers with high caseloads to compensate for new employees who are less productive. Omitting caseworkers with caseloads of seven or less creates an artificial floor for the average, resulting in an average caseload for workers with caseloads greater than seven rather than the population.

We are also concerned about counting lead workers as half of an FTE because it artificially inflates the caseload for these employees. The division makes this adjustment because they claim that lead workers have responsibilities beyond casework, so their caseloads are lower and therefore an FTE adjustment is necessary. Our review of lead worker caseloads, however, did not support this claim. Average caseload data we reviewed showed 257 cases assigned to 19 lead workers for an actual average caseload of 13.5, which is about average. Treating these employees as a half FTE reports them as 9.5 FTE with an average case load of 27, significantly inflating lead workers' caseloads.

Each year, DCFS submits a staffing request to the Legislature based on this average caseload calculation. In its staffing request for fiscal year 2011, the division compared its average caseload calculation against caseload standards approved by the Legislature. The following figure shows these comparisons.

**Figure 5.4 DCFS’ Average Caseloads Reported to the Legislature.**

This figure shows caseloads reported by the division as well as Legislative standards for most DCFS case types. The high caseloads for Out-of-Home and Family Preservation were the division’s justification for additional FTEs.

<b>Case Type</b>	<b>Average Caseload</b>	<b>Legislative Standard</b>
CPS	12.3	15
Out-of-Home	13.1	12
In-Home	12.4	15
Family Preservation	8.1	4
Generalist	12.3	15

As Figure 5.4 shows, the division reports that it is overstaffed for CPS, In-Home, and Generalists but is understaffed for its Out-of-Home and Family Preservation cases. Overall, the division reported that they were understaffed and needed 6.2 additional FTEs to meet their staffing standards. However, we question whether these average caseloads are accurate because of the problems caused by DCFS’ assumptions.

As discussed, the assumptions used by DCFS to calculate an average caseload for caseworkers may misrepresent actual caseloads. DCFS and the Legislature rely on this information to make decisions about the division’s staffing levels. These averages are unreliable, and DCFS needs to correct its methodology to calculate average caseloads and ensure that this new methodology reflects actual caseworker experiences.

**Recommendations**

1. We recommend that DCFS make courtesy worker visits the standard for clients in inter-region placements rather than the exception.
2. We recommend that DCFS further implement technologies such as the transcription service and portable laptops to enhance caseworker mobility.

**DCFS uses its average caseload calculation to request additional funding from the Legislature; therefore, its assumptions need to be correct.**

3. We recommend that DCFS work with the Division of Facilities Construction and Management to reevaluate space standards for future building needs.
4. We recommend that the Legislature require the Legislative Auditor General's Office or DCFS perform an in-depth review of staffing practices among the division's five regions.
5. We recommend that DCFS modify the way it calculates average caseloads and ensure new assumptions reflect actual caseworker experiences.

## **Chapter VI**

# **Adoption Assistance Program Needs Better Fiscal Controls**

The five regions within the Division of Child and Family Services (DCFS) have recently tightened their practices regarding monthly adoption subsidies to accommodate required budget cuts in fiscal year 2010. Standards governing monthly adoption subsidies have been so flexible that inconsistent practices have developed among DCFS regions and should be strengthened. We also found that the division needs to implement better methodologies for justifying funding increases from the Legislature for the adoption subsidy program, as well as allocating that funding among its regions. Regions are inequitably funded for adoption assistance, which is impacting adoption metrics.

In 2001, our office released a report titled *Utah's Adoption Assistance Program* which found that division controls over the adoption subsidy program were inadequate. The report found large differences in the amount of assistance paid by the regions. The audit recommended that the division strengthen its financial controls by clarifying rules and procedures regarding monthly subsidies. This review found similar discrepancies still existing among the regions; we reiterate that the division should strengthen policies.

### **Adoption Subsidy Standards Should Be Strengthened**

Due to budget reductions, DCFS regions are applying greater scrutiny to monthly adoption subsidy requests, which has reduced the frequency and size of monthly adoption subsidies awarded to new adoptions. Division standards governing this process appear to be too vague and should be strengthened to add more consistency among DCFS regions.

The Legislature has embraced adoption subsidies as a tool to help eliminate barriers stemming from a child's special needs that may impair the child's ability to be adopted. Special needs are the key qualifying factor for a monthly subsidy from the division. Statute

---

**Inconsistent adoption subsidies and insufficient fiscal controls were also identified in our 2002 audit.**

---

**Monthly adoption subsidies are intended to address a child's special needs not covered by Medicaid.**

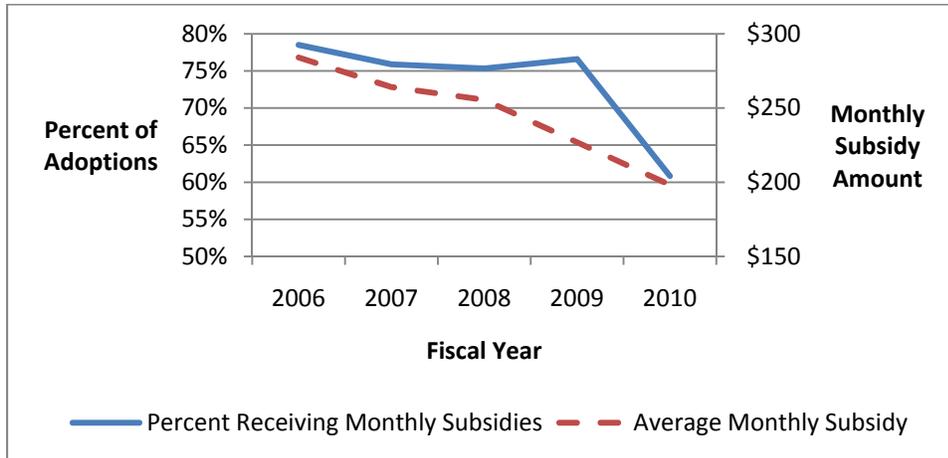
specifies that a child who is five years of age or older, has a physical, emotional, or mental disability, or is a member of a sibling group be designated as having a special need. A child who meets one or more of these criteria may qualify for a subsidy but is not guaranteed a subsidy. Instead, an adoption subsidy committee in each region evaluates each request and decides when a subsidy is justified after assessing the family's ability to meet those needs. Most adoptive children receive a Medicaid card to address medical needs, so these subsidies are intended to address any additional needs that the child may have. This section assesses whether the division's standards are adequate to ensure consistent division-wide practices.

### **Budget Reductions Changed Division Subsidy Practices**

DCFS has been more lenient in the past regarding how many adoptions receive monthly subsidies as well as the amount of subsidies awarded. In fiscal year 2010, the frequency and amount of statewide adoption subsidies decreased, corresponding with the timing of budget cuts the program received. Regions responded to the reduced funding by changing the way they apply division standards and scrutinizing adoption subsidy requests more thoroughly.

In the past, the percent and amount of adoption subsidies has been much higher than seen in fiscal year 2010. The following figure shows how these two metrics have changed over the past five years.

**Figure 6.1 The Frequency and Size of Monthly Subsidies for New Adoptions Have Declined.** Changes in DCFS funding reduced the percent of new adoptions receiving monthly subsidies from 77 percent to 61 percent in fiscal years 2009 and 2010 respectively.

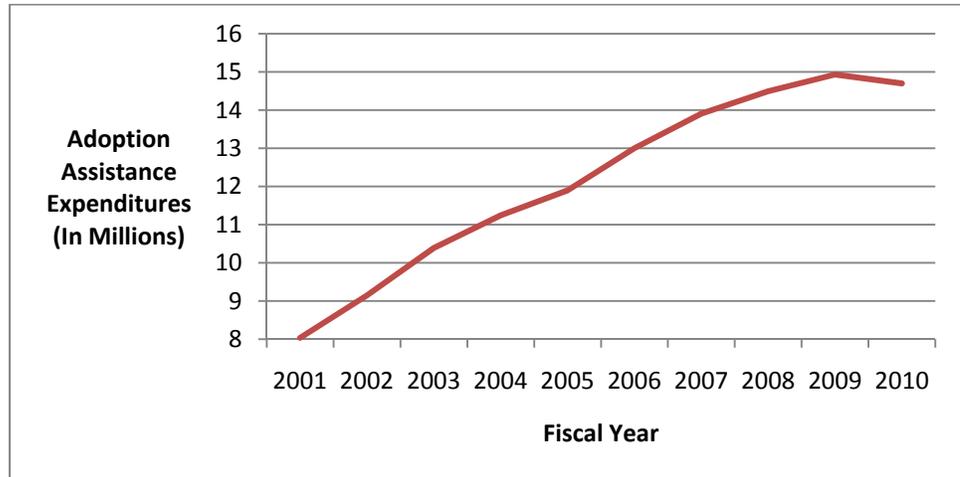


Until fiscal year 2010, DCFS awarded monthly adoption subsidies to over 75 percent of all new adoptions. In addition, the average size of those subsidies was over \$250 per month, amounting to over \$3,000 annually. In fiscal year 2010, the percent of adoptions receiving subsidies declined to 61 percent, and the average size of subsidies also reduced to about \$200 per month, or \$2,400 annually. These reductions in fiscal year 2010 correspond with the only budget cut the program has incurred over the past 10 years.

Over the past decade, the amount of adoption assistance provided by the division has increased steadily. As the following figure shows, annual expenditures have increased by nearly \$750,000 per year until fiscal year 2010.

**The frequency and size of monthly adoption subsidies reduced significantly in fiscal year 2010 due to budget reductions.**

**Figure 6.2 Adoption Assistance Expenditures Increased until Fiscal Year 2010.** Annual expenditures for adoption assistance have grown steadily from \$8,036,735 to \$14,697,963 in fiscal years 2001 and 2010, respectively.



Annual requests from the division for additional adoption assistance funding increases were based on the division’s claim that the number of new adoptions outpaced the number of children turning 18 and no longer receiving a monthly subsidy. As a result, additional funding was required to provide assistance for the additional new adoptions. In response to the fiscal year 2010 budget cuts, the division awarded fewer and smaller monthly subsidies.

**Budget cuts in fiscal year 2010 caused DCFS regions to increase their scrutiny over which adoptions receive subsidies.**

DCFS regions made changes to deal with the new funding levels. For example, the Northern region restructured the makeup of its adoption subsidy committee to infuse more financial accountability. In the past, the region staffed the committee with resource family consultants whose main objective was to take care of the needs of families and awarded subsidies with inadequate regard for fiscal impacts. Now the committee consists of the associate regional director and finance manager. The associate region director told us that the new mix of committee members has injected much needed financial accountability to their process.

We acknowledge that these regions are implementing changes that make their committees more fiscally responsible. However, we are concerned that monthly adoption subsidies awarded in the past were lacking adequate fiscal prudence, which appears to be happening since the division received its budget cuts. As a result, we are concerned

that some adoption subsidies awarded in the past may not have been prudent. Also, the division's standards are not strong enough to ensure consistent awards over time and among its regions.

### **Division Standards Need to Ensure Consistent Practices**

DCFS has established a set of standards designed to assess a child's needs and consistently award a monthly subsidy. However, the five DCFS regions have applied these standards differently, resulting in different frequency and size of monthly adoption subsidies. These inter-region differences, as well as the division-wide changes in fiscal year 2010, demonstrate the need for stronger standards that ensure consistency.

The division has developed standards in *Administrative Rule* that adoption subsidy committees should use when awarding subsidies. These standards attempt to assign a child's special needs into one of three tiers. The following are the general descriptions assigned to each tier:

- Level 1: Applies to a child with a minimal number and severity of needs. It is expected that most of these issues will improve with time and significant improvement may be anticipated over the course of the adoption.
- Level 2: Applies to a child with a moderate number and severity of needs. It is expected that a number of these issues are long-term in nature, and the adoptive family and child will be working with them over the course of the adoption, and some may intensify or worsen if not managed carefully. Outside provider support will probably continue to be needed during the course of the adoption.
- Level 3: Applies to a child with a significant number or high severity of needs. It is expected that these issues will not moderate and may become more severe over time. The child's level of need may at some time require personal attendant care or specialized care outside of the home, when prescribed by a professional.

---

**Administrative rules outline criteria to assess the severity of a child's special needs.**

---

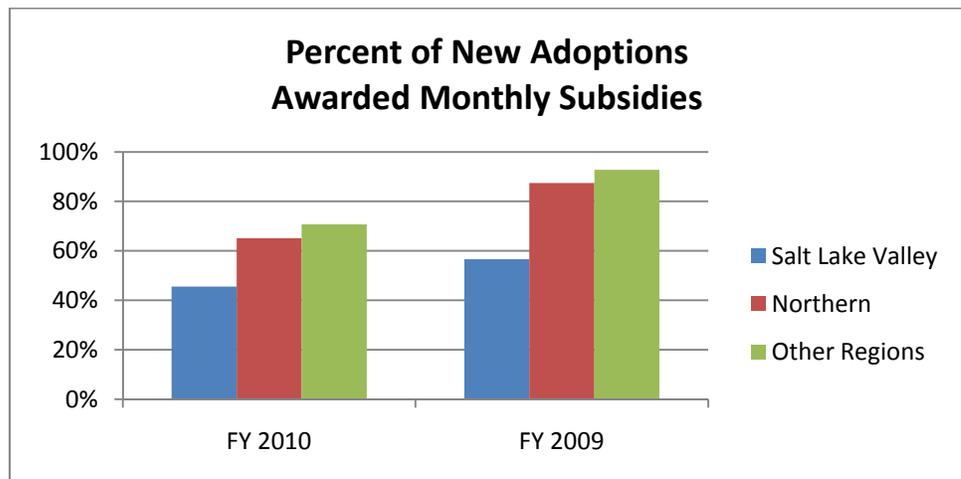
**DCFS special need standards have remained consistent; however, regions have changed the amount of subsidies they award.**

**Although regions rely on the same subsidy ranges, the frequency and size of their awards are different.**

Once a child's needs are assessed and assigned to a tier, a dollar value is selected within a range set aside for each tier. These definitions have been consistent over time for the division. When the budget for adoption assistance was reduced in 2010, the standards did not change to specify which needs would no longer receive assistance. Regions instead made unilateral decisions how they would change their practices. As a result, differences among regions occur regarding the way subsidies are awarded.

While all regions use the same adoption subsidy scale, regions do have latitude to assign a value within a given range, which raises concerns. The process appears to give too much latitude to regions because the five regions award monthly subsidies with different frequency and size, as shown in the following figure. Salt Lake Valley and Northern region are shown separately, because they each had nearly 200 adoptions per year in fiscal year 2010. The other three regions were grouped together because collectively their number of adoptions is similar to the Salt Lake Valley and Northern regions.

**Figure 6.3. Percent of New Adoptions Awarded Monthly Subsidies.** This chart shows the percent of all new adoptions during a fiscal year that were awarded a monthly subsidy.



As Figure 6.3 shows, the percent of adoptions receiving subsidies in Salt Lake Valley is much below the other regions. In fiscal year 2010, Salt Lake Valley awarded subsidies to 46 percent of its adoptions while the Northern and all other regions awarded subsidies at 65 and 71 percent, respectively. While regions made significant reductions

from 2009 to 2010 as a result of budget reductions, differences among the regions still exist.

In addition to frequency, the size of subsidies was also higher in regions other than Salt Lake Valley. The following figure shows the average monthly subsidy awarded.

**Figure 6.4. Average Monthly Subsidy Amount for New Adoptions.** For each fiscal year, the average monthly subsidy is lower in Salt Lake Valley Region. Adoptions that did not receive a subsidy were not included in the averages.

Region	2008	2009	2010
Salt Lake Valley	\$ 215.99	\$ 170.78	\$ 135.16
Northern	280.42	270.91	216.58
Other Regions	273.99	224.62	219.35

Again, figure 6.4 shows that the overall subsidy trend has been downward, especially once budget cuts took effect. However, the discrepancy between Salt Lake Valley and the other regions is quite significant in fiscal year 2010. Assuming that adoptive children throughout the state have similar occurrences of special needs, then the size difference in adoption subsidies shows regions are applying division standards differently when evaluating children’s special needs.

Standards governing how much funding a child’s needs require should be strengthened. Existing standards allow for a variety of subsidy amounts depending on each region’s assessment. For example, a 10-year-old child with moderate level two needs could be awarded a monthly subsidy ranging from \$336 to \$586 per month, depending on a region’s assessment and how much region funding is available. Differences in region funding, which will be discussed later in this chapter, help explain these differences. Nonetheless, stronger standards need to be developed that ensure children with the same special needs receive equitable treatment among the five regions.

## Funding Practices Need New Methodologies

DCFS provided the Legislature with a building block request for fiscal year 2011 that would increase funding. However, the request is

**Budget cuts in fiscal year 2010 accelerated the rate that regions were reducing average monthly subsidy amounts.**

**DCFS needs to strengthen its subsidy standards to provide consistent awards among its five regions.**

based on outdated funding amounts and overstated requirements and does not contain enough data to demonstrate whether adoptions are being disrupted due to a lack of adoption subsidies. The division's methodology for distributing appropriations among its five regions has created funding inequalities. The division should award these funds to promote the specific performance it desires from its adoption program.

### **Funding Needs for Adoption Assistance Appear to Be Overstated**

We are concerned with some of the claims made in DCFS' building block requests for its adoption subsidy program. The division asked the Legislature to fund new adoption subsidies according to historical averages, which are higher than subsidies in fiscal year 2010. In addition, the division incorrectly states that the state is *required* to provide adoption subsidies to all children with special needs. Given the inconsistent practices discussed earlier in this chapter, we think the division should justify increases in subsidy amounts by supplying data showing increasing disruption rates due to inadequate adoption assistance.

---

**DCFS requests for additional adoption assistance funding are based on higher historical awards rather than their recent lower amounts.**

---

For fiscal year 2011, the division requested \$1,521,700 in additional funding from the Legislature for its adoption subsidy program. It determined the additional funding required using historical average subsidies of about \$3,500 per year or \$290 per month. The last time the division awarded monthly subsidies at this level was in 2006, when the average was \$284. We think the division should be assuming levels closer to its existing practices. In fiscal year 2010, the average adoption subsidy was about \$2,400 per year or \$198 per month. As was mentioned earlier in this chapter, members of adoption subsidy committees acknowledge that their practices have changed and become more fiscally responsible. Requests based on past practices lacking this fiscal responsibility seem imprudent.

Another concern we noted in the division's fiscal year 2011 request was the assertion that statute requires the division to award subsidies to children with special needs. Specifically, their request states, "Section 62A-4a-901 through 907 *requires* the State to provide adoption subsidies for special needs children adopted through the Division." To the contrary, statute gives the division the option to award subsidies. *Utah Code* 62A-4a-904(1)(b) says, "[The Division of

Child and Family Services] may provide for monthly subsidies for an eligible child who has a special need.” Clearly, statute does not make subsidies mandatory. Division practices also support the optional awarding of subsidies. For example, all children ages 5 to 17 are classified in statute as having a special need. In fiscal year 2010, 25 percent of children in this age group received no adoption subsidies.

Earlier in this chapter, we concluded that the division has been inconsistent in determining whether a child’s needs justify a monthly subsidy. One important question is whether the division’s new funding levels are sufficient, which could be assessed with trends in the rate of disrupted adoptions. Specifically, disruption rates need to report cases where children are returned to state custody because the amount of adoption subsidies was insufficient to address a child’s special needs. The division reports a single year’s adoption disruption rate in its building block request but does not specify whether the disrupted adoptions were due to insufficient assistance. If the division’s tighter fiscal policies are detrimental to the adoption program’s success, the division should be able to show increases in the disruption rate over time and justify increases in funding per adoption. Therefore, we recommend that DCFS begin reporting the trend of this performance metric over time.

### **Funding Differences Affect the Way Regions Award Subsidies**

Each of DCFS’ five regions receives different amounts of funding for adoption subsidies. The division allocates adoption assistance funding to its five regions according to prior year funding levels rather than using performance metrics. However, the allocation of assistance resources for new adoptions should be more directly tied to each region’s number of adoptions rather than prior funding levels.

Each year, DCFS regions are given a block of funding for both existing monthly adoption subsidy contracts and assistance for new adoptions. Figure 6.5 shows the amount of funding each region received and the total number of adoptions under the region’s supervision at fiscal year 2010’s end.

---

**DCFS claims they must award subsidies to all children with special needs, but statute and DCFS policy make this assistance optional.**

---

---

**Trends showing the number of disrupted adoptions would help assess the adequacy of funding amounts.**

---

**Figure 6.5 Assistance Cost per Adoption Case Varied Widely Among Regions.** Each region's total adoption assistance expenditures are shown and expressed as an amount per adoption case. The costs include new and existing contracts.

Region	FY 2010 Expenditures	Adoptions	Cost per Adoption
Western	\$ 2,432,655	699	\$ 3,480
Northern	4,630,493	1,365	3,392
Eastern	873,587	262	3,334
Southwest	1,112,807	384	2,898
Salt Lake Valley	5,648,421	2,397	2,356
<b>Statewide</b>	<b>\$ 14,697,963</b>	<b>5,107</b>	<b>\$ 2,878</b>

Some regions spend about \$1,000 more per adoption giving monthly assistance than other regions.

As the figure shows, the funding per adoption for each region differs by as much as \$1,000 between the Salt Lake Valley and Northern, Western, and Eastern regions. Existing subsidies awarded by regions in prior years account for about 94 percent of these expenditures. Therefore, these differences among regions are mostly caused by the regions' prior activities, but new adoptions also show funding differences. Figure 6.6 shows the assistance awarded to new adoptions in fiscal year 2010, which still shows large differences in the amount of financial assistance awarded by the regions.

**Figure 6.6 The Cost per New Adoption Varies Widely Among Regions and Creates Inequities.** The wide variation in the cost per new adoption among regions is the product of two factors: differences in the percent of new adoptions awarded subsidies (illustrated in Figure 6.3) and differences in the average subsidy amounts (illustrated in Figure 6.4).

Region	Annualized Subsidy Costs	All New Adoptions	Cost per New Adoption
Western	\$ 215,712	93	\$ 2,319
Eastern	78,420	40	1,961
Northern	319,668	189	1,691
Southwest	105,960	82	1,292
Salt Lake Valley	141,108	191	739
<b>Statewide</b>	<b>\$ 860,868</b>	<b>595</b>	<b>\$ 1,447</b>

Regions awarded significantly different amounts of monthly subsidies for new adoptions in fiscal year 2010.

The figure shows that the Salt Lake Valley region awarded less than half the value of adoption subsidies as the Northern region did, yet both regions had about the same number of adoptions. Funding differences to the extent shown above help create the differences in the

size and frequency of adoption subsidies discussed earlier in the chapter and shown in Figures 6.3 and 6.4.

Staff at the division told us that their practice has been to award new fiscal year funding based on last year's amount. We believe that the division needs to adjust its allocation methodology to more closely align funding with performance metrics. Specifically, the funding model needs to honor existing contracts while equalizing the funding available for each region's new adoption subsidies.

---

**DCFS has been allocating funds to its regions according to prior allocations rather than changes in their adoption metrics.**

---

## Recommendations

1. We recommend that DCFS strengthen adoption subsidy policies to more specifically designate which special needs and circumstances should receive specific monthly adoption subsidy amounts.
2. We recommend that DCFS utilize more recent average cost data when requesting additional funding for its adoption subsidy program from the Legislature.
3. We recommend that DCFS report annually to the Legislature on historical trends in the percent of adoptions that are disrupted, and whether the cause of those disruptions was insufficient adoption subsidy assistance.
4. We recommend that DCFS equalize adoption assistance funding among its five regions according to performance metrics that support its adoption program objectives.

**This Page Left Blank Intentionally**

## **Appendix**

**This Page Left Blank Intentionally**

## Appendix A

### Annie E. Casey Foundation’s “Systemic Levers of Change”

<i>System Levers of</i>	<i>Actions</i>
Composition of Services	<ul style="list-style-type: none"> <li>• Reduce congregate beds</li> <li>• Increase community foster homes</li> <li>• Increase community-based services</li> <li>• Increase use of kinship placements for children</li> </ul>
Front-line practice	<ul style="list-style-type: none"> <li>• Engage young people in talking about their placement preferences</li> <li>• Increase engagement of parents and family</li> <li>• Identify potential kinship homes earlier</li> </ul>
Finance	<ul style="list-style-type: none"> <li>• Create financial disincentives for congregate care (e.g., require local contributions for institutional placements)</li> <li>• Redirect savings from decreased use of congregate care to community-based services</li> </ul>
Performance management	<ul style="list-style-type: none"> <li>• Use permanency and well-being outcomes to evaluate congregate care providers</li> <li>• Phase out contracts with providers that have poor performance</li> </ul>
Policy	<ul style="list-style-type: none"> <li>• Mandate family-based concurrent planning for all children and youth</li> <li>• Limit use of independent living as a case goal</li> <li>• Identify potential kinship homes earlier</li> <li>• Encourage youth to consider open adoption arrangements that permit birth-family contact</li> <li>• Require prior authorization and utilization reviews for entry into congregate care</li> </ul>

**This Page Left Blank Intentionally**

## **Agency Response**

**This Page Left Blank Intentionally**



State of Utah

GARY R. HERBERT  
*Governor*

GREG BELL  
*Lieutenant Governor*

## DEPARTMENT OF HUMAN SERVICES

PALMER DEPAULIS  
*Executive Director*

Division of Child and Family Services

BRENT PLATT  
*Director*

John M. Schaff, CIA, Auditor General  
Office of the Legislative Auditor General  
W315 Utah State Capital Complex  
PO Box 145315  
Salt Lake City, UT 84114-5315

Dear Mr. Schaff,

We would like to thank you and your staff for the time and resources involved in the Performance Audit #2011-02. The personnel of the Division of Child and Family Services (DCFS) appreciate the opportunity to provide feedback, ideas, and thoughts regarding our child welfare work. We also appreciate the opportunity to review the analysis and recommendations that you have provided.

We have been in the process of conducting informal and formal reviews within our agency and believe that the audit highlights some of the same focus areas that we have identified for modification or implementation. We plan to use the audit recommendations along with the Federal Program Improvement Plan (PIP) and other assessments to implement positive change and improvement within the Division of Child and Family Services.

We will respond to the Performance Audit by using the recommendations outlined in the report. The recommendations can be found under each chapter title that was listed within the audit.

### **Chapter II – Enhanced In-Home Services**

- 1. We recommend that DCFS select an in-home services model, train staff, and provide in-home services to families whose children are at risk of being removed from their home.**
  - We agree with this recommendation. Currently we have an in home workgroup that is already actively working on the development of a strong, in-home services model. This workgroup consists of the statewide leadership team, including regional directors, state administration, and caseworkers. In addition, DCFS has received approval to fill an In Home Administrator position to facilitate the development, implementation, and training of this model.

**2. We recommend that DCFS require all regions to implement the model and monitor regional use of the in-home model.**

- We agree with this recommendation. Once the model is developed, other structures and measures will be put in place to ensure that the services are implemented and maintained consistently statewide. In addition, we will monitor the use and outcomes of the in-home model through statistical data and reports.

**Chapter III - Foster Care Recommendations**

**1. We recommend that the Division of Child and Family Services determine strategies to provide lower cost alternatives to residential care by developing additional structured foster care homes.**

- We agree with this recommendation. DCFS will actively work with state and regional personnel and with the Utah Foster Care Foundation (UFCF) to seek additional structured foster homes. The regions will assist in identifying the homes that could receive the additional training from UFCF to become structured. DCFS has recently implemented the use of the Child and Adolescent Needs and Strengths assessment (CANS) that assesses the service needs of the child and determines the maximum level of placement. When the training was delivered to staff, trainers specified that a worker must first look at supportive wrap services for the child in the current placement and only moving the child as a last resort. The continued utilization of CANS may allow DCFS to provide lower cost alternatives to residential care.

**2. We recommend that the Division of Child and Family Services review the Utah Foster Care Foundation contract to ensure the contract is meeting each region's needs for foster homes.**

- We agree with this recommendation. The state office administrator overseeing contracts will review the current contract and meet with regional directors to assure that the contract is meeting the needs of the region. The terms of the contract may be reviewed and modified according to these needs.

**3. We recommend that the Division of Child and Family Services require and monitor that all regions complete the Permanency Utilization Reviews as required by policy.**

- We agree with this recommendation. DCFS will require quarterly Permanency Utilization Reviews in the regions. The state office will require a quarterly update from regional directors at the Statewide Leadership Team meeting to assure that the reviews are being completed in a timely and efficient manner.

**4. We recommend that the Division of Child and Family Services strengthen controls over contracts.**

- We agree with this recommendation. DCFS has begun an internal review of the state and regional contracts. The state office administrator overseeing contracts has developed a plan for contract improvement, in line with recent DHS recommendations. The plan includes the formation of a Division audit team, development of a risk-based audit model, greater separation of procurement and monitoring duties, consolidation of the number of contracts, and streamlining of contracting processes.
- 5. We recommend that the Division of Child and Family Services consider implementing the levers of change described in the Annie E. Casey Foundation report *Rightsizing Congregate Care* in order to reduce the use of expensive residential care.**
- We agree with the recommendation to obtain a copy of the Annie E. Casey Foundation report *Rightsizing Congregate Care*. DCFS will review this report and glean information from it that may inform us how to reduce expensive residential care.
- 6. We recommend that the Division of Child and Family Services reconsider its decision to not use the guardianship subsidies allowed by the Fostering Connections to Success and Increasing Adoptions Act of 2008.**
- We agree with this recommendation. DCFS has already made a decision to reconsider this. DCFS currently has a state employee researching the subsidized guardianship provisions of the Fostering Connections to Success and Increasing Adoptions Act of 2008. This employee will continue to gather information and present it to the State Leadership Team within the first quarter of this calendar year for review.

#### **Chapter IV - Intake Recommendations**

- 1. We recommend that the division continue efforts to centralize intake.**
- We agree with this recommendation. DCFS has spent the last year researching the concept of centralized intake. Consolidation of intake will provide for consistency, fiscal efficiency, and best practice while offering a service available 24 hours a day. A centralized intake workgroup was developed and is in the process of implementation. Centralized Intake is set to start July 2011.
- 2. We recommend that the division review the definitions of abuse and neglect in administrative rule to ensure they are consistent with statute.**
- We agree with this recommendation. A CPS Committee is in the process of reviewing definitions. DCFS is working with our legal counsel to redefine definitions and consolidate where appropriate. In addition, we are meeting with

legal counsel to review administrative rule, statute, and practice guidelines regarding definitions of abuse and neglect.

## **Chapter V - Caseworker Management Recommendations**

- 1. We recommend that the Division of Child and Family Services make courtesy worker visits the standard for clients in inter-region placements rather than the exception.**
  - We agree with this recommendation. DCFS will review our current practice involving the use of courtesy workers. We will develop criteria for the use of courtesy worker visits and require them according to the criteria statewide. We will consider the importance of a child having a consistent caseworker to develop a relationship with.
  
- 2. We recommend that the Division of Child and Family Services further implement technologies such as the transcription service and portable laptops to enhance caseworker mobility.**
  - We agree with this recommendation. The state office administrator overseeing finance is currently researching phones and a phone plan that will result in the consolidation of services for caseworkers including texting capabilities, email, and tethering to laptops that allows for wireless capabilities. In addition, Federal grant funding will be used to replace desktop computers with laptop computers statewide over time. DCFS will formalize an approach for increasing the use of transcription services, improving the quality of transcription services, and exploring other technological options that would save caseworker time.
  
- 3. We recommend that the Division of Child and Family Services work with the Division of Facilities Construction and Management to reevaluate space standards for future building needs.**
  - We agree with this recommendation. We will review current space standards with DFCM. As leases for current buildings expire, DCFS will reevaluate office space.
  
- 4. We recommend that the Legislature require the Legislative Auditor General's Office or the Division of Child and Family Services perform an in-depth review of staffing practices among the division's five regions.**
  - We agree with this recommendation. DCFS will conduct an internal review of staffing practices. If the Legislature requires the Auditor General's Office to conduct the review, we will welcome that.

**5. We recommend that the Division of Child and Family Services modify the way it calculates average caseloads and ensure new assumptions reflect actual caseworker experiences.**

- We agree with this recommendation. Our current method for tracking makes calculation of average caseloads complex. This is because some workers with caseworker titles may do functions other than casework, such as supporting foster families. Additionally, other qualified staff assigned to different duties, such as training, may pick up cases when resources are limited. DCFS will look into modifying how we track workers assigned specifically to casework as well as the proportion of staff devoted to casework.

**Chapter VI - Adoption Recommendations**

**1. We recommend that DCFS strengthen adoption subsidy policies to more specifically designate which special needs and circumstances should receive specific monthly adoption subsidies amounts.**

- We agree with this recommendation. DCFS will review the current form used for developing recommendations of funding levels for adoption subsidies and improve the descriptions associated with various tiers. DCFS will further review for the possibility of utilizing a different assessment for the determination of subsidy. DCFS will monitor for consistency by reviewing the average subsidy amounts for each region every 6 months at the Statewide Leadership Team meeting.

**2. We recommend that DCFS utilize more recent average cost data when requesting additional funding for its adoption subsidy program from the Legislature.**

- We agree with this recommendation. We agree that using the actual averages for those children adopted who received subsidies during the most recent year would be more accurate than the June average for all adoptions.

**3. We recommend that DCFS report annually to the Legislature on historical trends in the percent of adoptions that are disrupted and whether the cause of those disruptions was insufficient adoption subsidies.**

- We agree with this recommendation. DCFS currently reports historical trends in adoption in the form of the Annual Report. However, DCFS will look into the cause of these disruptions through a periodic hand pull of cases.

**4. We recommend that DCFS equalize adoption assistance funding among its five regions according to performance metrics that support its adoption program objectives.**

- We agree with this recommendation. DCFS will explore potential strategies for ensuring more consistent awarding of adoption assistance funding to the regions, such as the option of centralizing state subsidy to determine if this will affect overall consistency. In addition, the regions will report results to the Statewide Leadership Team every 6 months.

In conclusion, we wish to extend our appreciation of your thorough review of current practice, data, and efficiencies. DCFS is an agency that continues to strive for transparency, efficiency, and improvement. In our work with families and communities, we want to continue to provide services that will maintain children in their homes while protecting them from abuse, neglect, and dependency. We thank you for your time and energy in this Legislative Audit.

Sincerely,

A handwritten signature in black ink that reads "Brent Platt". The signature is written in a cursive, slightly slanted style.

Brent Platt  
Director, Division of Child and Family Services