

CHILD WELFARE SERVICES: A REVIEW OF  
THE EFFECT OF THE 1982 REFORMS ON ABUSED  
AND NEGLECTED CHILDREN AND THEIR FAMILIES

MAY 1985

85-13

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION.....	1
EXECUTIVE SUMMARY.....	3
CHAPTER I. SENATE BILL 14: REFORM OF CHILD WELFARE SERVICES.....	8
Impetus for SB 14--The Child Welfare Services Movement of the 1970s.....	8
Senate Bill 14 Incorporated the Reforms Suggested by the Child Welfare Reform Movement into State Law.....	12
Senate Bill 14 Redesigned the State's Child Welfare Services Delivery System to Help Implement the Reforms.....	15
Conclusion.....	17
Chapter I Footnotes.....	18
CHAPTER II. IMPLEMENTATION OF SB 14 TO DATE.....	19
Implementation of SB 14 Program Changes Has Been Incomplete.....	19
Potential Reasons for the Delay in Fully Implementing SB 14.....	22
Lack of Funding Does Not Completely Explain Implementation Problems.....	30
County Compliance Has Not Improved.....	34
For at Least Two SB 14 Programs, Compliance is Feasible at Current Funding Levels .....	34
Poor Compliance Could Have Adverse Programmatic and Fiscal Consequences.....	35
Conclusion--Prospects for Improving Compliance with SB 14.....	36

TABLE OF CONTENTS--contd

	<u>Page</u>
CHAPTER III. THE EFFECT OF SB 14 ON CHILDREN AND FAMILIES-- COMPARISON OF PROGRAM OUTCOMES BEFORE AND AFTER ENACTMENT OF SB 14.....	38
Foster Care Caseload Intakes and Terminations.....	38
Case Plan Goals for Foster Care Children.....	42
Time in Care and Placement.....	42
Type and Location of Placement.....	44
Conclusion.....	48
CHAPTER IV. THE EFFECT OF SB 14 ON CHILDREN AND FAMILIES-- DIFFERENCES AMONG THE COUNTIES.....	50
Emergency Response Program.....	50
Family Maintenance Program.....	52
Foster Care Program.....	54
Family Reunification Program.....	55
Permanent Placement Program.....	58
Conclusion.....	60
Footnotes to Chapter IV.....	62
CHAPTER V. IMPROVING THE EFFECTIVENESS OF CHILD WELFARE SERVICES.....	63
Child Welfare Services Performance Standards.....	63
Budgeting and Allocation System.....	66
Fiscal Incentives.....	70
APPENDIX A (A Bibliography of Child Welfare Services Reform Literature).....	74
APPENDIX B (Demographic Changes Since the Enactment of SB 14).....	76
APPENDIX C (Regression Analysis).....	82

## INTRODUCTION

Chapter 978, Statutes of 1982 (SB 14), restructured and expanded the child welfare system in California, in an effort to protect more effectively the welfare of children whose needs are not being met in their natural home environment. Specifically, Chapter 978 established four new child welfare service programs designed to:

1. Prevent unnecessary placement of abused and neglected children in foster care homes;
2. Reunite as many foster care children with their parents as possible;
3. Reduce the number of children in long-term foster care by finding adoptive homes or guardianship placements for children who cannot be reunited with their parents; and
4. Ensure stable and family-like placements for those children who remain in long-term care.

Chapter 978 also brought California into compliance with the Federal Adoption Assistance and Child Welfare Act of 1980 (PL 96-272), which was, itself, an outgrowth of the child welfare services reform movement in California and other states.

Chapter 978 also required the Legislative Analyst to report on the success of the new programs in meeting these objectives. This report is intended to satisfy that requirement.

In Chapter I, we describe the intent of SB 14 and the way in which the measure was intended to improve services to abused and neglected children and their families. In Chapter II, we describe the implementation of the measure. In Chapters III and IV we present our conclusions regarding the effect of SB 14 on children and families in California. The last chapter contains our recommendations for improving the effectiveness of the child welfare services program.

We would like to thank the Department of Social Services for its cooperation in providing much of the information contained in this report. We are especially indebted to Fred Schack, Lucilla Becerra, Claudia Alstrom, Bea Ryan, and Ray Bacon of the department's Statistical Services Branch for much of the statistical data used in the report.

This report was prepared by Michael Carlton Genest under the supervision of Hadley Johnson. The data entry required to prepare the report was done by Phillip Dyer. The report was typed by Tanya Elkins.

## EXECUTIVE SUMMARY

The four major goals of SB 14 are as follows: (1) to prevent unnecessary placement of abused and neglected children in foster care homes, (2) to reunite as many foster care children with their parents as possible, (3) to reduce the number of children in long-term foster care, and (4) to ensure stable and family-like placements for those children who remain in foster care. In order to accomplish these goals, SB 14 brought about two sets of changes: (1) legal changes (such as increasing the number of court reviews of foster care cases) and (2) program changes (such as expanding the kinds of services that the counties are required to provide to children and their families).

Our review reveals that the legal changes made by SB 14 have been fully implemented. We find, however, that the counties have experienced substantial delays in implementing the program changes brought about by the measure. One reason for these delays may be that the funding level provided for this program has been too low. Other factors which may explain the delay in implementing SB 14's program changes include resistance to the changes on the part of county managers and social workers and misunderstanding at the staff level of the requirements established by SB 14.

### Senate Bill 14 Has Had a Measurable Impact on Child Welfare Services

Despite the delay in implementing the program changes made by SB 14, the measure has had a substantial effect on child welfare services in California. Specifically, we have found that SB 14:

- Helped to slow the growth in new foster care cases. This is a significant accomplishment, given the dramatic increase in the number of abused children referred to the program; and
- Increased the number of foster care children that are reunited with their parents.

These, of course, are desirable trends. It is possible, however, that these accomplishments have been accompanied by an increase in reabuse of those children who were left with their parents or an increase in the number of children who were returned to foster care. From the data that is available, we have not been able to determine the extent to which this has occurred. Accordingly, we recommend that the Department of Justice report to the fiscal committees by October 1, 1985, on the feasibility of modifying the automated child abuse reporting system that it is developing pursuant to Ch 1613/84 so that the system will collect data on reabuse of children.

Other effects of SB 14 are less ambiguous. We have found that since the act took effect:

- Welfare departments more frequently have placed children in foster care homes located within the county responsible for the care of the child.
- Children have spent less time, on average, in foster care.
- There has been an increase in the length of time that a child spends in a single foster care placement (that is, there is less "drift" of children from one foster care placement to another).

There is Substantial Variation Among the Counties With Respect to Their Success in Achieving the Goals of SB 14

We found a great deal of variation among counties with respect to the success they have had in achieving the goals of SB 14. A variety of factors account for this disparity. Among them:

- Counties with higher-than-average social worker caseloads appear to provide services only for the most seriously abused children. Once a county begins providing services to a child, however, caseload size does not appear to affect the likelihood that the child will be removed from his or her parents and placed in foster care.
- Counties with higher-than-average social worker caseloads are slower to respond to reports of child abuse than counties with lower-than-average caseloads.
- Counties with higher-than-average social worker caseloads tend to discontinue services prematurely to children who are left with their parents after an abuse incident.
- Counties with more nonwhite children in their foster care caseloads tend to try less often to reunite children with their parents than do counties with a higher percentage of white children.
- In general, counties have assigned too many of their staff to supervise children in foster care and too few of their staff to provide services to abused children before they are placed in foster care.

## Further Improvements in Child Welfare Services are Possible

Based on our review, we believe that further improvements in California's child welfare services system are needed. Toward this end, we recommend that the Department of Social Services develop a child welfare services management system to improve the effectiveness of this program. The management system would have the following major components:

1. Program Performance Standards. We recommend the enactment of legislation requiring the department to develop specific numeric performance standards for each county in each of the four child welfare services programs. The standards would be based on the program goals established by SB 14. For example, in the Family Reunification program, each county would be expected to achieve a specific number of reunifications of foster care children with their parents. In Chapters III and IV, we identify 12 specific concerns that we recommend be addressed by the department in developing the performance standards.

2. Budgeting and Allocation System. We recommend the enactment of legislation requiring the department to develop workload standards (that is, cases per social worker) for each of the four SB 14 programs. We also recommend that the department annually reevaluate these standards in order to ensure their continued relevance.

3. Fiscal Incentives. We recommend the enactment of legislation designed to link, in part, each county's share of AFDC-foster care program costs to the county's performance in the child welfare services program.

We believe such linkage is justified because good performance in the delivery of child welfare services tends to decrease foster care program

costs, while poor performance tends to increase those costs. We also believe that fiscal incentives of this kind are needed in order to improve the county's management of the child welfare services programs.

In addition, we recommend that the Conference Committee on the 1985 Budget Bill adopt supplemental report language requiring the department to submit a report, by October 1, 1985, on its recommendations for addressing the following specific problems that are identified in this report: (1) "culling" of emergency response cases by counties, (2) failure by counties to respond promptly to reports of abuse, (3) premature or inappropriate termination of family maintenance services by counties, and (4) the extent to which the social worker/client contacts required in the department's regulations are necessary to achieve the goals of SB 14.

## CHAPTER I

### SENATE BILL 14: REFORM OF CHILD WELFARE SERVICES

Chapter 978, Statutes of 1982 (SB 14), made substantial changes in the Child Welfare Services System in California. The law established four new child welfare services (CWS) programs designed to:

1. Prevent unnecessary placement of abused and neglected children in foster care;
2. Reunite as many foster care children with their parents as possible;
3. Reduce the number of children in long-term foster care by finding adoptive homes or guardianship for children that cannot be reunited with their parents; and
4. Ensure stable and family-like placements for those children who remain in long-term care.

Senate Bill 14 also brought California into compliance with the Federal Adoption Assistance and Child Welfare Act of 1980 (PL 96-272), which was, itself, an outgrowth of the child welfare services reform movement in California and other states.

#### Impetus for SB 14--The Child Welfare Services Movement of the 1970s

The child welfare services reform movement, which led to the enactment of PL 96-272 and SB 14, began in the late 1960s and early 1970s. During that period, various child welfare service professionals called for a basic change in the goals and methods of the nation's foster care and

child welfare services systems.<sup>1</sup> Specifically, these professionals believed that:

- Too many children were removed from their parents with little or no effort made by the child welfare agency (in most cases, county or state governments) to keep the family intact.
- Once children were placed in foster care, not enough emphasis was given to providing the kinds of services that might facilitate the reunification of the children with their parents.
- Many children drifted from one foster care placement to another, with no long-term plan for their future and little likelihood that they would ever enjoy a stable, family-like placement.
- Too few of these long-term foster care children were seriously considered for adoption.

These child welfare professionals recommended a variety of changes to address these problems. Specifically, they called for:

- Stricter legal standards for determining when it is appropriate to remove a child from his/her home. Traditionally, the court in many jurisdictions could remove a child from its family if the court found that the removal was "in the best interest of the child." Several writers proposed stricter tests for removing the child from its family. For example, it was suggested that the child welfare agency demonstrate that (1) the child would be endangered if he/she continued to live in

the home and (2) it would not be possible to protect the child from this danger by providing in-home services to the child and parent.

- Time limits on family reunification. Traditionally, child welfare agencies frequently identified the reunification of the child with his/her family as the case plan goal, even after the child had been in foster care for several years. As a result, the agencies did not devote their resources to planning for the child's long-term stay in foster care or to placing the child in adoption or with a guardian. Several writers maintained that child welfare agencies should limit the length of time during which reunification was the case plan goal. These writers argued that such a limitation would reduce foster care "drift" (the aimless movement of children from one temporary placement to another).
- Written case plans and formal case reviews. Even though graduate schools of social work had, for several years, been teaching the importance of written case plans, the case plans and case records kept by many agencies were incomplete. Many of the plans lacked the minimum information needed to ensure continuity of services if a child's case was transferred to another agency or even to a different social worker in the same agency. Moreover, few states required a formal periodic review of a child's case.<sup>2</sup> Several writers asserted that these deficiencies contributed to foster care drift and diminished a child's chances of reunification or adoption.

- Increase in social worker/client contacts. At least one major study found a significant correlation between the frequency with which social workers contacted children and parents in their caseloads and the success of the workers in reuniting families. Although the study did not determine whether more frequent contact led to reunification or whether the workers were simply more prone to make contacts when the chances of reunification were greater, some writers suggested that an increase in social worker/client contacts (together with other reforms) would lead to an increase in reunifications.
- Reduced social worker caseloads. Several writers noted that most of the successful permanent placement and family reunification demonstration programs had involved social worker caseloads that were substantially below the average.<sup>3</sup> At least one writer suggested that ensuring reasonable social worker caseloads should be a goal of child welfare services reform.
- Increased services for abused, neglected children.  
Traditionally, the services available to abused and neglected children and their families varied dramatically among states and even among different localities within the same state. This was also true with respect to services for children already in foster care and their families. Some writers believed that the increased availability of certain direct services could help to reduce the number of children entering foster care and increase the number of family reunifications.

These services include: (1) homemaker demonstrators (individuals who go to the home to teach parents how to plan meals, keep house, and appropriately discipline children), (2) in-home caretakers (live-in helpers who can take care of the children while a parent looks for work, does errands, or simply "takes a break" from the children), (3) respite care (temporary 24-hour or day care for children, designed to give the stressed parent time to collect him/her self), and (4) transportation (generally, of children to and from medical care).

Senate Bill 14 Incorporated the Reforms Suggested by  
the Child Welfare Reform Movement into State Law

Congress incorporated the reforms discussed above into PL 96-272. The California Legislature, in turn, incorporated the federal changes into state law through the enactment of SB 14. Specifically, SB 14 made the following changes to state law:

- Stricter legal standards for removal of children from their families. Senate Bill 14 made several changes in the legal standards that must be met before a child can be removed from his/her parents' homes. Specifically, it (1) requires county welfare departments to attempt to maintain the child with the family through the provision of services, (2) deletes provisions from the law that allowed removal because the child was destitute or lived in an "unfit home," and (3) requires the county welfare department to prove that the removal was justified. Under prior law, the burden was on the parent to prove that the child would be safe if left at home.

- Time limits on family reunification services. Senate Bill 14 limits family reunification services to 18 months.
- Written case plans. Senate Bill 14 requires county welfare departments to maintain written case plans for every child subject to their care. It also specifies the minimum information required in a written case plan. Prior law required county welfare departments to keep written case records, but did not establish detailed standards for what the records should contain.
- Formal case plan reviews. The measure requires a detailed court review of each case every six months. (Under specified circumstances, county welfare departments may substitute "administrative reviews," as defined, for the required court review.) In addition, SB 14 requires the court to adopt a permanent plan for any child remaining in foster care for 18 months or more and to review the plan periodically to ensure that it continues to be appropriate. While prior law required annual reviews, the Department of Social Services (DSS) advises that these reviews often were perfunctory. In addition, prior law did not require the court to adopt a permanent plan for children in foster care.

Senate Bill 14 also requires that the court must give first priority to adoption as the permanent plan followed by guardianship and long-term foster care. This was a major change because, under prior law, courts were not required to

consider adoption for the child, much less give it a high priority.

- Increased social worker/client contact. Senate Bill 14 requires social workers to meet with the children in their caseloads at least once per month (with some exceptions) and to arrange visits between children and parents in the Family Reunification program at least once per month. The measure also requires social workers to contact the foster parents (or group homes) in which the children reside and meet with the parents of children in the Family Reunification program. Prior law did not specify a required frequency for social worker/client contacts.
- Reduced social worker caseloads. Senate Bill 14 did not directly require a reduction in social worker caseloads. The various changes included in the measure, however, added substantially to the amount of time social workers were required to devote to each case. As a result, most counties have substantially reduced the caseloads of their social workers in order to allow them adequate time to meet the requirements of SB 14.<sup>4</sup>
- Increased services for abused and neglected children. Senate Bill 14 requires county welfare departments to provide a variety of services to abused and neglected children, including children in foster care. These services are in addition to the case management and counseling services traditionally provided

by social workers. The services usually are provided by nonsocial worker county welfare department employees or by private agencies under contract with the county welfare department. The required services include, among others, respite care, demonstrating homemakers, in-home caretakers, and transportation. Prior law did not require counties to provide such "direct" services.

Senate Bill 14 Redesigned the State's Child Welfare Services Delivery System to Help Implement the Reforms

Senate Bill 14 also redesigned the child welfare services delivery system in order to facilitate the implementation of these changes in program goals and methods. Prior to SB 14, there were two child welfare programs: (1) the Protective Services for Children program and (2) the Out-of-Home Care Services for Children program. The Protective Services for Children program (a) investigated reports of child abuse and neglect, (b) provided services to children and their families in their own homes and, (c) with the court's approval, removed children from their homes. The Out-of-Home Care Services for Children program primarily provided case management services for children in foster care. Senate Bill 14 replaced these programs with the following four programs:

- The Emergency Response program, under which counties must provide immediate social worker response to allegations of child abuse and neglect. In addition to initial investigation and intake, the program provides supportive services for abused and neglected children and their parent(s) or guardian(s). These services may include counseling, emergency shelter care, and transportation.

- The Family Maintenance program, under which counties must provide ongoing services to children and their families who have been identified through the Emergency Response program as victims, or potential victims, of abuse or neglect. The primary goal of the program is to allow children to remain with their families under safe conditions, thereby eliminating unnecessary placement in foster care. Services provided through this program include social worker case management and planning, as well as supportive services such as counseling, emergency shelter care, temporary in-home caretakers, teaching, and demonstrating homemakers.
- The Family Reunification program, under which counties must provide services to children in foster care who have been temporarily removed from their families because of abuse or neglect. The program also provides services to the families of such children. The primary goal of the program is to safely reunite children with their families. Services provided through this program include social worker case management and supportive services.
- The Permanent Placement program, under which counties must provide case management and case planning services to children in foster care who cannot be returned safely to their families. The primary goal of the program is to ensure that these children are placed in the most family-like and stable setting available, with adoption being the placement of first choice.

## Conclusion

Senate Bill 14 was a major reform of California's Child Welfare Services program. The changes enacted through SB 14 originally were suggested during the late 1960s and early 1970s in order to address the problems of foster care drift and unnecessary removal of children from their homes. In Chapters III and IV of this report, we discuss our findings regarding the success of SB 14, to date, in achieving these goals. Chapter II of this report deals with the implementation of SB 14 by county welfare departments.

## CHAPTER I

### FOOTNOTES

1. See Appendix A for a bibliography of the foster care and child welfare literature from this period.
2. Prior to enactment of SB 14, California required a court review of each case every year and a review by the assigned caseworker every six months. The Department of Social Services advises, however, that, in practice, both of these reviews were perfunctory--that is, they did not involve a careful review of the child's progress, nor a serious reassessment of the continuing appropriateness of the case plan goal.
3. The Alameda Permanency Planning Project, which began in 1974, for example, divided selected cases between "experimental workers," whose caseloads were limited to 20 families, or a maximum of 35 children, and "control workers," whose caseloads averaged 49 children.
4. Since the enactment of SB 14, the caseloads of social workers who supervise children in foster care in the 10 largest counties in the state have been reduced by 4.8 percent. The effect on individual counties has been more profound than this average indicates, however. For example, Alameda, Los Angeles, and Orange Counties have reduced their social worker caseloads by 43.9 percent, 43.5 percent and 60.4 percent, respectively. On the other hand, San Diego's average social worker caseload has increased by 333.7 percent and San Francisco's has increased by 122.2 percent. The net effect of these changes was primarily to eliminate the pre-SB 14 variations among the counties, which were substantial (i.e., caseloads ranged from 8.9 children per worker in San Diego to 47.8 cases per worker in Los Angeles). The result is that the current caseloads of the 10 largest counties ranged from 38.6 (quite comparable to the caseloads of workers in the Alameda project) to 21.8.

CHAPTER II  
IMPLEMENTATION OF SB 14 TO DATE

The child welfare services reforms enacted by SB 14 can be grouped into two categories: (1) legal reforms (for example, those reforms that established stricter standards for removing children from their families) and (2) program changes (such as the provisions that established four new child welfare services programs with increased service requirements).

The legal reforms took effect on October 1, 1982, when SB 14 became operative. Our analysis indicates that, in general, these reforms were implemented by juvenile courts and county welfare departments in a timely fashion.

The program changes enacted by SB 14, on the other hand, were phased in over a two-year period (1982-83 and 1983-84). Even with this built-in delay, however, we find that the program changes have not been fully implemented in a timely manner. In this chapter, we discuss the reasons for the unplanned delays in program implementation.

Implementation of SB 14 Program Changes Has Been Incomplete

In the spring of 1983, and again in the spring of 1984, the DSS reviewed the counties' compliance with several requirements of SB 14. The first review focused on the Family Reunification and Permanent Placement programs, which had been in effect for approximately six months at the time of the review. The second review concentrated on the Emergency Response and Family Maintenance programs, which also had been in effect for six months by the time of the review. This second review also measured the

extent of the counties' compliance with certain family reunification and permanent placement requirements that had been identified as problem areas during the first review. In both reviews, DSS staff selected at random case files in each county and determined the extent to which the county had complied with specific requirements of SB 14 as they related to each case. In general, the department's findings were not encouraging.

Table 1 displays some of the department's findings during its spring 1984 review. These findings cover 8 of the 28 categories reviewed by the department. The findings reported in the table, however, are fairly typical of what the department found in the other 20 categories.

The table shows that, statewide, county compliance with selected requirements of SB 14 ranged from a high of 80 percent of the cases sampled to a low of 42 percent. ("Compliance" is defined as the percentage of cases reviewed in which the specific service requirement was met.) The bottom end of the compliance range involved the requirement contained in SB 14 that (with certain exceptions) permanent placement workers contact the foster parent or group home of each child in their caseload at least once each month. The department found that this requirement was met in 42 percent of the cases reviewed statewide.

Looking at all 28 of the requirements reviewed by the department, we find that county compliance ranged from 95 percent (six-month court reviews of permanent placement cases) to 37 percent (social worker visits completed with children who were in the Emergency Response program for over 21 days). Based on these data, we conclude that the counties have experienced substantial difficulties in implementing the service requirements mandated by SB 14.

Table 1

Department of Social Services' Compliance Audit, Spring of 1984  
Degree of Compliance with SB 14, Selected Requirements

	<u>Emergency Response<sup>a</sup></u>		<u>Family Maintenance<sup>a</sup></u>			<u>Permanent Placement</u>		
	<u>Service Plan Completed Within 10 Days</u>	<u>Social Worker Child Visits Completed</u>	<u>Initial Service Plan Completed Within 30 Days</u>	<u>Social Worker/ Parent Visits Completed During First 90 Days</u>	<u>Family Reunification Social Worker/ Child Visits Completed</u>	<u>Social Worker/ Parent Visits Completed</u>	<u>Social Worker/ Foster Parent (Or Group) Home) Visits Completed</u>	
Alameda	67%	67%	29%	--	30%	75%	64%	41%
Contra Costa	50	40	33	--	19	50	53	26
Los Angeles	57	43	71	35%	11	7	15	20
Orange	70	50	89	30	13	22	17	17
Riverside	90	70	100	62	23	61	59	59
Sacramento	67	50	85	23	71	50	47	53
San Bernardino	80	60	57	25	35	59	76	65
San Diego	80	43	83	33	23	20	32	22
San Francisco	75	100	57	--	38	29	46	28
Santa Clara	<u>18</u>	<u>27</u>	<u>60</u>	<u>9</u>	<u>40</u>	<u>40</u>	<u>21</u>	<u>17</u>
10-County Average	62%	49%	69%	23%	24%	31%	34%	29%
Statewide Average	62%	67%	80%	44%	46%	47%	51%	42%

a. Sample sizes in these two programs were small (i.e., 6 to 17 cases in Family Maintenance and 4 to 30 cases in Emergency Response).

There is also evidence that counties have not implemented the direct services components of SB 14 (for example, homemaker demonstrating and respite care) to the extent envisioned in the law. Specifically:

- The Auditor General sent questionnaires to counties during the summer of 1983 regarding the implementation of SB 14. He reports that 24 of the 43 counties responding stated that they did not provide all of the direct services required by SB 14. In addition, most counties stated that they limited those services which they did provide.
- Based on partial 1983-84 expenditure data provided by the DSS, we estimate that counties spent no more than \$20.3 million in 1983-84 to purchase direct child welfare services. This is \$8.0 million, or 28 percent, less than what the DSS estimated (in preparing its 1983-84 budget) the counties would need to spend in order to provide these services at the levels required by SB 14.

Based on the information discussed above, we conclude that the implementation of the program changes enacted by SB 14 has been incomplete.

#### Potential Reasons for the Delay in Fully Implementing SB 14

Most of the counties that have had problems in implementing SB 14 maintain that the amount of funds provided by the state for the program have been inadequate. The DSS, on the other hand, has consistently maintained that adequate funds have been provided to do the job. In order to resolve this issue of funding adequacy, the Legislature first should consider how child welfare services are funded in California.

Funding Child Welfare Services in California. Prior to passage of the 1984 Budget Act, child welfare services, as well as several other social service programs, were funded under the Other County Social Services (OCSS) block grant. At the beginning of each fiscal year, the state would notify the counties of the amount of state and federal funds that would be available for the year. The state, however, did not specify how much of this lump-sum amount should be used for child welfare services. Thus, the counties, rather than the state, determined how much was spent for SB 14 programs.

The overall amount allocated to the counties was (and still is) determined by the Legislature and Governor through their actions on the annual Budget Act. Since the enactment of SB 14, the Legislature has appropriated exactly the amounts requested by the department for the OCSS program, except in the case of 1984-85 when the Legislature augmented the budget for this program by \$12 million. Thus, the total amount available for OCSS in each year has been consistent with what the department believed was needed to support the program.

Since the enactment of SB 14, the department has based its budget requests on (1) its estimate of the costs of the program requirements set out in SB 14 and (2) actual county expenditures for the other OCSS programs during the previous year. After the budget is enacted each year, the department allocates the state and federal funds to the counties using a formula that is based on population and caseload data.

In addition to the state and federal funds available through the OCSS block grant, counties are required to use their own funds to help pay for the program. Prior to the enactment of SB 14, counties were required

to pay for 25 percent of program costs (a \$1 to \$3 matching rate). Traditionally, several counties provided more than their required match; that is, they overmatched their state and federal funds. Senate Bill 14 changed the required county match from 25 percent to a flat dollar amount. This amount is specified in statute for each county, and is roughly equivalent to the county's required 25 percent match during 1981-82, the year immediately preceding the enactment of SB 14. Even under the new matching requirement enacted by SB 14, several counties have continued to overmatch their allocations of state and federal funds.

There are four major reasons why the counties believe that funding for SB 14 has not been sufficient. These reasons--which are discussed in detail below--involve (1) the limited recognition that the department has given to county-granted cost-of-living adjustments (COLAs) in preparing its estimate of SB 14-related costs, (2) inequities in the formula used by the department to allocate the funds to the various counties, (3) lower-than-anticipated allocations by the counties to child welfare services, relative to other OCSS programs, and (4) reductions in the amount of county overmatch funds provided in recent years.

Effect of COLAs on SB 14 Programs. The department's estimates of SB 14-related program costs for 1982-83 and 1983-84 assumed that the costs of employing the average social worker during those years would be no more than 6 percent higher than what it was in 1980-81. The estimate for 1984-85 assumed that these costs would be 9 percent above the 1980-81 level. These assumptions were consistent with the policy established by the Legislature in the Budget Acts of 1981, 1982, and 1983, which held that the state would not share in any costs resulting from COLAs granted by

county welfare departments to their employees in excess of the percentage COLA granted to the OCSS program in the Budget Act. Since the 1981 Budget Act granted a 6 percent COLA to the program, the Budget Acts of 1982 and 1983 granted no COLAs, and the Budget Act of 1984 granted a 3 percent COLA, this policy effectively prohibited the use of state funds to pay for the costs of COLAs totaling more than 6 percent in 1981-82 through 1983-84, or COLAs totaling more than 9 percent in 1984-85.

In reality, however, the counties granted COLAs to their employees that averaged 34 percent over this period. Thus, by 1984-85 the average cost to the counties of employing the average social worker, including related overhead costs, was \$58,125 per year. The department's estimate of these costs, however, was \$47,500 (9 percent more than the actual 1980-81 cost). This discrepancy is large enough to explain most of the difference between what the counties consider to be "adequate" funding and what the department views as adequate.

The so-called "COLA cap" and its effects on the adequacy of funding for SB 14 will continue to be a major issue in 1985. This is because the Governor's Budget request for the SB 14 program for 1985-86 is based on the "capped," rather than the actual, costs of county social workers. As a result, we conclude in our Analysis of the 1985-86 Budget Bill (please see page 969), that the budget underfunds the child welfare services program by approximately \$35.1 million.

We believe that the continued use of the COLA cap to establish funding requirements for the SB 14 program is inappropriate, for the following reasons:

- The proposal is inconsistent with the administration's proposal to recognize the COLAs actually granted to county employees in prior years in connection with other county-administered welfare programs. In fact, the Governor's Budget proposes to fund the county administration of the AFDC, Food Stamp, Medi-Cal, and Adoptions programs in 1985-86 based on actual 1984-85 county salaries for eligibility and social workers. (We discuss this proposal in detail as part of our analysis of the county administration budget--please see page 954.) The department's proposal for these other county-administered welfare programs in 1985-86 consists of essentially two parts: (1) funding to make up the shortfall caused by the COLA cap in 1981-82, 1982-83, and 1983-84 and (2) a 2.4 percent "catch-up" COLA to cover the shortfall in funding provided for 1984-85. We know of no reason to recognize the shortfalls in one set of county-administered programs, but not in the case of other welfare programs administered by comparable county employees.
- The proposal does not provide any assurances that the counties will provide the level of funding needed to support the child welfare services required by law. Given current CWS caseloads, the department assumes that counties will need to employ 3,987 social workers in 1985-86 in order to comply with the provisions of SB 14. Because the amount budgeted for the SB 14 program assumes that the COLA cap still applies and ignores the actual salary levels paid to county workers, the budget provides only enough funds for 3,257 social workers. The only

potential source of funds needed to pay for the additional staff is the county overmatch--that is, county spending in excess of the required county match. The budget does not, however, propose any mechanism for ensuring that the counties will, in fact, provide funds in excess of their required match. Since, in recent years, the amount of the county overmatch for the SB 14 program has been declining--from \$10 million in 1981-82 to \$8 million in 1983-84 (according to preliminary data supplied by DSS), we conclude that the counties are unlikely to provide the minimum levels of child welfare services required by law.

We have recommended in our Analysis that prior to budget hearings, the Department of Finance advise the fiscal committees how the administration intends to achieve the service levels required for the CWS program, given that the budget underfunds the program, according to the DSS's own data, by \$35.1 million.

Inequities in the Allocation of State and Federal Funds to the Various Counties. In our Analysis of the 1983 Budget Bill, we noted that the formula used by the department to allocate child welfare services funds to the counties is defective. Specifically, we noted that in 1982-83, the formula caused 26 counties to receive less-than-adequate funding CWS, while 32 counties received more funds for the program than were necessary to satisfy service level requirements. This occurred because the department's allocation formula did not use the same caseload measurements that were used to estimate the statewide costs of the program. In response to our finding, the Legislature added a provision to the 1983-84 Budget Act requiring the department to improve its allocation formula.

The department has made substantial progress toward making its allocation formula consistent with its cost-estimating techniques. Specifically, it has developed accurate caseload measurements for each of the four SB 14 programs. Such measurements were not available for use in allocating the funds provided for 1983-84 or 1984-85. The department, however, has not proposed to incorporate these new caseload measurements in its formula for allocating 1985-86 funds. We believe that, without such a change, the allocation formula used by the department will continue to provide more funds than necessary to some counties and less funds than necessary to other counties.

County Allocation of Funds Among Various OCSS Programs. The department estimated that 73 percent of the funds available under the OCSS program in 1983-84 would be needed to meet the requirements of SB 14. Table 2 shows that during the January-March 1984 quarter, the average county used 71 percent of its OCSS funds for SB 14. If this ratio held for the entire year (and we suspect that the actual percent devoted to SB 14 will turn out to be somewhat less than 71 percent), the counties spent \$4.2 million less for SB 14 than what the department's estimate indicates was necessary.

While a discrepancy of less than 2 percentage points may not provide a major cause for concern, the available data indicate that some counties allocated substantially less for SB 14 than what the department estimated they would need.

Table 2

Percent of OCSS Funds Used for Child  
Welfare Services  
March 1984 Quarter

Alameda	68.1%
Contra Costa	71.1
Los Angeles	73.1
Orange	79.5
Riverside	85.5
Sacramento	67.2
San Bernardino	74.1
San Diego	71.1
San Francisco	61.4
Santa Clara	<u>63.4</u>
Statewide Average	71.1%

The allocation of funds among the various OCSS programs is not likely to be a problem in future years. This is because in 1984, the Legislature changed the way OCSS funds are disbursed to the counties. Specifically, the 1984 budget "trailer" bill (Ch 268/84) provided for two OCSS allocations to counties--one earmarked for SB 14 and one for the other OCSS programs. Counties will be allowed to transfer funds between SB 14 and the other OCSS programs only after demonstrating to the DSS that they can meet the requirements of SB 14 at the reduced funding levels which would result from such a transfer.

County Overmatch. The counties may believe that funding for SB 14 is inadequate, in part, because the counties themselves have reduced the amount of funds they contribute to the CWS programs. Our analysis indicates that the total county match has declined in every year since 1981-82.

Table 3 shows that the total county contribution toward the cost of CWS programs in 1983-84 is estimated at \$58.9 million, which is \$2.4 million, or 3.9 percent, less than the 1981-82 contribution. As a result, the county's total contribution as a percent of the total funding available for the program has fallen from 28 percent in 1981-82 to an estimated 25 percent in 1983-84. This reduction in the county's contribution may have heightened the perception of county managers that the funds available for CWS were less than adequate.

Table 3  
County Contributions to OCSS Funding

	<u>1981-82</u>	<u>1982-83</u>	<u>1983-84 Estimated</u>
Required county match	\$51,386,000	\$51,066,000	\$51,066,000
County "overmatch"	<u>9,978,467</u>	<u>8,790,671<sup>a</sup></u>	<u>7,855,487<sup>a</sup></u>
Total county contribution	\$61,364,467	\$59,856,671	\$58,021,487
County contribution as a percent of total costs	28.1%	27.0%	24.7%

a. Figures from DSS. Not final.

Lack of Funding Does Not Completely Explain Implementation Problems

Our analysis indicates that the shortage of funding for SB 14 programs does not fully explain the delays in implementing these programs. While a shortage of funds may explain why "direct services" provided by the counties are less than adequate, it does not account for the counties' remarkably low level of compliance with the specific program requirements

of SB 14. We base this conclusion primarily on data which show that the average social worker carries fewer cases than the caseload standards implied in the department's cost estimate for SB 14.

Table 4, for example, compares the actual caseloads per social worker in three of the four SB 14 programs with the caseloads implied in the department's estimate. The table shows that the average family reunification worker was responsible for 23 cases, or 13 percent fewer than the number of cases contained in the DSS's estimate. The average permanent placement worker was responsible for 31 cases, or 42 percent fewer cases than what the department estimated.

We believe the data in Table 4 suggest that the counties' poor track record in implementing SB 14 cannot be attributed entirely to underfunding (and therefore inadequate staffing), at least with respect to the Family Reunification and Permanent Placement programs. Two considerations support this conclusion.

Table 4

Child Welfare Services  
 Comparison of Actual Caseloads<sup>a</sup> with Those Implied in the  
 DSS's Cost Estimate for SB 14<sup>b</sup>

	Emergency Response			Family Reunification			Permanent Placement		
	Implied in DSS Estimate	Actual March 1984 Quarter	Percent Difference	Implied in DSS Estimate	Actual March 1984 Quarter	Percent Difference	Implied in DSS Estimate	Actual March 1984 Quarter	Percent Difference
Alameda	15.8	32.7	107%	26.8	20.1	-25%	54	36.6	-32%
Contra Costa	15.8	14.6	-8	26.8	21.8	-19	54	24.0	-56
Los Angeles	15.8	86.2	446	26.8	25.5	-5	54	29.9	-45
Orange	15.8	14.2	-10	26.8	16.2	-40	54	16.1	-70
Riverside	15.8	33.4	111	26.8	29.5	10	54	31.1	-42
Sacramento	15.8	30.1	91	26.8	15.8	-41	54	29.7	-45
San Bernardino	15.8	18.8	19	26.8	17.5	-35	54	32.6	-40
San Diego	15.8	25.6	62	26.8	23.0	-14	54	39.1	-28
San Francisco	15.8	45.2	186	26.8	12.6	-53	54	19.0	-65
Santa Clara	<u>15.8</u>	<u>51.1</u>	<u>223</u>	<u>26.8</u>	<u>15.0</u>	<u>-44</u>	<u>54</u>	<u>25.5</u>	<u>-53</u>
10-County Average	15.8	35.2	123%	26.8	19.7	-26%	54	28.4	-47%
Statewide Average	15.8	32.8	108%	26.8	23.3	-13%	54	31.4	-42%

a. Figures reflect the average number of cases per social worker and social worker supervisor full-time equivalent.

b. Figures reflect the average number of cases per social worker full-time equivalent.

First, the County Welfare Directors Association agrees with the department's finding that a family reunification worker can perform all of the tasks required by SB 14 if his or her caseload does not exceed 26.8 cases, and that a permanent placement worker can get the job done if his or her caseload does not exceed 54 cases. As Table 4 shows, however, the average social worker carried significantly fewer cases than the standard used by the department.

Second, there is no discernable relationship between the average caseloads per social worker in a county and the county's program performance. This can be seen by comparing Table 4 with Table 1. In Orange County, for example, the caseloads of family reunification and permanency placement workers are substantially lower than the 10-county average for these programs. Orange County's compliance scores, however, were the second poorest of the 10 counties shown in Table 1. Alameda County, on the other hand, scored higher than any of the 10 largest counties on the compliance review, even though its workers were carrying caseloads that were higher than the 10-county average.

While there is no strong relationship between county compliance and social worker caseloads in the Family Reunification and Permanent Placement programs, there may be a relationship between caseloads and compliance in the Emergency Response program. As Table 4 shows, the actual caseloads for this program exceed those implied in the department's estimate by an average of 108 percent. These high caseloads could help explain the low level of compliance in the Emergency Response program.

Even in the Emergency Response program, high caseloads alone cannot fully explain the lack of compliance. For example, Contra Costa County's

performance in the Emergency Response program was below average, as shown in Table 1, even though its social workers carried caseloads that were 8 percent below the caseload standard used by the department. On the other hand, San Francisco, with an average caseload of 45.2 cases per worker, had the highest compliance score in the Emergency Response program of any of the 10 large counties.

#### County Compliance Has Not Improved

The review conducted by the department in the spring of 1984 was its second assessment of the Family Reunification and Permanent Placement programs. After the first review, the department advised the counties that it had found certain problems in the administration of the programs and that a second review would follow up on the extent to which these problems had been eliminated. Despite the warning, and given a full year in which to improve their performance, the counties' performance, in general, showed little or not improvement during the second review.

#### For at Least Two SB 14 Programs, Compliance is Feasible at Current Funding Levels

We have shown that, at least with respect to the two foster care programs--Family Reunification and Permanent Placement--the counties currently have an adequate workforce to get the job done. We have been unable to determine the reason for the relatively poor record of compliance with SB 14's service requirements--emergency response and family maintenance. We suspect that the reasons vary from county to county and may include any of the following factors:

- Counties may disagree with the theories upon which SB 14 was based. For example, some social workers may feel that they can

spend their time more effectively by concentrating on particular cases than by complying with the various social worker/client contacts of SB 14, which apply equally to all cases.

- County management may be unable to make their workers comply with the requirements of SB 14. County managers may have difficulty in convincing their workers to perform all of the tasks required by SB 14.
- Counties may misunderstand the requirements of SB 14. In its efforts to improve compliance, the department has concentrated on providing information and feedback to the counties regarding the requirements of SB 14 and the extent of the counties' compliance with them. Despite these efforts, some workers and managers may still not understand everything required of them.

#### Poor Compliance Could Have Adverse Programmatic and Fiscal Consequences

We believe the Legislature has two reasons to be concerned about the counties' poor record of compliance with the program requirements enacted by SB 14:

- Children and families may be "short changed." The service requirements enacted by SB 14 were designed to protect children and their families. Thus, the failure to meet those requirements might endanger children or diminish the chances of reunifying the children with their families.
- Federal sanctions may be imposed on California. As we noted in Chapter I, many of the requirements set forth in SB 14 are also requirements of PL 96-272. Under the federal law, states are

eligible to receive federal Title IV-B (child welfare services funds) and Title IV-E funds (foster care cash grant, administration, and services funds), provided that they have federally approved IV-B and IV-E plans. In addition, federal law and regulations require that the states continue to operate their IV-B and IV-E programs in a manner consistent with their approved plans. Any substantial departure from the plans--such as the state's failure to ensure that county welfare department social workers are meeting the requirements of SB 14--could jeopardize California's receipt of IV-B and IV-E funding. The Governor's Budget anticipates that the state will receive \$16.0 million in IV-B funds and \$93.1 million in IV-E funds for 1985-86. Thus, the continued failure of the counties to implement fully the service requirements of SB 14 could jeopardize more than \$109.1 million per year in federal funds.

#### Conclusion--Prospects for Improving Compliance with SB 14

In this chapter, we have shown that counties have experienced substantial delays in fully implementing SB 14. The DSS advises that it plans to continue compliance reviews similar to those conducted in 1983 and 1984. The next reviews will focus on the counties that have the worst compliance rates, as identified in previous reviews. In addition to the reviews, the department will continue to conduct corrective action meetings with problem counties.

We believe that the department should do more than meet with problem counties to encourage improvements in their compliance record. In Chapter V we recommend that the department develop a child welfare services

management system, which we believe will give the department the means to improve county compliance with the specific service requirements established by SB 14, as well as to improve the success of counties in achieving the goals of SB 14.

## CHAPTER III

### THE EFFECT OF SB 14 ON CHILDREN AND FAMILIES-- COMPARISON OF PROGRAM OUTCOMES BEFORE AND AFTER ENACTMENT OF SB 14

In this chapter, and in Chapter IV, we discuss our conclusions regarding SB 14's effect on children and families.

The conclusions presented in this chapter are based primarily on comparisons of program outcomes before and after the enactment of SB 14. Specifically, we compared the following measures of program performance for the foster care program--both before and after implementation of SB 14--in order to determine what effects the act has had on children and their families:

- Foster care caseload intakes and terminations.
- Case plan goals for foster care children.
- Length of time in foster care.
- Type and location of foster care placements.

#### Foster Care Caseload Intakes and Terminations

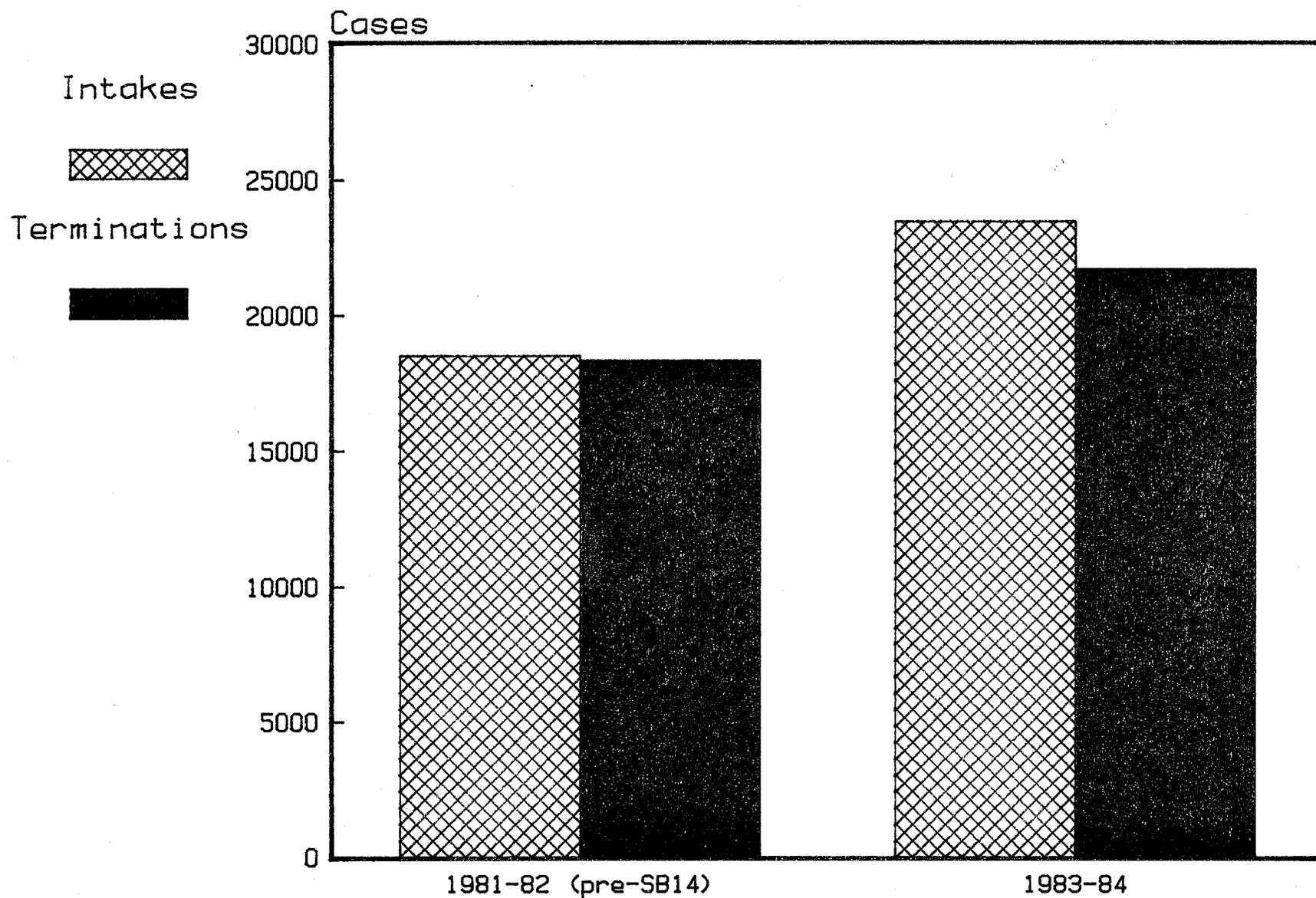
Chart 1 compares the number of cases coming into and leaving the foster care system before the enactment of SB 14 with the comparable numbers since its enactment. It shows that both intakes and terminations have increased substantially since the act was implemented.

We draw the following conclusions from the data presented in Chart 1:

The Preplacement Prevention program has helped to check foster care intakes. Chart 1 shows that foster care intakes increased 27 percent between 1981-82 and 1983-84. This increase occurred, however, at the same

CHART 1

# Foster Care Intakes and Terminations--Before and After SB14



Source: Department of Social Services

time that confirmed reports of child abuse were increasing at an average rate of 35 percent, per year. Thus, foster care intakes as a percent of confirmed child abuse reports have declined substantially since the enactment of SB 14. This decline is probably due, at least in part, to the preplacement prevention reforms enacted by SB 14--that is, stricter removal standards and the new Emergency Response and Family Maintenance programs.

It is important to note, however, that this decline does not necessarily mean that the preplacement preventive reforms have been entirely successful. Avoidance of foster care placement is only desirable if the child can safely remain in his or her home. There are, however, no data available that would allow us to determine whether children who are kept out of foster care as a result of SB 14 have been reabused by their parents. Accordingly, we recommend that the Department of Justice report to the fiscal committees by October 1, 1985, on the feasibility of modifying the automated child abuse reporting system that it is developing pursuant to Ch 1613/84 so that the system will collect data on reabuse of children.

The Family Reunification and Permanent Placement programs have helped to increase foster care terminations. Chart 1 shows that foster care terminations increased by 18 percent between 1981-82 and 1983-84. Our analysis indicates that most of this increase is due to an increase in the number of children who were reunited with their families.

Again, an increase in terminations does not necessarily mean that the family reunification programs have been entirely successful. The reunification of a child with his or her family can be regarded as a

success only if (1) the child is not reabused and (2) the child does not return to foster care at a later date. The DSS advises that it is developing a system to track recidivism rates among reunited children (that is, the percentage of reunited children who subsequently are reabused and/or returned to foster care). Once this system is in place, the department will be able to determine whether the apparent success of SB 14 in increasing reunifications is "real," or whether the gains have been achieved at the cost of high recidivism rates.

The foster care caseload is increasing. One of the goals of SB 14 is to reduce the number of children in foster care. Since the enactment of SB 14, however, the foster care caseload has continued to increase, not decrease as Chart 1 illustrates. While the number of cases coming into the foster care program was about the same as the number leaving the program in 1981-82, the number of new cases in 1983-84 significantly exceeded the number of terminated cases.

This increase is due to a number of factors, including the sharp increase in child abuse reports which has occurred in recent years. Regardless of the reasons for the increase, the data clearly indicate that the system is taking in children faster than it can either send them home or place them in adoptive homes.

In order to reduce the number of foster care cases, as SB 14 was intended to do, the system obviously will have to begin terminating more cases than it opens. This may happen automatically if the growth of child abuse reports begins to level out in the near future, as we believe it will. If, however, this does not occur, the Legislature may wish to

consider ways of speeding up the termination rate. Since increasing the number of children terminated from foster care is a primary goal of both the Family Reunification and Permanent Placement programs, improving the success of these programs would be the most obvious way to speed up the termination rate. In Chapter V, we identify several steps the Legislature could take to improve the success of these, as well as the other SB 14 programs.

#### Case Plan Goals for Foster Care Children

Chart 2 compares the case plan goals for foster care children before and after enactment of SB 14. The chart shows that the percentage of children whose case plan goal is reunification has increased from 32 percent in 1981 to 54 percent in 1984. This is clear evidence that social workers and the courts have responded positively to the family reunification reforms of SB 14.

The chart also shows that social workers and the courts have given adoption a higher priority when setting the goals for those children who cannot be reunified. While adoption as a case plan goal has declined slightly--from 10.7 percent to 10 percent of the total caseload--it has increased from 15 percent to 22 percent in the case of those children who cannot be reunified. Thus, we conclude that SB 14 has been quite successful in changing the preferences of social workers and judges with regard to the case plan goals they adopt for foster care children.

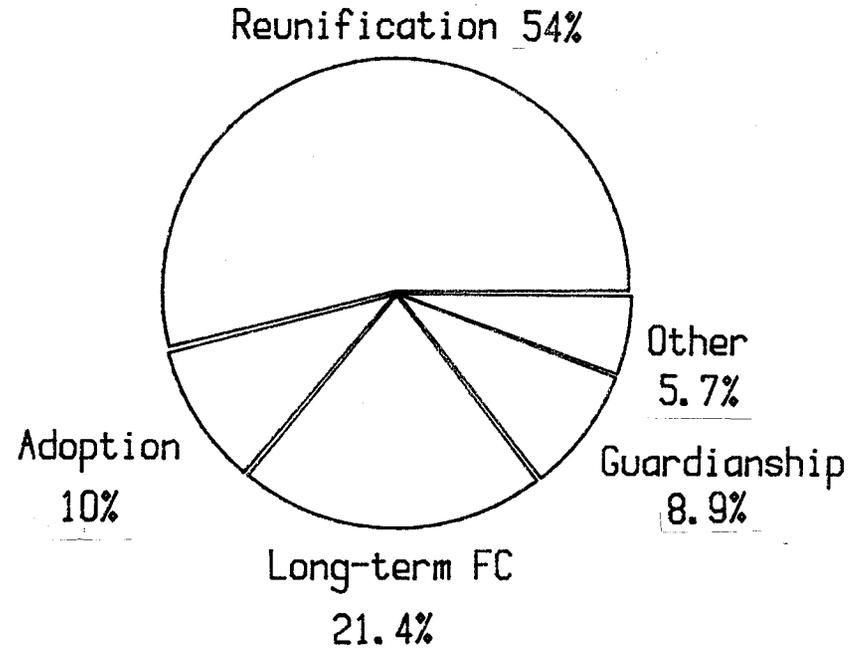
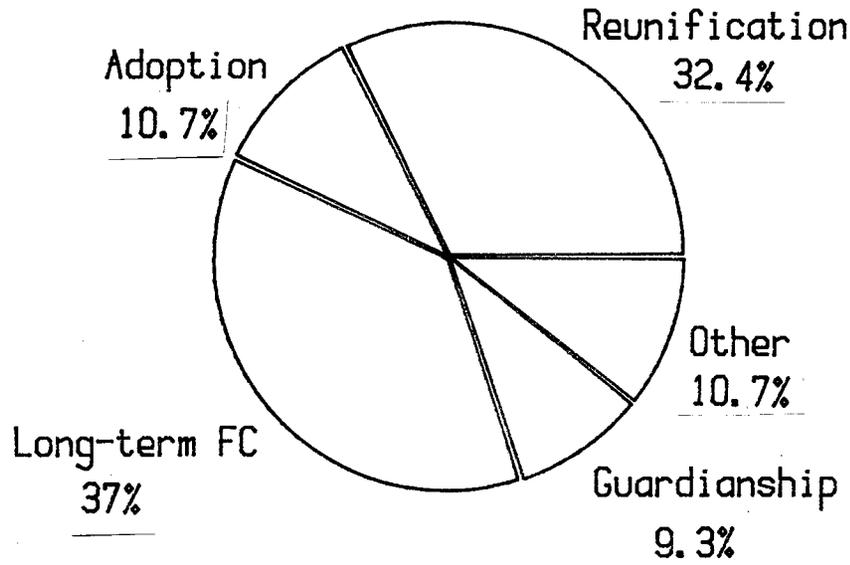
#### Time in Care and Placement

One of the goals of SB 14 is to reduce the amount of time that children spend in foster care. In addition, SB 14 attempts to reduce the

# Case Plan Goals for FC Children

March, 1981--pre-SB14

June, 1984--post-SB14



Source: Department of Social Services

number of times a child is moved from one foster care placement to another ("foster care drift").

It is unclear exactly what impact SB 14 has had on the amount of time children spend in foster care. Chart 3 shows that the length of time the average child spends in foster care declined from 41 months before the enactment of SB 14 to 32 months after the enactment of SB 14. This decline may be the result of SB 14. On the other hand, the decrease could reflect the dramatic increase in the number of new children in foster care. Because many of these children would have been in the foster care system for only a short period of time when these data were collected, the increase in the number of children would tend to reduce the average time spent by children in foster care.

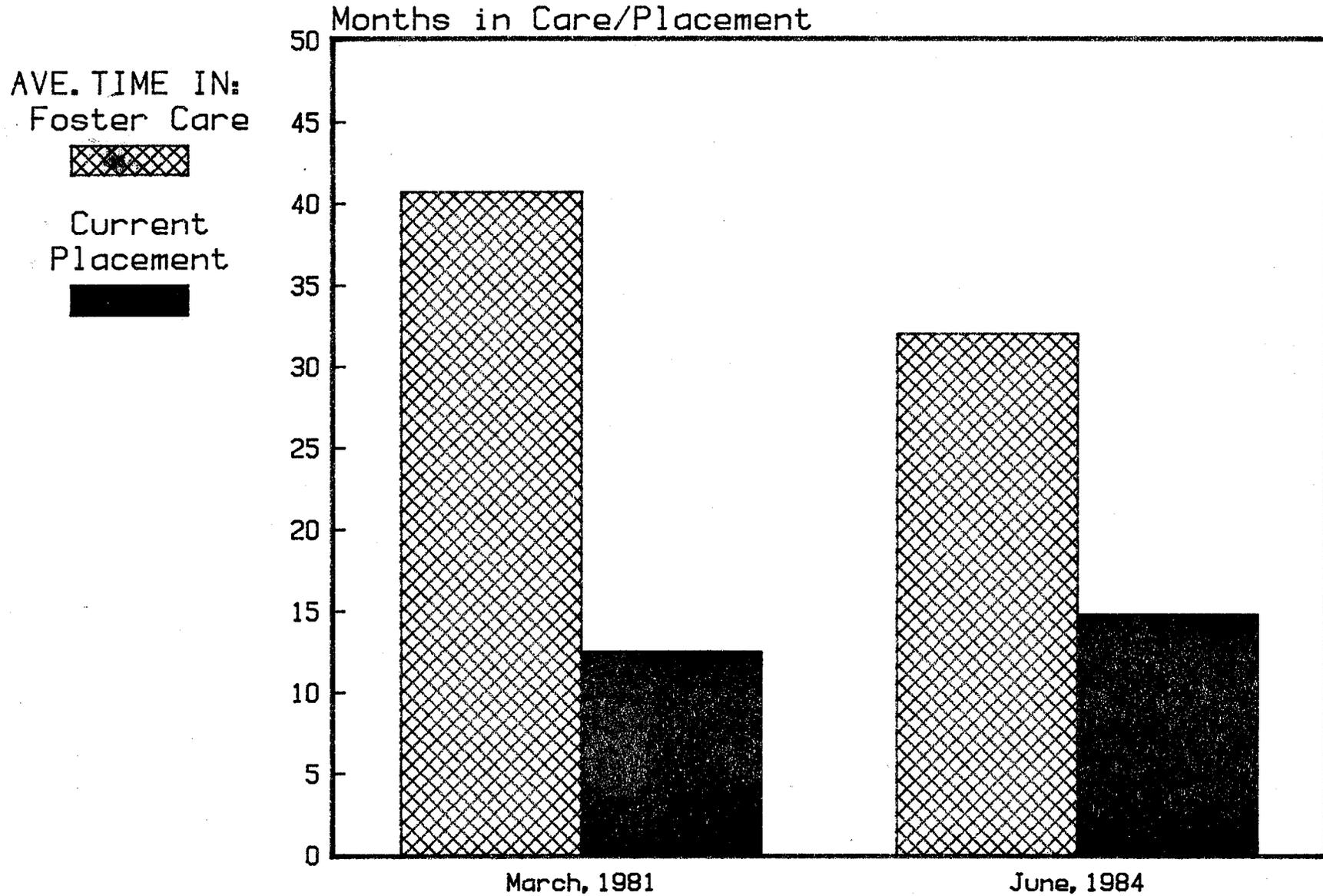
There is some evidence that SB 14 has been successful in reducing the number of times a child is moved from one foster care home to another. Chart 3 shows that the number of months that the average child spent in a particular placement rose from 12 months prior to the enactment of SB 14 to 15 months after enactment of SB 14.

#### Type and Location of Placement

Chart 4 compares the types and locations of placements before and after the implementation of SB 14. Specifically, the chart shows that (1) the percentage of foster care children residing in placements located outside of the county responsible for the child's supervision dropped from nearly 20 percent in 1981 to approximately 15 percent in 1984 and (2) the percentage of children residing in group homes (as opposed to family homes) dropped slightly in the same period.

CHART 3

# Time in Care and Placement Before & After Enactment of SB14



-45-

Source: Department of Social Services

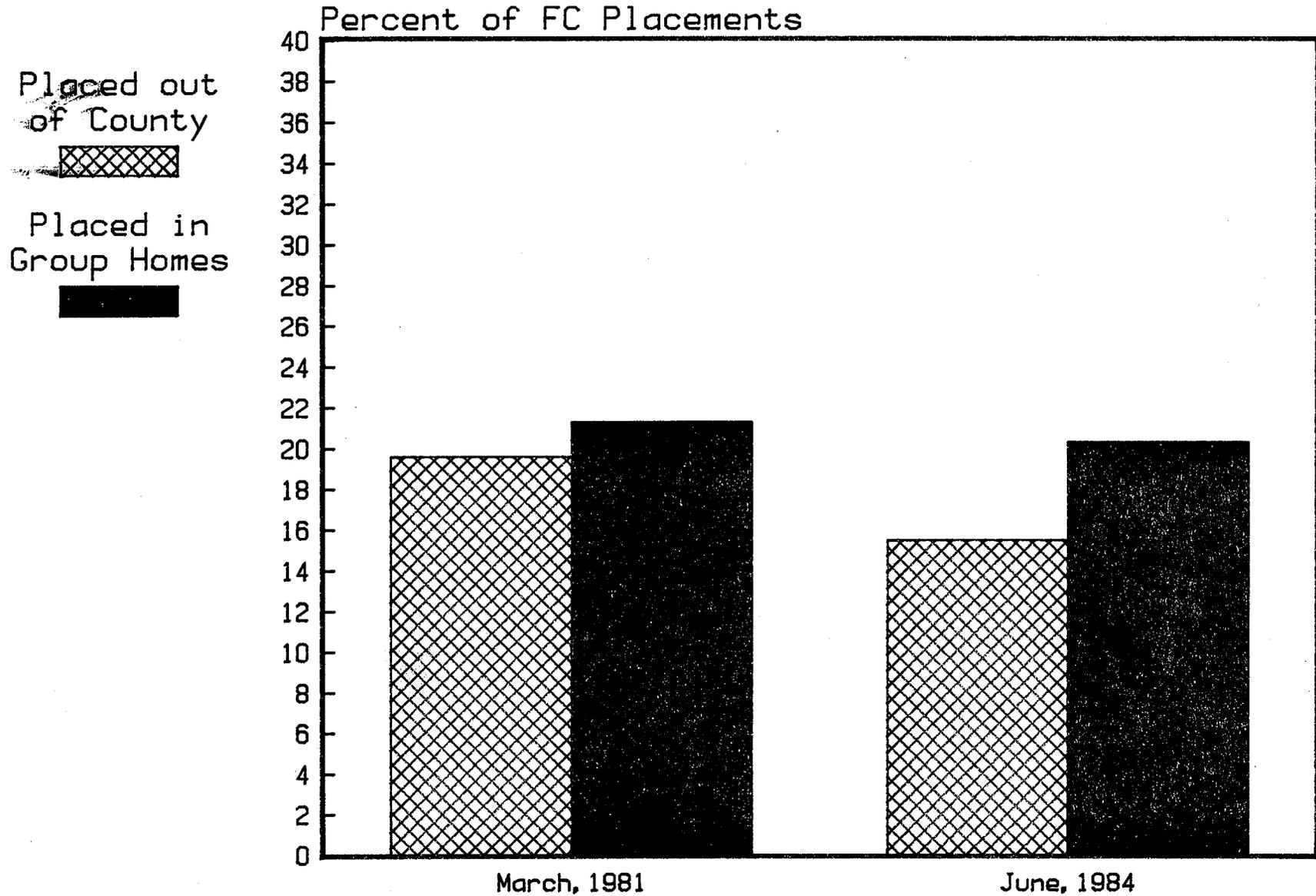
We draw the following conclusions from the data presented in Chart 4:

1. Senate Bill 14 reduced out-of-county placements. We believe that two changes made by SB 14 probably account for the reduction in out-of-county placements. First, the greater emphasis on family reunification mandated by SB 14 provides greater impetus for counties to place children in homes located close to their families' residences. Second, the increased amount of work per child that SB 14 requires social workers to perform makes it more imperative for counties to place children in homes that are easily accessible to the social worker who is responsible for the child's supervision. While this reduction in out-of-county placements was not an explicit goal of SB 14, it obviously is a positive outcome of the measure.

2. Further reductions in group home placements may be needed. Chart 4 shows that the percentage of foster care children placed in group homes has dropped only slightly since the enactment of SB 14. The fact that greater reductions have not occurred may be of concern to the Legislature for two reasons. First, one of the goals of SB 14 is to ensure that children in foster care are placed in "the most family-like setting" possible. Since group homes tend to be large, institutional facilities, they obviously are less family-like than are family homes. Second, group home placements are far more expensive than family home placements and should therefore be used only when the child cannot be adequately cared for in a family home. (The average monthly cost of care in a group home in 1984-85 is \$1,754, while the average family home cost is \$420. Group

CHART 4

# Type and Location of Placement Before & After Enactment of SB14



-47-

Source: Department of Social Services

homes are more expensive primarily because they provide intensive services in an institutional setting, while family homes generally provide supervision in the home of the foster family.)

Currently, the social worker and his/her supervisor decide which kind of placement--group homes or foster family homes--is appropriate for a specific child. Although, in some cases, the court may overrule this decision, it is our understanding that this rarely happens. Since counties pay for only about 3 percent of the foster care placement costs, neither the social worker, the supervisor, nor anyone in county management has a fiscal incentive to reduce group home placements. While we have not found any evidence to indicate that counties are inappropriately placing children in group homes, it may still be possible to reduce group home placements--even from the post-SB 14 levels.

#### Conclusion

Our analysis of the "before and after" data leads us to conclude that SB 14 has benefitted the children and families who are recipients of child welfare services. In particular, SB 14 has improved the stability of the placements of children in long-term foster care.

In other areas, however, the available data are not adequate to permit a determination of whether the changes brought about by SB 14 have been beneficial. For example, although SB 14 has increased the number of reunifications, it is not possible to determine at this point whether these reunifications have been successful.

These conclusions are based on statewide data and do not reflect the different experiences of individual counties. In the next chapter, we

## CHAPTER IV

### THE EFFECT OF SB 14 ON CHILDREN AND FAMILIES-- DIFFERENCES AMONG THE COUNTIES

We noted in Chapter II that the implementation of SB 14 has been much more complete in some counties than in others. In this chapter, we identify the factors that seem to explain why some counties have been more successful than others in achieving the goals of SB 14. Our conclusions are based, in part, on the use of multiple linear regression analysis. (Please see Appendix C for additional information on the regression analyses.)

#### Emergency Response Program

The goal of the Emergency Response program is to minimize the number of children removed from their families and placed in foster care, while at the same time protecting abused children from further abuse and neglect.

Our review of factors that may affect the ability of counties to achieve this goal leads us to the following conclusions:

1. Neither caseloads nor expenditures for direct services appear to affect significantly the likelihood that a child who is receiving emergency response services will be removed from his or her home. Specifically, we did not find any significant relationship between the average number of cases carried by a county's emergency response social workers and the likelihood that the county would remove a child from its home. In addition, we found no relationship between the amount of money spent by the county for direct services (for example, Respite Care, Demonstration Homemakers, etc.) and the county's removal rate.

The lack of any significant relationship between the amount of resources devoted to the Emergency Response program and the removal rate is disturbing. This is because one of the assumptions underlying SB 14 is that removal of children from their homes can be minimized if adequate resources are devoted to the Emergency Response program.

It is possible that current caseloads under the Emergency Response program are too high and prevent counties from achieving this goal. For example, the average caseload of the 35 counties we analyzed exceeded 73 children per worker. Since the DSS believes that a worker can handle 15.8 children per month, it may be that caseloads in this program are simply too high for counties to achieve any noticeable results.

We believe this issue deserves further study, since it is relevant both to assessing the performance of the program and to deciding the appropriate funding level for the program in the future.

2. Large counties with high caseloads per social worker are less likely to provide services in order to keep a child in his or her home. Large counties with large caseloads tend to provide emergency response services only in serious cases of abuse. Specifically, these counties tend to place a report of child abuse in one of only two categories--(a) unfounded, thereby implying that further service is not warranted or (b) serious enough to warrant the immediate removal of the child. To the extent counties limit their responses in this manner, they may be acting in a way that is contrary to an important goal of SB 14--that abused children be kept in their homes to the maximum extent possible, provided it is

possible to do so safely by providing services to the family. We therefore recommend that the department report to the Legislature by October 1, 1985, on possible corrective actions to minimize such culling. The report should address the possibility of reducing social worker caseloads as part of the remedy to this problem.

3. Counties with larger caseloads per emergency response social worker tend to respond to reports of abuse less promptly than counties with smaller caseloads. The available data suggest that caseloads play an important role in determining how promptly<sup>1</sup> a county will respond to reports of child abuse. The seriousness of the allegation, however, does not appear to be an important factor explaining the promptness of a county's response. That is, those counties which receive more reports involving physical and sexual abuse and severe neglect do not seem to respond more quickly than do those counties which receive fewer reports of this kind.

These findings also are disturbing, because SB 14 requires counties to respond immediately to reports of serious abuse. We therefore recommend that the department report to the Legislature by October 1, 1985, on possible actions to correct this problem.

#### Family Maintenance Program

The goal of the Family Maintenance program is to minimize the number of children placed in foster care by providing supervision and services to abusive families so that their children may safely remain at home.

Our review of factors that may affect the ability of counties to achieve this goal leads us to conclude that:

1. Among the larger counties, those with larger caseloads per social worker were less likely to remove children from their parents. This finding can yield one of two alternative conclusions, both of which are disturbing. Specifically, it may imply that, contrary to a major assumption underlying SB 14, it is not possible to minimize the removal of children from their homes by giving social workers more time to work with their families. On the other hand, it may indicate that social workers with higher caseloads are more apt to leave children with their parents, regardless of whether it is safe for the child to be left in the home while social workers with lower caseloads, and therefore, with more time to carefully evaluate the home, are more apt to leave children in their homes only when it is safe to do so.

We believe that the relationship between caseloads, removal rates, and reabuse deserves further study because it is relevant both to evaluating the performance of the program and to making decisions regarding funding for the program in the future.

2. Large caseloads per social worker are closely linked with a high rate of case terminations in which the social worker certifies that the case plan objectives have been achieved. This indicates that either the workers with the heaviest caseloads (a) are more effective in achieving plan objectives than are workers with lower caseloads or (b) are attempting to reduce their caseloads by discharging cases prematurely. Since logic

suggests that caseworkers with the lowest caseloads are more likely to be successful in achieving plan objectives, the latter explanation is plausible.

If workers are, in fact, terminating cases prematurely in order to reduce their caseloads, they probably are endangering children by doing so. This is because once a case is terminated, the child receives no further service or supervision. Hence, if the case plan objectives have not been achieved, the child may be left unprotected, in homes that have not, in fact, been made safer.

#### Foster Care Program

A major goal of SB 14 is to increase the percentage of children in foster care whose case plan goal is reunification with their families.

We reviewed a variety of factors which might affect the likelihood that family reunification is adopted as the case plan goal for a child. Our review found that differences in case plan goals among counties are closely linked with differences in ethnicity of children. Specifically, counties with higher percentages of "white" children in their caseloads tend also to have more children whose case plan goal is reunification. This relationship seems to hold for counties of all sizes, although it is statistically significant only with respect to the 15 medium-sized counties that have foster care caseloads of more than 100, but less than 500 children.

This finding is extremely disturbing. We therefore recommend that the department report to the Legislature, by October 1, 1985, on the extent

to which the ethnicity of a child in foster care affects his or her chances of being reunited. The report should address the specific measures that could be employed to alleviate this problem.

We did not find any significant relationship between a county's social worker caseloads and its tendency to adopt reunification as a case plan goal. This is consistent with what we found in reviewing the Family Reunification and Permanent Placement programs, which are described below.

#### Family Reunification Program

The goal of the Family Reunification program is to reunite children with their families.

We reviewed a number of factors which might affect the ability of individual counties to achieve the Family Reunification program's goal. Based on this review, we conclude that:

1. There is no evidence that counties with relatively light social workers caseloads are more successful in reunifying children<sup>2</sup>. In fact, there is some indication that in the 19 large counties, higher rates of family reunification are associated with larger caseloads. (This relationship, however, is not statistically significant.) The lack of a strong inverse relationship between the number of cases per worker and the success of workers in reunifying families is significant because it suggests that:

- Counties could increase the number of cases per social worker without adversely affecting their success in reunifying families. The average family reunification caseloads of social

workers are well below the standard used by the department in estimating the costs of this program. The department's standard assumes that the average worker can perform the tasks required by SB 14 given a caseload of 27 children. The actual caseloads of social workers in the counties we reviewed averaged 18 children. Based on the available data, we conclude that these counties could increase their cases per social worker without adversely affecting their success in reunifying families.

- A county's commitment to achieving the goals of SB 14 seems to be more important than the caseloads of its workers. For example, Stanislaus County had one of the highest rates of reunifications, even though its social workers carried an average caseload of 24 children. We believe that Stanislaus County's exceptional performance results from both effective management and a long-standing commitment to the goals of SB 14. In fact, during the late 1970's, Stanislaus County was involved in one of the early attempts to reform child welfare services--the Oregon Permanency Planning Project (please see Appendix A). As a result, Stanislaus County reduced the number of children in foster care in the county dramatically and, by 1979, it had implemented most of the reforms later enacted by SB 14. We conclude from this that it is possible for a county to conduct a successful Family Reunification program with

caseloads per social worker approximating the standard used by the department if the county is committed to achieving the goals of SB 14.

We therefore recommend that the department adopt an explicit caseload standard of 27 cases per worker for the Family Reunification program. We estimate that if such a standard had been in effect in 1983-84, it would have reduced the family reunification workforce by 184 social workers statewide, for a savings of \$10 million to the Family Reunification program. These savings could have been used either to add staff to the Emergency Response and Family Maintenance programs, where we believe current caseloads per social worker are too high, or to reduce the state and federal costs of the CWS program.

Increasing the caseloads of family reunification workers would not do anything to improve the performance of the Family Reunification program. The available evidence on program performance, however, suggests that such an increase would free up funds for other purposes without reducing program accomplishments. We believe the best way to improve program performance is to encourage the counties to increase their commitment to achieving the goals of SB 14 and to manage the program more effectively. The CWS management system that we discuss in Chapter V of this report would provide counties with the fiscal incentives and management tools that they need to do this.

2. There is no evidence that an increase in the number of social worker contacts with clients increases the likelihood that a child will be

reunited with his or her family. This finding is significant because several counties have stated that the requirements for social worker/client contacts are too rigid , and they have recommended that the requirements be changed. Since the number of social worker/client contacts does not appear to be related to a county's success in achieving the goals of SB 14, it would make sense to reevaluate these requirements. We therefore recommend that the department submit to the Legislature, by October 1, 1985, its recommendations as to the minimum frequency of social worker/client contacts.

#### Permanent Placement Program

The purpose of the Permanent Placement program is to facilitate the permanent placement of children who cannot return safely to their families. The program's primary goal is to ensure that these children are placed in the most family-like and stable setting available, with adoption being the placement of first choice, followed by legal guardianship and long-term foster care.

We reviewed a number of factors that might affect the counties' ability to achieve the goals of the Permanent Placement program. Based on this review, we conclude that:

1. There is no evidence that smaller caseloads lead to better program performance. Specifically, we found no relationship between the number of cases carried by a county's permanent placement workers and (a) the adoption rate, (b) the percentage of children with a case plan goal of long-term care, or (c) the stability<sup>3</sup> of placements.<sup>4</sup> In fact, counties

with large caseloads per social worker were just as likely to be successful in placing children in adoptive homes as were counties with smaller caseloads per worker.

Because there appears to be no relationship between program performance and caseload size, there is no reason for the state to pay the counties for more placement workers than the number that, according to the department's implicit standard, are needed to accomplish the tasks required by SB 14. Currently, the department's standard assumes that social workers can carry 54 permanent placement cases. In contrast, the actual caseload of permanent placement workers in the 37 counties represented in our sample averaged 33 children per worker. We therefore recommend that the department adopt an explicit caseload standard of 54 cases per permanent placement worker.

If such a standard had been adhered to in 1983-84, we estimate that it would have reduced the permanent placement workforce by 110 workers statewide, for a savings of \$6.0 million to the Permanent Placement program. These savings could have been used either to reduce the caseloads in the Emergency Response and Family Maintenance program, where we believe current caseloads are too large, or to reduce the state and federal costs of the CWS program.

2. Children in small to medium-sized counties have a substantially better chance of being adopted than do children in larger counties. Specifically, the smaller counties placed, on average, 3.2 percent of their permanent placement children into adoptive homes, while the large counties

placed only 1.6 percent of their children in adoptive homes. We were unable to identify any significant differences between the kinds of children served by the larger and smaller counties that might explain this difference in adoption rates. This question, however, deserves further study. Perhaps further investigation would identify options for improving the rate of adoptions in the larger counties.

### Conclusion

In this chapter, we have identified several factors that may account for the different degrees of success that different counties have had in achieving the goals of SB 14. We have also found that the size of a social worker's caseload does not seem to affect the success of the family reunification and permanent placement programs.

As discussed above, we recommend that the department report to the Legislature by October 1, 1985, on four specific concerns. To assure that the department's report addresses the issues that we believe are of most concern to the Legislature, we recommend that the Legislature include in the Supplemental Report of the 1985 Conference Committee the following language:

"The Department of Social Services shall report to the Legislature by October 1, 1985, on the extent to which (1) counties with relatively high emergency response social worker caseloads tend to provide emergency response services only to the most serious cases, (2) counties with relatively high emergency response social worker caseloads tend to respond to reports of abuse less promptly than other counties, (3) counties with relatively high family maintenance social worker caseloads tend to prematurely or inappropriately terminate cases as a way of reducing their caseloads, (4) the ethnicity of a child affects his or her chances of being reunited, and (5) the currently required frequency of social worker client contacts in the Family Reunification and Permanent Placement programs is necessary to ensure a high degree of success in achieving the goals of SB 14. The department shall also provide its recommendations for actions to correct any problems identified in its report."

In the final chapter of this report, we recommend the adoption of a CWS management system that we believe will (1) ensure that each county is provided with the resources it needs to implement SB 14, (2) provide the Legislature, the department, and the counties with the information they need to evaluate the extent to which each county and the state as a whole is achieving the goals of SB 14, (3) provide the department and the counties with the management information they need to manage effectively the CWS program, and (4) provide the counties with incentives to achieve the goals of SB 14.

#### FOOTNOTES TO CHAPTER IV

1. We measured the promptness of county responses based on the percentage of all responses which occurred within two hours of the receipt of a report of abuse.
2. Obviously, this finding applies only to caseloads within the range of those actually found in our sample. Obviously, it would not necessarily apply in the case of the much higher caseloads that existed in some counties prior to the enactment of SB 14.
3. We measured the stability of placements in terms of the frequency with which the average child moved from one placement to another.
4. See Footnote #1 above.

## CHAPTER V

### IMPROVING THE EFFECTIVENESS OF CHILD WELFARE SERVICES

In prior chapters, we have shown that SB 14 has had a substantial effect on California's CWS system. We also reported that counties continue to have problems in meeting the specific program requirements and goals of SB 14, although there is substantial variation among the counties in this respect. In this chapter, we discuss one strategy which we believe would significantly increase the state's and counties' ability to achieve the goals of this legislation. Specifically, we recommend that the DSS develop a CWS management system that consists of (1) performance standards for child welfare services, (2) a budgeting and allocation system, and (3) fiscal incentives to encourage good performance.

#### Child Welfare Services Performance Standards

At the present time, there is no ongoing, systematic review of the CWS system's performance. Such a review, however, would be feasible. In fact, the department collects and maintains a variety of data that could be used to conduct performance reviews of the system. Data from the Foster Care Information System (FCIS) and Social Services Reporting Form No. 291 (SOC 291) would be particularly useful in this regard. Although the department uses data from the FCIS and SOC 291 in responding to specific questions, it has no system for combining data from these and other sources to track the progress of individual counties, and the state as a whole, in achieving the goals of SB 14.

The Legislature needs an ongoing, systematic evaluation of the CWS programs so that it can determine the extent to which the goals of the program are being achieved.

The first step in evaluating the child welfare system would be to establish performance measures for counties in each of the four SB 14 programs. For example, since the goal of the Family Reunification program is to reunify families, it would make sense to measure the success of individual counties in terms of the number of successful reunifications (that is, the reunification rate less the recidivism rate). The second step would be to assign county-specific numeric targets ("standards") for performance in each of the programs. These standards would not be the same for all counties. In order to be fair and achievable the standards would have to reflect differences in the relevant demographic characteristics of the counties' caseloads.

The Legislature has recognized the need for performance standards in order to hold counties accountable for their performance in achieving other legislative goals. For example, it has required the DSS to develop a foster care performance standards system. This system currently is being pilot tested in several counties. We believe that the performance standards system which is needed to evaluate the accomplishments of the CWS program differs from the department's foster care system in two major ways. Specifically:

- The department's current performance standards system focuses on foster care cash grants not on the CWS program's success in meeting the goals of SB 14.

- The department's current performance standards system does not differentiate the four service programs of SB 14. Instead, it evaluates county performance from an overall foster care perspective. A more refined system is needed to assess performance under each of the four SB 14 programs. This system would recognize that different measures of performance may be appropriate for each of the four programs.

In order to improve the Legislature's ability to monitor, and hold counties accountable for, performance under SB 14's four service programs, we recommend the enactment of legislation requiring the department to develop child welfare services performance standards for each of the four SB 14 programs. We further recommend that the performance standards address, at a minimum, the following concerns which we identified in Chapters III and IV:

1. The extent to which children released from the Emergency Response and Family Maintenance programs are reabused.
2. The extent to which the increase in family reunifications has been accompanied by an increase in recidivism affecting reunited children.
3. The balance between foster care intakes and terminations in each county; that is, the progress of each county in appropriately reducing intakes and increasing terminations.
4. The appropriateness of the criteria used by each county in deciding whether to place children in group homes or family homes and the extent to which each county is appropriately minimizing its use of group homes.

5. The effect of emergency response social worker caseloads on removal rates.

6. The extent to which counties "cull" emergency response referrals in order to control the number of children and families served.

7. The relationship between emergency response social worker caseloads and the promptness with which counties respond to reports of abuse.

8. The relationship between family maintenance social worker caseloads and removal and reabuse rates.

9. The extent to which counties inappropriately terminate family maintenance services.

10. The relationship between the ethnicity of a county's foster care caseload and the percentage of children whose case plan goal is reunification with their families.

11. The extent to which the degree of compliance with the social worker/client contact requirements of SB 14 is related to the county's family reunification rate.

12. The relationship between a county's permanent placement caseloads and the county's adoption rate and placement stability.

#### Budgeting and Allocation System

As we noted in Chapter II, there is substantial disagreement between the state and the counties as to whether the funds provided for SB 14 in each of the three budget acts have been "adequate." It is important that this issue be resolved, for two reasons:

- First, it is unlikely that counties will fully implement SB 14 as long as they continue to believe, whether rightly or wrongly, that they have not received adequate funding to support the

necessary staff. In fact, several counties have advised us that they will do only "what they can afford to do," with the obvious implication that they cannot afford to implement the law fully.

- Second, counties may not be able to achieve reasonable performance standards for the program if they cannot support an adequate number of social workers. As we noted in Chapter 4, there is some indication that in many counties, actual staffing/caseload ratios may be too low to permit counties to achieve the goals of the Emergency Response and Family Maintenance programs.

In order to resolve the issue of funding adequacy, three sub-issues must be addressed. These sub-issues involve (1) the effect of the COLA cap on funding for the program, (2) the way in which the department allocates state and federal funds for the program among the counties, and (3) the way in which the counties allocate the funds available to them among each of the four SB 14 programs.

COLA Cap. As we noted in Chapter II, the state has estimated the costs of SB 14, based on the assumptions that the salary, benefit, and overhead costs associated with the average social worker in 1984-85 were only 9 percent higher than they were in 1980-81. This assumption reflects a policy adopted by the Legislature in 1981-82 (the "COLA cap"); it does not make any allowance for what social workers actually are paid. Because the actual costs of a social worker increased by 34 percent between 1980-81 and 1984-85, the "COLA cap" assumption results in a substantial discrepancy between what the state provides and what the counties believe is necessary to implement SB 14.

In our Analysis of the 1985-86 Budget Bill, we conclude that given the Legislature's policy decision to abandon the "COLA cap" for other county-administered programs, the continued application of the COLA cap to this program would be inappropriate.

Allocation of State and Federal Funds to the Counties. As we noted in Chapter II, the department allocates funds to the counties based on caseload measurements that are different from the ones used to estimate the statewide costs of the program. We noted that, in 1983-84, this resulted in some counties receiving more funds than they could justify, while other counties received less than they needed.

The department maintains that the caseload measurements used to estimate the program costs of SB 14 were not reliable on a county-by-county basis and, therefore, were not used to allocate funds to individual counties. Recently, the department developed caseload measurements for each of the four programs that are reliable on a county-by-county basis. The budget request for 1985-86 is based on these new caseload measurements.

We believe the department could reduce the confusion regarding the costs of SB 14 by using the same caseload measurements to budget and allocate funds for the program. We therefore recommend the enactment of legislation requiring the DSS to allocate funds for child welfare services using the same caseload measurements that it uses to prepare its budget request for the program.

County Allocation of Funds Among Each of the Four SB 14 Programs. In Chapter III, we showed that actual social worker caseloads in the foster care services programs (Family Reunification and Permanent Placement) are lower than they need to be in order to achieve the goals of SB 14. In

addition, we showed that social worker caseloads in the preplacement preventive services programs (Emergency Response and Family Maintenance) probably are too high, thereby preventing the counties from achieving the goals of SB 14.

Counties, rather than the state, decide how funding--and thus, staff--is allocated among SB 14's four programs. There are several reasons why counties may be allocating more funds than are needed for foster care services and less funds than are necessary for preplacement preventive services:

- Social workers prefer to work in foster care. Most of the social workers with whom we have talked prefer working in the foster care programs because they offer them the opportunity for longer-term involvement with clients and do not require as much overtime work.
- Foster care services often are conducted under court supervision.
- To our knowledge, the DSS has never, advised the counties how much of their allocations are intended to pay for preplacement prevention.

The department could increase the likelihood that staffing and workload are more closely linked by establishing formal caseload standards for each of the programs and prohibiting the counties from using state and federal funds to reduce social worker caseloads below the standards.

In Chapter IV, we recommend that the caseload standards for the Family Reunification and Permanent Planning programs be set at 27 and 54 cases per worker, respectively. (These are the ratios developed by the department in estimating the cost of the program.) We believe that the DSS

also should be able to develop standards for the Emergency Response and Family Maintenance programs for use in 1985-86. We therefore recommend the enactment of legislation requiring the department to promulgate caseload standards for each of the four SB 14 programs and to implement the standards by July 1, 1985.

We do not recommend that the specific numeric standards developed for 1985-86 become the permanent standards for the SB 14 programs. Instead, we believe that the department should reevaluate the standards each year based on the performance of the counties in administering the programs, in order to ensure their continuing appropriateness. Accordingly, we recommend that the legislation proposed above require the department to reevaluate its caseload standards each year and to submit any proposed changes in the standards to the Legislature as part of the Governor's Budget request.

#### Fiscal Incentives

Currently, one of the most important incentives for counties to "do a good job" in providing child welfare services is the professional pride of their social workers and managers. This professional pride is evident in talking with the great majority of county social workers, social worker supervisors, and program managers. There is no doubt in our minds that the people working in the system want to do a good job.

The courts provide another important incentive for counties to do a good job. Specifically, many courts take an active role in supervising the provision of services to children in foster care. Public opinion and media coverage also play a role in motivating counties to do their best. In addition, the DSS has devoted substantial resources to monitoring and

evaluating county performance with respect to the specific program requirements of SB 14 and the department's regulations.

Despite all of these incentives to do a good job, we have shown in this report that the counties have had substantial problems in meeting the program requirements and achieving the goals of SB 14.

We believe it is possible to improve the performance of counties in achieving the goals of SB 14 by establishing new incentives for doing a good job. Specifically, we believe that the counties' performance would improve if each county's share of foster care cash grant costs was tied to the county's success in meeting the performance standards established for the CWS program. Under current law, all counties pay 5 percent of Foster Care program costs not funded by the federal government. We propose that, instead, each county's share be based on a sliding scale. For example, a county that failed to meet its performance goals could be required to pay 25 percent of the nonfederally funded costs under the Foster Care program. In contrast, the matching share of a county that surpassed its goals in each program could be kept at 5 percent, while those counties whose performance was only "adequate" could be required to pay 15 percent.

Obviously, the percentage shares under such an arrangement could be set higher or lower than those used in the example. We chose these percentages for purposes of illustration only. (We have, however, long maintained that the local share in locally administered programs should be large enough to command management's attention, and thereby induce efficient administration. Generally, we believe a 20 percent matching share is the minimum necessary to achieve this objective.)

Basing a county's share of foster care costs on its performance in the CWS program makes sense because these programs are closely related. Specifically, a county's success in achieving many of the goals of SB 14 will affect the cost of the Foster Care program. For example, when a county succeeds in placing more children in adoption, it reduces foster care costs, because such children would no longer qualify for foster care grants. Similarly, when a county succeeds in keeping the families of abused children together, it reduces the number of children in foster care, thereby reducing foster care costs. Under the current foster care cost sharing ratio, a county that is successful in minimizing foster care costs is not rewarded for doing so in any significant way; it receives only 3 percent of any savings (the current 5 percent share of nonfederal costs equates to approximately 3 percent of total costs). Conversely, when foster care costs rise because a county does not fully implement SB 14, the county pays only 3 percent of the increased costs. Thus, counties currently have virtually no fiscal incentive to achieve the goals of SB 14.

For these reasons, we recommend the enactment of legislation specifying that each county's share of the costs of the Foster Care program be based, in part, on its performance in administering the CWS program. This would be consistent with current law, which requires that "any county which does not meet the performance standards (of the Foster Care program) shall be liable for up to the total amount of nonfederal expenditures for (foster care) aid programs." The approach we recommend differs from current law only in that it encompasses performance standards for the CWS programs rather than foster care performance standards.

It is important to note that the intent of this recommendation is not to free-up state General Fund monies by reducing the state's contribution to foster care. Quite the contrary, we have shown that there are sound programmatic reasons for the Legislature to adopt the foster care cost sharing mechanism we propose. Specifically, we believe that such a mechanism would help to improve services to abused and neglected children and their families. If the mechanism we propose results in any significant increase in the counties' contribution to the costs of the Foster Care program, the Legislature could return these monies to the counties in the form of increases in the amount of fiscal relief provided to counties under other programs (such as the Property Tax Transfer or Vehicle License Fees Subventions). We recommend, however, that the Legislature address the issue of offsetting any negative fiscal impact that a change in the foster care sharing ratio might have on the counties in the context of the overall fiscal relief package for counties.

## APPENDIX A

### A Bibliography of Child Welfare Services Reform Literature

1. Wall Street Journal, Vol. CXCII No. 46, Wednesday, September 6, 1978.
2. Theodore Stein and Eileen Gabrill, "Facilitating Decision-Making in Foster Care: The Alameda Project," Social Service Review 51, (University of Chicago Press: September 1977).
3. David Fanshel, "Parental Visiting of Foster Children: A Computerized Study," Social Work Research and Abstracts 13 (fall 1977).
4. Fanshel, "Parental Visiting in Foster Care: Key to Discharge?," Social Service Review, Vol. 99, No.4 (December 1975).
5. Fanshel, "Status Changes of Children in Foster Care: Final Results of the Columbia University Longitudinal Study," Child Welfare, Vol. V, No. 3 (March 1976).
6. Arthur Emlen, et.al., Overcoming Barriers to Planning for Children in Foster Care (Portland, Oregon: Regional Institute for Human Services, Portland State University, 1977).
7. Arthur Emlen, Is This Child Likely to Return Home? (Portland, Oregon: Regional Institute for Human Resources, Portland State University, 1975).
8. Claburn, Magura & Reswick, "Periodic Review of Foster Care: A Brief National Assessment," Child Welfare 55 (June 1976).
9. Claburn & Magura, "Administrative Case Review for Foster Children," Social Work Research and Abstracts 14 (winter 1978).
10. Charles A. Rapp and John Poertner, "Reducing Foster Care: Critical Factors and Administrative Strategies," Administration in Social Work 2 (fall 1978).
11. Rapp and Poertner, "Information System Design in Foster Care," Social Work, Vol. 25, No.2 (March 1980).
12. Barbara Chappen, "Organizing Periodic Review in Foster Care: The South Carolina Story," Child Welfare, Vol. XIV, No. 7 (July 1975).
13. Robert Mnookin, "Foster Care--In Whose Best Interest?" in "The Rights of Children," Special Issue, Harvard Education Review 43 (November 1973).

APPENDIX A--contd

14. Michael Wald, "State Intervention of Behalf of Neglected Children: A Search for Realistic Standards," Stanford Law Review 27 (April 1975).
15. Wald, "State Intervention on Behalf of Neglected Children: Standards for Removal of Children from Their Homes, Monitoring the Status of Children in Foster Care, and Termination of Parental Rights," Stanford Law Review 28 (April 1976).
16. Eileen D. Gambrill and Kermit T. Wiltse, "Foster Care: Prescriptions for Change," Public Welfare (summer 1974).
17. Henry Maas, "Children in Long-Term Foster Care," Child Welfare 48 (June 1969).

## APPENDIX B

### Demographic Changes Since the Enactment of SB 14

This appendix describes the various changes that have occurred in the demographic characteristics of children receiving child welfare services since the enactment of SB 14. Chart 1 shows that between 1980 and 1983, the number of reported and verified cases of child abuse and neglect in California increased by 145 percent, from 19,572 to 48,042. This represents an annual average rate of increase equal to 35 percent.

This increase is significant for two reasons. First, virtually all of the children who are served by SB 14 programs enter the child welfare system through a report of abuse or neglect. Second, this dramatic increase in child abuse and neglect reports occurred at the same time the counties were attempting to phase in SB 14.

Chart 1 also shows that physical and sexual abuse accounted for a larger share of child abuse reports in 1983 than they did in 1980. This is significant because these cases generally are more serious, take longer to investigate, and require more services than other kinds of abuse.

Charts 2, 3, and 4 display the other demographic changes that have occurred in the types of children who receive child welfare services since the enactment of SB 14. Specifically:

- Ethnicity of Children in Foster Care. Chart 2 shows that the percentage of "white" children in foster care has dropped from 52 percent just prior to the enactment of SB 14 to 45 percent in June 1984. This change may be significant, primarily because (1)

APPENDIX B--contd

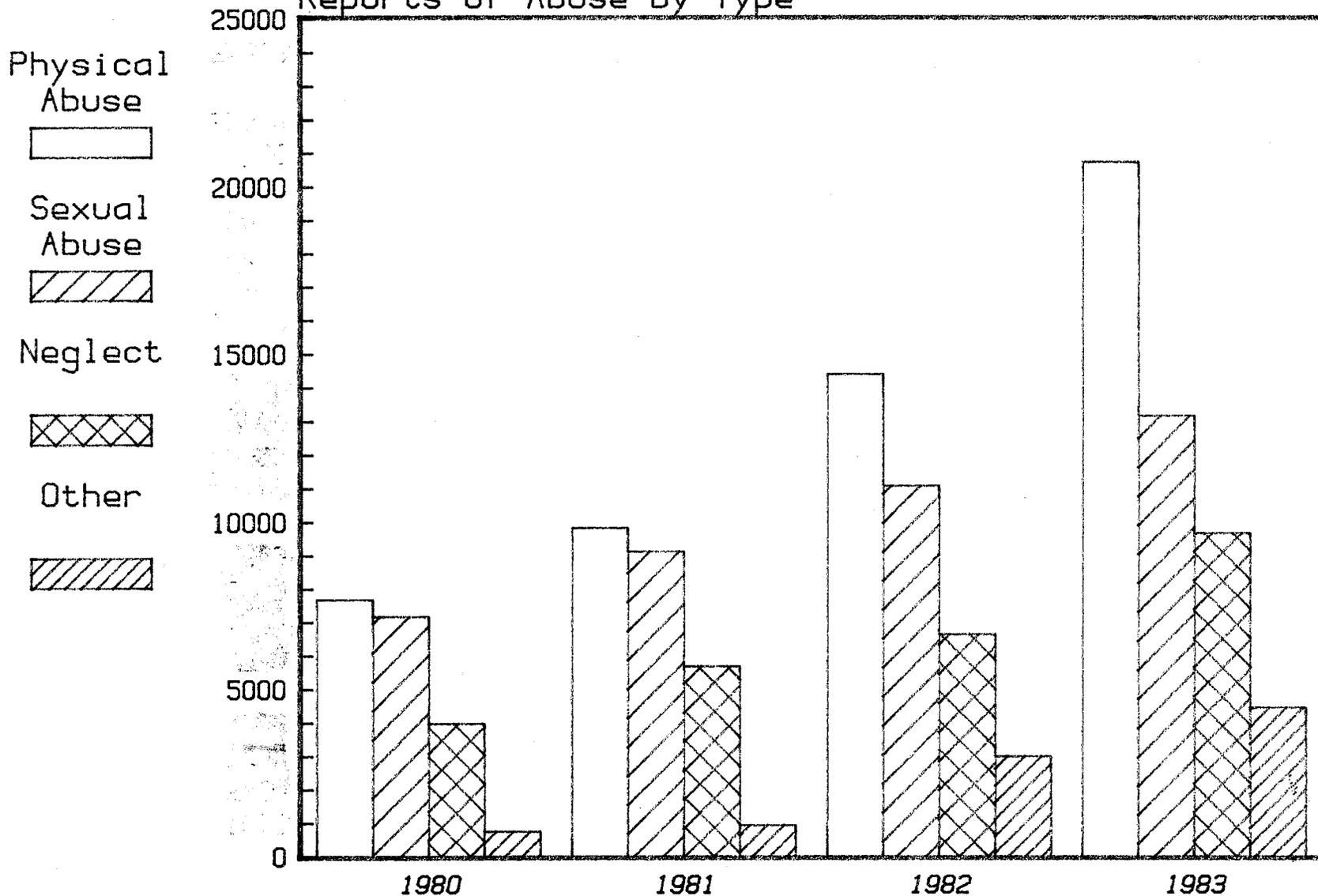
white families are statistically more likely to be reunified and (2) minority children are less likely to be adopted.

- Age of Children in Foster Care. Chart 3 shows that the age of children in foster care has dropped substantially since the enactment of SB 14. Specifically, the percentage of children who are 13 to 20 years old dropped from 49 percent in 1981 to 39 percent in 1984, while the percentage of children 0 to 3 years old increased from 13 percent in 1981 to 17 percent in 1984. The effect of these changes on SB 14 is uncertain. Older children, for example, tend to be harder to place in adoptive homes but somewhat more likely to be reunited with their parents.
- Sex of Children in Foster Care. Chart 4 shows that girls account for 51 percent of the current caseload, as compared with 48 percent in 1981. This increase is probably explained, in part, by the increase in sexual abuse--girls are more often the victims of sexual abuse than are boys. While this represents a substantial demographic change, its effect on SB 14 is unknown.

CHART 1

# Child Abuse in California 1980-1983

Reports of Abuse by Type

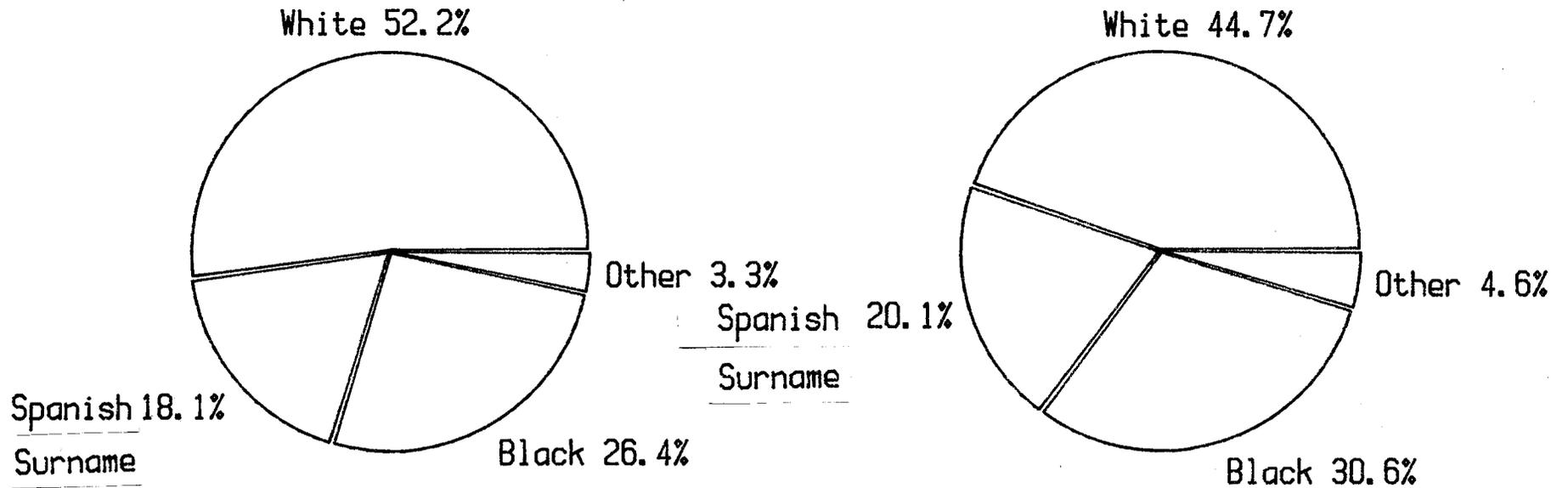


-78-

# Ethnicity of Children in Care

March, 1981--pre-SB14

June, 1984--Post-SB14



-79-

Source: Department of Social Services

# Age of Children in Placement Before & After Enactment of SB14

Percent in Each Age Group

AGE GROUPS :

0to3 Years



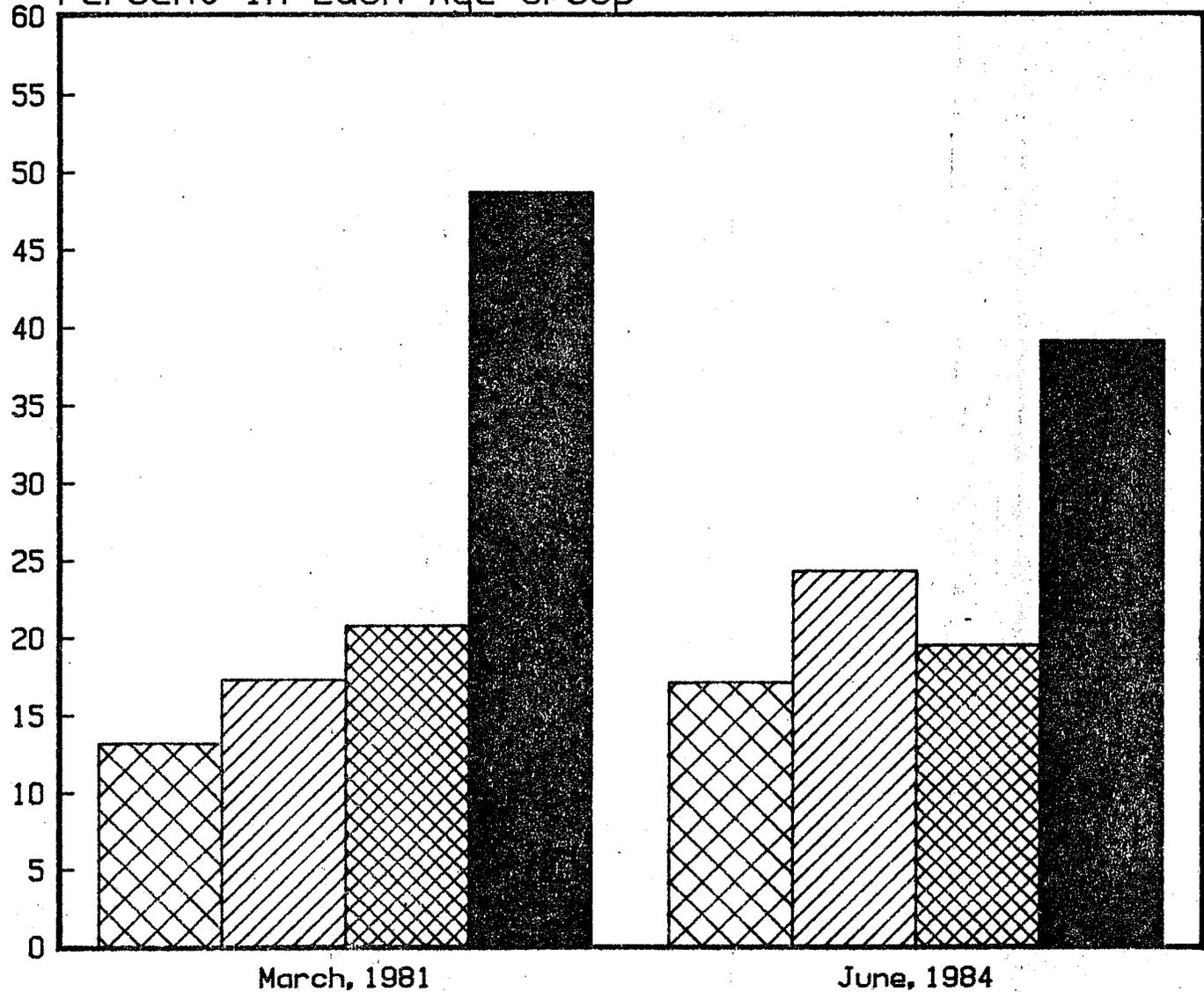
4to8 Years



9to12 Years



13to20 Years

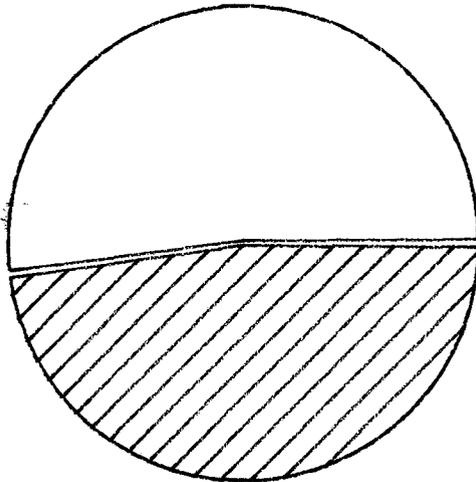


# Sex of Children in Foster Care

March, 1981--pre-SB14

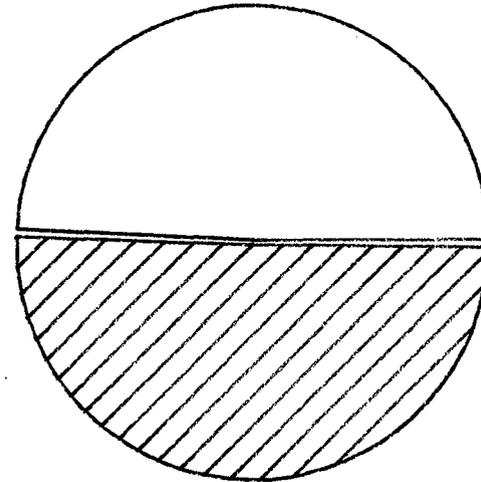
June, 1984--Post-SB14

Male 52.1%



Female 47.9%

Male 49.4%



Female 50.6%

## APPENDIX C

### Regression Analysis

In conducting our study of SB 14's implementation, we performed a number of multiple linear regression analyses. The findings and conclusions in Chapter IV are based, in part, on the results of these regression analyses.

We have prepared a technical appendix which shows the results of the various regression analyses used in the preparation of this report. The appendix consists of 23 tables arranged by program (Emergency Response, etc.) and provides the following information for each regression analysis:

1. Sample. The tables describe the number of counties used in the sample and the criteria used in selecting them.

2. Regression model. The tables describe the regression models and each of the variables used in the models.

3. Regression analysis results. The tables display the regression coefficients, their respective T-values, the mean values of the variables, the constant and its T-value, and the overall R-squared of the model.

The following table is an example of the information which is contained in the technical appendix. The full appendix will be provided upon request.

APPENDIX C--contd

EMERGENCY RESPONSE PROGRAM: MODEL 1

Sample: 33 counties. Counties excluded were those with less than 200 referrals to the Emergency Response program (based on Social Services Reporting Form Number 291 for the January-March 1984 quarter). Los Angeles County was also excluded due to possible reporting errors.

Regression Model:

$$RE'D2_i = A + B * FAMLD2_i + C * UNFDD2_i + D * SER2_i + E * DIRCOS_i + F * 2HRS2_i + \text{error}$$

WHERE:

RE'D2 = The percentage of substantiated reports of child abuse that led to a child's removal from his/her home during the January-March 1984 quarter.

FAMLD2 = The number of families in the average ER caseworker's caseload in the same quarter.

UNFDD2 = The percentage of all reports that were determined to be unfounded during the same quarter.

SER2 = The percentage of all reports in the same quarter that involved sexual abuse, physical abuse, or severe neglect.

DIRCOS = The average amount spent on each emergency response child during the same quarter to purchase such direct services as emergency shelter care counseling and transportation.

2HRS2 = The percentage of all reports to which the county responded within two hours in the same quarter.

A = The constant.

Regression Results:

	<u>Coefficient</u>	<u>T-Value</u>	<u>Mean</u>
Constant = -18.59	N/A	-.952	N/A
FAMLD2	-.04622	-.463	39.91
UNFDD2	.47288	2.895	74.44
SER2	.32866	1.374	45.14
DIRCOS	.07089	.318	8.67
2HRS2	-.21484	-1.406	27.82
RE'D2	N/A	N/A	24.23

$$R^2 = .3005$$