



Michael R. Pence, Governor
Mary Beth Bonaventura, Director

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Director Brian Bailey
State Budget Agency
200 W. Washington St., Rm. 212
Indianapolis, IN 46204

August 19, 2016

Dear Director Bailey:

In 2005, the Indiana Department of Child Services (DCS) was created as a standalone agency charged with administering Indiana's child protection and Title IV-D child support systems. Since that time, DCS has implemented a number of initiatives to improve the manner in which child welfare and child support services are administered in Indiana. DCS hopes to continue building on those improvements during the next biennium.

DCS PROGRAMS

DCS administers programs with the goal of developing, procuring, and delivering a range of proven, effective services to ensure the well-being of children at risk for and victims of abuse and/or neglect, and to ensure their financial support. The following is an overview of the programs DCS delivers to Hoosier children and families.

In-Home Care

In-home services include a broad array of preservation and reunification services to help families (including pre-adoptive and extended families) at risk or in crisis, including services to prevent the unnecessary removal of children from their homes. Services funded through this program are delivered to families in their own homes and are designed to keep the families together. Services include home-based services, parenting skill building, substance use disorder treatment, domestic violence services, and mental health services. These services help to maintain the safety of children in their own homes,



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support families preparing to reunify or adopt, and assist families in obtaining other services to meet multiple needs. Reunification services also assist children in returning to their families or placement into adoption or legal guardianship with relatives.

Out-of-Home Care

DCS strongly values the belief that the most desirable place for children to grow up is in their own homes, as long as they can do so safely. When working with a family, DCS strives to utilize services and community supports to allow children to remain safely in their own homes. At times, however, in order to ensure the child's safety, DCS must remove the child and identify an alternative placement option.

Out-of-home services include placement options and support services for children who are unable to remain safely in their own homes. When children are removed from home, DCS utilizes a variety of placement options, including licensed and unlicensed relative placements, foster homes, and residential treatment facilities. DCS utilizes out-of-home care only when there is no other alternative to ensure a child's safety and well-being.

Child Services Operations

Child Services Operations reflects expenditures for DCS staff who are critical to carrying out the mission and activities associated with all other program areas; including (1) assessing allegations of abuse and neglect, (2) ongoing case management of child welfare cases, (3) in-home and out-of-home placement, and (4) permanency for children in foster care. The Child Services Operations program is made up of four key areas which are detailed below:

- 1. Child Welfare Field Operations** – Local office child welfare staff (family case managers, supervisors, local office directors, etc.) provide direct services to abused and neglected children and their families. Family Case Managers (FCMs) and their supervisors are responsible for ensuring that each report of child abuse and neglect is assessed in a timely and thorough manner. They are also responsible for case management and service referral for children and families who are involved in formal cases through the court system or informal adjustments (voluntary cases) that are approved by judges and monitored by the local office.
- 2. Central Office Staff Support** – Central office divisions were established to oversee, manage, and support the delivery of services and programs to abused and neglected children and their families and to children at risk of abuse or neglect. These divisions develop, implement, and manage effective programs, policies, and support tools for staff working with abused and neglected children and their families. Central office operations staff ensures compliance with federal, state, and local laws regarding child abuse and neglect and administer federal grants and funding to support abused and neglected children and their families.



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3. **Staff Development and Training** – The child welfare training program delivers training to new and experienced child welfare staff and foster parents.
4. **Business Operations and Administration** – These activities are necessary to operate local offices in all 92 counties, along with 5 child abuse and neglect hotline locations.

Permanency Support

DCS believes that permanency for a child means a safe, stable, and secure home and family, love, unconditional commitment, and lifelong support. The Department believes that at a minimum, every youth in foster care should have a permanent connection with one caring, committed adult who will provide them with guidance and support as they make their way into adulthood. The Permanency and Practice Support program includes funding for all services designed to increase the number of children achieving permanency through adoption, guardianship, or other permanent, planned living arrangement.

Older Youth Services

The goal of the Older Youth Services (OYS) program is to help youth practice living interdependently (building their own lifelong, social support network), and to gain the skills and knowledge to transition successfully out of the foster care system. The Older Youth Services program includes OYS, Collaborative Care, and Voluntary Services. The OYS program and Collaborative Care are sets of services and supports designed to assist older youth in successfully achieving their case plan goal (e.g. adoption, reunification, guardianship, or independent living). These programs are primarily focused on helping those youth who are expected to turn 18 in foster care to transition into self-sufficient adults, but the programs can be implemented concurrently with other goals like reunification and adoption. Voluntary Services are a set of services for youth to turn to while in foster care and are designed to prevent them from “aging out” of the system. These services are geared toward assisting former foster youth in the areas of housing, employment, and education.

Prevention

The Prevention program includes a broad service array intended to prevent child abuse and neglect. The goal of all prevention services is to reduce the need for referrals to Child Protective Services or involvement with the juvenile justice system. Services include Healthy Families Indiana and Community Partners for Child Safety, as well as primary prevention efforts through Prevent Child Abuse Indiana. In addition, delinquency prevention is provided by Youth Service Bureau organizations.

Juvenile Justice

The Juvenile Justice program includes funding for services for children with pending delinquency matters and ordered by local juvenile courts in Indiana. Pursuant to



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IC 31-15-2-7, DCS is the Indiana agency responsible for administering Title IV-E funds. Both child welfare services and juvenile delinquency (JD) services (both of which are eligible IV-E services) were historically funded at the county level. In 2008, as a part of the property tax reforms, funding responsibility for these services transferred from the county to the state. While responsibility for the case management associated with juvenile delinquency cases remains with local county probation departments, in order to retain the ability to claim federal reimbursement, funding to pay for JD services is transferred to DCS.

The Juvenile Justice Program makes available to county probation departments all services within the DCS service array for use with the juvenile delinquency population. Services include placement in residential treatment facilities, licensed child care agencies (group homes), foster care, and community-based services.

Technology

The DCS Technology program includes funding for Indiana's child welfare information system (MaGIK) launched in July 2012. It is also used to fund other child welfare operations technology costs, such as equipment, technology infrastructure, and software licenses. MaGIK is the case management system used for all DCS child welfare cases. The system includes functionality that allows DCS to readily identify the status, demographic characteristics, location, and goals for every child in foster care. In addition, the system does much more to support workers in making child safety decisions, identifying appropriate placement options, and achieving timely permanency for children in care.

Child Support

Each state is federally required to have a "single and separate organizational unit" to administer Title IV-D child support services (45 CFR 302.12). In Indiana, the DCS Child Support Bureau (CSB) fills this role. CSB is responsible for paternity establishment, support order establishment (both child and medical support), enforcement, and payment processing of child support. While CSB is the single state agency responsible for administering the IV-D program, it partners with the local county prosecutors who enforce the program at the county level. CSB also has cooperative agreements with Clerks of Circuit Courts, established magistrates, and special hearing officers specifically to adjudicate Title IV-D child support cases.

Federal law requires that states carry out all of the above services using a federally approved, statewide, automated case management/financial management system. Indiana's current system is called ISETS; however, a project is underway to replace ISETS with a new system, Indiana Verification and Enforcement of Support (INvest). The primary constituents for the child support program are custodial parties who have requested services, those who currently or formerly received TANF or Medicaid, and interstate cases. Services are carried out by CSB at the state level, but in collaboration with county prosecuting attorneys, clerks, and the courts in each county.



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ACCOMPLISHMENTS & CHALLENGES

The following information reflects the Department's accomplishments, challenges, and achievements over the last two years:

- **Family Case Manager (FCM) Turnover** – Talent retention is a high priority at DCS, and all management levels are committed to developing agency-wide, regional, and local office initiatives focused on retaining our most valuable resources – our employees. In January 2016, two monetary-based employee recognition programs were implemented to reward those that exemplify exceptional performance and outcomes related to the DCS mission, vision, and values. A peer and mentor bonus award program rewards successful family case manager field mentors and peer coaches who are trained and assigned to guide and support new FCMs in their professional development and new employee learning processes.

In addition to these recognition programs, DCS continues to promote enhanced Employee Assistance Program (EAP) offerings originally announced in July 2015. The EAP is available 24 hours a day, 7 days a week, and offers information and advice to help all employees solve a wide range of problems (e.g. relationship and family concerns, anxiety, depression, alcohol and drug abuse, stress, grief, parenting, and even financial or legal issues). All DCS team members and household members have access to three free and confidential in-person counseling visits with a licensed therapist per issue each year. In addition to telephonic and in-person counseling, online resources and seminars cover a host of topics to promote emotional well-being, health, and wellness.

Alongside the EAP program, select DCS staff members are continuing to be trained as critical response teams to provide peer-to-peer support to staff when a significant event, like a child fatality or death of a coworker, occurs. The continued development and promotion of these programs are aimed to support employees both in their professional and personal lives and ensure they feel valued as part of the DCS team.

Over the last two years, DCS has continued to build upon its partnership with the National Child Welfare Workforce Institute (NCWWI). The NCWWI awarded DCS a grant in July 2014 focusing on staff retention. Work on this grant began in July 2015, and since that time, an organizational assessment was conducted. This assessment found that several regional workgroups have resulted in the generation of recommended solutions which support the Department's workforce efforts.

Using these and numerous other employee retention initiatives, DCS will continuously seek ways to ensure that staff are supported and that the right staff are hired and trained to effectively serve Hoosier children and families.



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- **Behavioral Health Services for Children** – One challenge DCS faced over the last biennium was providing behavioral health services for children who have not been abused or neglected but present a safety risk to themselves or others. During SFY 2012, DCS and the Family and Social Services Administration (FSSA) started collaborating to find a solution to this issue by building a continuum of care for children with complex mental or behavioral health needs who are at risk for entering the child welfare or juvenile delinquency system.

As a result of the collaboration, DCS created the Children’s Mental Health Initiative (CMHI), which allows children who do not qualify for Medicaid to access intensive wraparound and residential services, funded by DCS, without court intervention. The CMHI is a major change in how Indiana provides services to youth with mental health needs because historically, these families were unable to access these services without court involvement. The CMHI was rolled out across the state beginning in November 2012 and became available statewide in March 2014. Since 2012, over 900 youth have received services through the CMHI.

- **Child Support Information System** – The Department’s Child Support Bureau (CSB) has been constrained by an outdated child support enforcement and tracking system. Limitations in this system are impacting the CSB’s efforts to more effectively and efficiently meet their operational goals and outcomes. CSB is in the process of building a new system, INvest, to replace the existing system. Over the next biennium, CSB expects to take major steps toward achieving the goal of developing this new system.
- **Addressing Increased FCM Caseload** – A number of factors led to an increase in caseloads during the SFY 2016/17 biennium, including an increased number of cases and staff turnover. Pursuant to IC 31-25-2-5, DCS is required to ensure that FCM staffing levels are maintained so that each region has enough FCMs to allow caseloads to be at not more than (1) twelve active cases relating to initial assessments, including assessments of an allegation of child abuse or neglect; or (2) seventeen children monitored and supervised in active cases relating to ongoing services. Any increase in open cases or assessments can impact the Department’s ability to meet the 12/17 standard.

In an effort to maintain appropriate staffing levels amid rising caseloads, DCS implemented many strategies to reduce caseloads and staff turnover, and to ensure compliance with the 12/17 standard. In January 2015, DCS engaged Deloitte Consulting to help identify process and practice improvements to support quality case management. In its final report, released in March 2015, Deloitte made 10 recommendations for addressing specific organizational and management challenges within DCS. The analysis identified both long-term and short-term



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process and procedural changes that were likely to be strongly correlated with meeting the current 12/17 caseload standard. Deloitte identified several efficiencies that should, over time, reduce the number of FCMs needed to best care for Indiana's most in-need children.

In addition to implementing Deloitte's workload recommendations, DCS also hired additional staff to ensure manageable caseloads for field staff. Based on February 2015 staffing and caseload numbers, DCS needed an additional 100 FCM positions and 17 FCM supervisor positions to be in compliance with the 12/17 standard. In a letter to legislative leaders, Governor Pence requested \$7.5 million per year in additional funding for DCS to hire these new workers, and the General Assembly granted this request in HEA 1001-2015, the biennial budget bill.

All of the efforts taken in the past two years will continue to move the Department toward the direction of effectively and efficiently administering child welfare services. DCS recognizes that this work is never complete, and as such, the Department will continue to evaluate ways to make changes in the future to better serve Hoosier children and families.

OBJECTIVES – NEXT BIENNIUM

During the next biennium, DCS has six primary objectives:

1. Enhance agency response to children and families with substance use disorders.

To accomplish this goal, DCS will improve accessibility and effectiveness of early intervention and substance abuse treatment options for children and families. DCS will evaluate existing services for prevention and treatment needs and continue to work with providers to ensure service delivery is approached through trauma-informed care and cultural competence. DCS will also increase ongoing statewide substance abuse training for staff and improve data collection to better assess the impact of substance abuse on children and families.

2. Hire and retain a highly skilled workforce to ensure child safety, well-being, and permanency.

DCS will continue to enhance and implement an aggressive and holistic recruitment plan aimed at remaining competitive in the current job market. This will also ensure a sufficient pool of qualified, competent, and committed candidates. DCS will expand retention efforts to include a statewide retention campaign and will implement innovative strategies to promote employee recognition and incentivize long-term commitment.



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3. Expand placement options for youth with complex mental health, developmental, and/or behavioral needs and improve the quality of current placements to provide therapeutic programming with clear treatment goals.

DCS will enhance efforts to recruit foster homes that are able to meet each child's individualized needs, which will improve placement stability. DCS will continue to provide wraparound services through a continuum of care for children with complex mental or behavioral needs which will help to prevent them from entering the child welfare or juvenile justice system.

4. Improve assessment, services, and system response to youth who are dually involved with DCS and juvenile probation.

DCS will develop and implement statewide policies, procedures, and best-practices to address the unique needs of dual status youth. This will improve collaboration and information sharing with probation departments and the juvenile courts in determining appropriate services and placements for children with cross-system involvement.

5. Finalize procurement activities for replacement of Indiana's statewide child support automated system.

The Child Support Bureau embarked on a multi-year project, in conjunction with its county partners, to build and launch a new child support system called the Indiana Verification and Enforcement of Support (INvest). INvest will have a number of benefits, including increased collections for families, increased opportunity for collaboration, and decreased maintenance costs.

While INvest will take many years to complete, the Department's strategic plan for this project includes the following goals: (1) finalize all system requirements, (2) complete and ensure approval of the Federal Feasibility Study, (3) gain final approval of the Request For Services (RFS), (4) complete the competitive procurement, and (5) select and begin working with vendor on system design and development. Once implemented, this system will assist in bringing child support monies to children, better enabling Indiana to ensure the financial well-being of Hoosier children.

6. Enhance child welfare technology to support data driven decision making and best practice for child and family outcomes.

DCS will implement data analytics to enhance safety and permanency outcomes for children. Additionally, DCS will support electronic records sharing to improve administrative processes and reduce costs associated with placing children with family members who reside out of state.



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KEY PERFORMANCE INDICATORS

These metrics measure progress toward meeting DCS's overarching mission to protect children from abuse and neglect, and to ensure their financial support.

- **Percent of current child support collected:** *The amount of money collected for current support in Title IV-D cases divided by the total amount owed for current support in Title IV-D cases during the year ended each quarter.*
 - June 2016 (Q2) = 65.48%
- **Percent of permanency within 24 months for children in out-of-home placements:** *The number of children in out-of-home placement who achieved permanency within 24 months through reunification, adoption, guardianship, or living with a relative and were released within the last quarter as a percentage of the total children who were reunited during that same period.*
 - June 2016 (Q2) = 79.55%
- **Percent of children with no substantiated maltreatment after DCS involvement in last 12 months:** *The number of children in care who had no substantiated report of repeat maltreatment in the prior 12 months as a percent of total children in the last quarter who did have substantiated allegations of maltreatment.*
 - June 2016 (Q2) = 93.37%
- **Percent of children in care who do not re-enter foster care within 12 months of case closure:** *Of all children who entered care during the year, the percentage that did not reenter foster care within 12 months of case closure.*
 - June 2016 (Q2) = 96.48%

ORGANIZATION CHART

See attachment.

PROGRAMS TO BE REDUCED, ELIMINATED, OR REPLACED

No programs or services for children will be reduced, eliminated, or replaced.

REALLOCATION OF FUNDS

No funds are planned to be reallocated.



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SPECIAL INITIATIVES

DCS requests the following change packages to address two key fiscal challenges in the coming biennium: 1) maintaining current service levels and 2) unmet staffing needs.

1. Maintaining Current Service Levels – \$34.8M/year

The Department needs additional state dollars to fulfil the state’s portion of service and administrative expenditures that federal grants are currently covering. Funding for services also needs to increase to accommodate the increased number of children and families served by the Department. Many, but not all, service costs are eligible for some amount of federal reimbursement from the Department’s Title IV-E waiver and other federal funding sources, but additional state funding is needed to adequately maintain current service arrays. Maintaining current levels of services and matching federal grants will require an additional **\$34.8M** each year in increased appropriation.

2. Unmet Staffing Needs – \$15.2M/year

While FCMs are perhaps the most widely known position at DCS, there are many other vitally important positions that help support FCMs in working to protect children and move children to permanency. For every open case, a DCS attorney is needed to file legal motions and represent the Department in court. Administrative and clerical staff are vital in supporting FCMs by assisting with document preparation, entering case data into MaGIK, and helping schedule the numerous meetings and visits that each case requires. Family case manager supervisors provide key leadership and supervision of front line workers in each local office and support high-quality case management.

- a. Based on SFY 2016 staffing and caseload data, DCS needs 62 additional FCMs as of June 2016 to meet its statutory caseload requirements. The number of children under the care of DCS (including CHINS and children with Informal Adjustments and Collaborative Care cases) grew 25% from SFY 2014 to SFY 2015. Caseload growth has slowed over the past year – increasing 16% from SFY 2015 to SFY 2016 – but the Department does not want to be in a position of having a future staffing shortfall because it did not appropriately account for caseload growth. Therefore, DCS is requesting a total of 84 FCMs to account for predicted future need over the biennium, and adding the necessary FCM supervisors (14), administrative support positions (14), and attorneys (9) would bring the total cost to **\$7.7M** each year to meet its statutory caseload obligation.
- b. In most cases, DCS aims to have a ratio of 1:6 FCM supervisors to FCMs. This ratio sometimes varies due to the size of the county, but the goal is 1:6. Based on the number of FCMs that DCS currently employs, DCS needs to hire an additional 44 FCM Supervisors to maintain this ratio. Supervisors are overburdened from carrying too many FCMs on their “caseload.” Moreover, DCS needs an additional 44 administrative support staff to keep from overburdening FCMs with clerical tasks



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and allow them to focus their efforts on effective case management. Hiring 44 new FCM supervisors and 44 administrative support staff would cost **\$5.4M** each year.

- c. In order to move children to permanency in a timely manner, DCS needs additional staff attorneys to be able to handle the legal workload involved in managing a child's case. Every case involves numerous statutorily required court petitions, hearings, and motions, and it is imperative that the Department maintains enough legal staff to ensure that these legal obligations are timely met. In total, DCS needs an additional 20 attorneys and 12 legal assistants, at a cost of **\$2.1M** each year.

A chart outlining these four change packages can be found on the following page.

Department of Child Services SFY 2018/19 Change Packages	
1. Maintaining Current Service Levels	\$34.8M
2. Meeting Unmet Staffing Needs	\$15.2M
<i>a. New positions required to meet 12/17 for SFY 2016</i>	<i>\$7.7M</i>
<i>b. Unmet need for administrative and supervisor positions</i>	<i>\$5.4M</i>
<i>c. Unmet need for attorney positions</i>	<i>\$2.1M</i>
TOTAL	\$50.0M

All of the efforts taken in the last biennium to improve the manner in which child welfare and child support services are administered in Indiana and the new initiatives planned for SFY 2018/19 will continue to help the Department effectively serve Hoosier children and their families.

Sincerely,

Mary Beth Bonaventura, Director
Indiana Department of Child Services



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