



Mitchell E. Daniels, Jr., Governor  
John P. Ryan, Director

**Indiana Department of Child Services**  
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**Child Support Hotline: 800-840-8757**  
**Child Abuse and Neglect Hotline: 800-800-5556**

Adam Horst  
State Budget Director  
State of Indiana  
200 West Washington Street, Room 212  
Indianapolis, IN 46204

Dear Director Horst:

Since its establishment in 2005 under the administration of Governor Mitch Daniels (Executive Order 05-14), the Indiana Department of Child Services (DCS) has continued to gain ground in addressing child abuse and neglect among Indiana's most vulnerable Hoosiers. DCS has faced a number of challenges since the responsibility for the Family and Children's Fund was legislatively placed with the State of Indiana, as part of the 2008 property tax reform. As a result, DCS began direct payment for the services to children and families previously administered and funded by the individual 92 counties.

Today all bills for child welfare services are paid in accordance with state fiscal policies via a consistent process standardized across all 92 counties. In addition, contracting and rate setting with providers follows a statewide process that is consistent from county to county.

These processes and rates make up the core funding structures for the many services and programs that DCS provides to assist children of abuse and neglect, and to help families in crisis. Additionally, DCS houses the Child Support Bureau (CSB), which ensures the collection and distribution of child support funds to custodial parents across the state of Indiana.

#### **DCS CHILD WELFARE PROGRAMS**

DCS administers programs with the goal of developing, procuring and delivering a range of effective services and programs to ensure the physical, mental and emotional well-being of children at risk of abuse and neglect, and their families. In addition to family preservation services, out-of-home placements for children, and supporting families involved with the child welfare system and probation, DCS also funds programming for prevention,



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permanency, and internal operations and administration. The following is an overview of the services DCS provides to Hoosier children and families:

- **Prevention** -- The intent of these services is to *prevent* maltreatment of children. In that vein, prevention programming includes early child home visits, referrals to mental health and substance abuse screening and outreach, supportive services that promote healthy parent/child interactions and community based programming that includes referrals to a broad range of local service providers.
- **Preservation** -- Preservation programs include services that provide support and involvement to help preserve families where child abuse or neglect has been substantiated. These services can include family assessments, casework and counseling, child and family team meetings, family visitation, and home visits. On some occasions, children will remain in the home; in other situations, children may be temporarily removed from the home and services provided to the family so that reunification can occur if child safety can be managed.
- **Placement** -- Placement programs include those services provided to the child and family while the child is placed in out-of-home care, such as relative placement, foster and residential care. The goals of these services are treatment to meet the child's needs and family reunification.
- **Permanency** -- Permanency is defined as reunification, adoption or legal guardianship. Permanency programs focus on locating and developing a safe, stable and secure home for a child. Every youth exiting foster care should have, at a minimum, a permanent connection with one caring, committed adult who will provide them guidance and support as they make their way into and through adulthood.
- **DCS Operations & Administration** -- DCS operations and administration include local office staff and operating costs, central office staffing and operational costs, and development and support of DCS's child welfare information system.

### **DCS CHILD SUPPORT PROGRAMS**

Since 2005, the CSB has been a part of DCS, and has cooperative agreements with local county prosecutors to provide funding for child-support enforcement services in all of Indiana's 92 counties. It also has cooperative agreements with Clerks of Circuit Courts established magistrates, and special hearing officers, specifically to adjudicate Title IV-D child support cases.

DCS's child support programs enforce parental responsibility through the establishment of paternity, the establishment of child support orders, medical support orders, and the collection and disbursement of court-ordered support payments from non-custodial parents. It is estimated the CSB will process approximately \$1 billion in child support payments in



state fiscal year 2012, (both Title IV-D and non IV-D cases) for the benefit of Indiana's children.

Parents who receive TANF or Medicaid for their children are required to pursue Title IV-D child support services through the local county prosecutor's office, and receive those services free of charge. Title IV-D of the Federal Social Security Act, enacted in 1975, requires that a child support program be established in every state that chooses to participate in the IV-A programs concerning public support. Indiana's child support program has been in place since 1976.

Other parents, who do not receive TANF or Medicaid, but need child support services, pay a one-time application fee of \$25. Persons interested in receiving those services may apply at their local county prosecutor's office. This group of parents now makes up the largest segment of Indiana's Title IV-D caseload.

### **PRIOR TO AGENCY ESTABLISHMENT**

To fully understand the progress DCS has made over the past few years, and in the past fiscal cycle, it is important to understand where the agency has come from since its establishment in 2005.

#### **Prior to 2005:**

- 57 children reported dead due to abuse or neglect; 19 of them had prior contact with the state's child-protection system (2004).
- Less than 800 case managers were on staff, with an average case load of 35 to 60 cases per worker, to manage.
- No training for newly hired case workers; they were put on the job to begin managing cases on their first day, and "learn-as-you-go" was the standard training practice.
- Only 10 percent of all children in the system received a visit every 30 days from a case manager.
- Calls to report abuse or neglect went to one of more than 300 individual county office numbers, which was not always answered by a trained Family Case Manager.
- Providers' rates and contracts varied from provider to provider, and county to county; there was no consistency in setting uniform standards or processes.

#### **Today:**

- 25 child fatalities reported due to abuse or neglect; 4 had prior contact with DCS (SFY 2010).
- More than 1,600 case managers on staff with an average case load of either 12 assessments in progress or 17 on-going children to manage.
- All family case managers undergo a full 12 weeks of intensive training before ever working their first case.
- 95.7 percent of all children received a case-manager visit every 30 days (FFY 2011).



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- Centralized Hotline established with a single 800 number for reports of abuse and neglect anywhere in the state, and staffed 24/7 with 74 trained case-management intake specialists.
- Rates now consistently set across providers and counties, making management of state tax dollars for child-protection services better utilized.

## RECENT ACCOMPLISHMENTS

The following reflect achievements and gains during SFY 2012:

- **Child safety and placement** – Since 2011, DCS has been working to implement its practice model through Safely Home, Families First – an operational direction that seeks to keep children in the home with their families whenever safely possible, or to place them with relatives first if they must be removed from the home. Safely Home, Families First is consistent with best practice and national trends in child welfare, and allows DCS to meet the Federal statutory requirement of having a procedure for “assuring that each child has a case plan designed to achieve placement in a safe setting that is the least restrictive (most family like) and most appropriate setting available and in close proximity to the parents’ home, consistent with the best interest and special needs of the child.” (Social Security Act 475 (5) A [42 U.S.C. 675]) As a result of this national best practice, DCS has seen a significant increase (96 percent) in relative placements, increasing up to 3,602 in June 2012, compared to 1,829 placements in June 2006. In addition, DCS has seen a significant decline (56 percent) in restrictive, congregate care placements, down to 723 in June 2012, compared to 1,635 in June 2006.
- **Maximizing Federal Medicaid Funding** – Prior to 2008, most behavioral-health services were paid with 100-percent state tax dollars. Today, DCS has established practices across the board that require Medicaid to be billed where eligible, maximizing federal dollars available to Indiana. As part of its rule-based rate setting which commenced in January 2012, DCS unbundled residential and foster care rates, separating payments for placement from those for behavioral-health services. DCS now requires foster-care and residential providers to bill Medicaid eligible services to Medicaid. Additionally, DCS has established a preferred-provider program with Indiana Community Mental Health Centers to provide Medicaid funded, home-based behavioral health services, in addition to Medicaid funded services to children in foster homes and residential facilities. These efforts have significantly increased Medicaid funding for the children and families that DCS serves, making state tax dollars available to be reinvested in other child-protection initiatives. DCS also refers services for children that are not Medicaid eligible, funding those services with state dollars.
- **Child-Welfare Information System** – In SFY 2012, DCS also completed the redesign of its child-welfare information system, which was a collaborative effort established with the Anne E. Casey Foundation. The redesigned system provides greater functionality



better aligned with changing case-management work, and meets federal reporting requirements consistent with DCS's Safely Home, Families First practice direction. The system redesign successfully launched in July 2012.

## RECENT CHALLENGES

Along with a number of key gains in SFY 2012, DCS also faces a number of challenges moving into SFY 2013:

- **Legal Challenges** -- DCS has been striving to achieve consistent rates across providers for nearly three years. However, its efforts were met with a lawsuit in 2009 and a follow up complaint in 2011 from the Indiana Association of Residential Child Caring Agencies (IARCCA). The first lawsuit resulted in a settlement in which DCS established rate rules, administrative guides indicating what are reasonable and customary fees and payments for services provided to children and families. DCS entered into a settlement agreement on Nov. 27, 2012, that provides a solution to the second claim, which dealt with how DCS implemented the rate setting system. The settlement addresses rates paid to cover additional staffing costs and cost-of-living expenses to residential facilities and foster-care agencies across the state that serve abused and neglected children. DCS estimates these adjustments will result in a one-time increase in rate payments of \$15 million in calendar year 2013.
- **Case-Manager Turnover** -- Turnover among family case managers has been trending upward, reaching an average of 19.7 percent in the last quarter of SFY 2012. Case manager turnover has significant impact on DCS and the children it serves. Turnover creates disruption and instability for children already in crisis. It also results in increased case loads for case managers who remain with the agency and a loss of training investment.
- **Behavioral Health Services for Children** – DCS has been challenged with providing behavioral-health services for children who have not been abused or neglected, but present a risk to themselves or others. DCS, judges, probation officers, prosecutors and child advocates all agree that children should not have to become a ward of the state or enter the juvenile-delinquency system to get needed behavioral health services. DCS has been working with the Department of Mental Health and Addiction and the Indiana Council for Community Mental Health Centers to develop a pilot program to address this decades-old concern. The pilot is expected to launch in fall 2012.
- **Child Support Information System** - The department's CSB has been constrained by an outdated child-support enforcement and tracking system. Limitations in this system are impacting the CSB's efforts to continue increasing its operational outcomes and metrics.



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## **OBJECTIVES-- NEXT BIENNIUM**

Over the coming biennium, DCS has four primary new objectives:

- **Reduce Case-Manager Turnover--** DCS's primary objective – a critical objective - for the next biennium is to address family case-manager turnover. As mentioned earlier, turnover remains high for family case-manager positions, reaching more than 19 percent in calendar year 2012. To address this issue, DCS granted salary increases to all family case managers, family case manager supervisors and local office directors.
- **Address Increased Case-Manager Caseload --**
  - Hiring 120 new family case managers. Adding this number of new case managers will greatly assist DCS in maintaining caseloads within the statutory 12/17 caseload requirements.
  - Hiring 75 new family case manager supervisors. This will bring the case-manager-to-supervisor ratios closer to 6:1, which is considered an industry best practice and will permit better supervision and support of family case managers.
  - Hiring 50 additional family case manager intake specialists to handle increased reports to the Indiana Child Abuse and Neglect Hotline.
  - Hiring 40 additional family case manager assessment workers to manage the increase in reports being assigned to the local office.
- **Assist Children with Mental Health Needs--** DCS is in the process of introducing new programming to address the mental-health needs of children who have not been abused or neglected. DCS will offer state- funded services to children with severe behavioral-health and mental-health needs that do not have access to private insurance or Medicaid. This initiative will help DCS adapt the past use of CHINS 6 filings to its proven practice model and its access to state funding and services to support families seeking help for children with behavioral and/or mental health challenges.
- **Upgrade Child Support Information System --** Finally, DCS would like to begin the redesign and replacement of its child support information system (known as ISETS). This will be a six-year project intended to provide DCS's CSB with an information system that will allow for improved enforcement and collections.

## **KEY PERFORMANCE INDICATORS**

The changes that have been implemented in the last five years are already reflected in the steadily improving DCS agency-wide metrics. These metrics measure progress toward meeting DCS's overarching mission and objectives of protecting children from abuse and neglect, and maximizing the amount of adjudicated child support collected and disbursed to the Hoosier children. Below are the most recent measures of those achievements compared to the earliest data collected:



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## Child Support

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- **Percent of current child support collected:** *Amount of money collected for current support in IV-D cases divided by the total amount owed for current support in IV-D cases during the year ended each quarter.*
  - Goals
    - Target = 58.0%
    - Stretch = 62.0%
  - Achieved
    - December 2004 = 50.7%
    - June 2012 = 60.2%
  
- **Percent of child support paying toward arrears:** *Number of IV-D cases paying towards arrears divided by the total number of cases with arrears due during the year ended each quarter.*
  - Goals
    - Target Goal = 60.0%
    - Stretch Goal = 62.0%
  - Achieved
    - December 2004 = 55.7%
    - June 2012 = 66.8%

## Child Welfare Field Operation

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- **Percent of counties meeting the required caseload ratio (12/17):** *Percentage of counties/92 that meet 12/17 target at average need over the 12 months ended in the current quarter.*
  - Goals
    - Target Goal = 75.0%
    - Stretch Goal = 100.0%
  - Achieved
    - September 2006 = 13.0%
    - June 2012 = 96.0%
  
- **Family Case Manager Turnover:** Negative turnover of family case managers.
  - Goals
    - Target Goal = 17.5%
    - Stretch Goal = 16.9%
  - Achieved
    - June 2008 = 19.3%
    - June 2012 = 19.7%



- **Percentage Time to Reunification < 12 months:** *Number of children who were reunited within 12 months with parents or primary caregivers and were released within the last quarter as a percentage of the total children who were reunited during that same period.*
  - Goals
    - Target Goal = 65.1%
    - Stretch Goal = 72.2%
  - Achieved
    - September 2005 = 70.0%
    - June 2012 = 72.2%
  
- **Percentage of Permanency within 24 months:** *Number of children who achieved permanency within 24 months through reunification, adoption or guardianship and were released within the last quarter as a percentage of the total children who were reunited during the same period.*
  - Goals
    - Target Goal = 85.0%
    - Stretch Goal = 90.0%
  - Achieved
    - June 2007 = 79.2%
    - June 2012 = 81.4%
  
- **Percentage of Absence of Repeat Maltreatment:** *Children who had substantiated allegations of maltreatment and had no prior substantiated allegation of maltreatment in the prior twelve months as a percentage of total children in the last quarter who have substantiated allegations of maltreatment.*
  - Goals
    - Target Goal = 85.2%
    - Stretch Goal = 90.0%
  - Achieved
    - September 2005 = 87.3%
    - June 2012 = 91.6%
  
- **Percentage of foster-care reentry not within 12 months:** *Percentage of children entering foster care in the last quarter who have not been in foster care in the last 12 months.*
  - Goals
    - Target = 92.9%
    - Stretch = 95.0%
  - Achieved
    - March 2005 = 92.8%
    - June 2012 = 95.7%



- **Percentage of open CHINS cases, including Informal Adjustments (IA) that remain at home.**
  - Goals
    - Target Goal = 40%
    - Stretch Goal = 50%
  - Achieved
    - June 2007 = 33.7%
    - June 2012 = 39.1%
  
- **Percentage of out-of-home placements with a relative**
  - Goals
    - Target Goal = 40%
    - Stretch Goal = 50%
  - Achieved
    - June 2007 = 21.3%
    - June 2012 = 39.2%

**ORGANIZATION CHART**

See Attachment.

**PROGRAMS TO BE REDUCED, ELIMINATED, OR REPLACED**

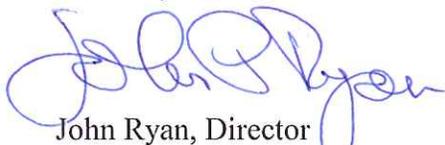
No programs will be eliminated or replaced.

**REALLOCATION OF FUNDS**

Successful implementation of Safely Home, Families First will continue to reduce DCS’s reliance on out-of-home placements. Therefore, funds will continue to be shifted and reallocated from out-of-home placements to other initiatives such as preservation services, prevention (healthy families and community partners), older youth services (e.g. independent living), after care services, relative and parent supports, and behavioral-health services for children who have not been abused or neglected but are a risk to themselves or others. These initiatives will continue to reduce the need for out-of-home placements, and reduce the probability of youth and children re-entering the child welfare system either as a minor or adult.

DCS believes, with implementation of the initiatives outlined above, we can continue to improve child welfare services for all Hoosier children.

Sincerely,



John Ryan, Director  
Indiana Department of Child Services



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