



Michael R. Pence, Governor
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Brian Bailey
State Budget Director
State of Indiana
200 West Washington Street, Room 212
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November 7, 2014

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 IV-D child support systems. Since that time, DCS 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 the financial support for children and families. The following is an overview of the programs DCS delivers to Hoosier children and families.

In-Home Care

The In-Home Services program includes a broad array of preservation and reunification services for children and families 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 family together. Services include home-based services, parenting skill



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building, substance abuse disorder treatment, domestic violence services, and mental health services. These services help to maintain the safety of children in their own homes, 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 in adoption or legal guardianship with relatives.

Out-of-Home Care

One of DCS' values is 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 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.

The out-of-home services program includes 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, DCS and privately licensed (LCPA) 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 from abuse or neglect.

Child Services Operations

The Child Services Operations program reflects expenditures for DCS staff 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) providing direct services to abused and neglected children and their families. Family Case Managers and their Supervisors are responsible for ensuring that each report of child abuse and neglect is assessed in a timely and thorough manner, and they are responsible for case management and service referral for children and families who are involved in formal cases through the court system and informal adjustments (voluntary cases) monitored by the local office.
2. Central Office Staff Support – Central office divisions 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



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local laws regarding child abuse and neglect and administer federal grants and funding to support abused and neglected children and their families.

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 – Activities necessary to operate local offices in all 92 counties, along with 5 child abuse and neglect hotline locations.

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), and in Indiana, the DCS Child Support Bureau (CSB) fills that role. The Child Support program 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, and a project is underway to replace ISETS with a new system to be called 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 the Child Support Bureau at the State level, but in collaboration with county prosecuting attorneys, clerks, and the courts in each county.

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 every youth exiting foster care should have at a minimum 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 another permanent, planned living arrangement.

Older Youth Services

The goal of the Older Youth Services program is to help youth practice living interdependently (building their own lifelong, social support network) to gain the skills and knowledge to transition successfully out of the foster care system. The Older Youth Services program includes Older Youth Services (OYS), Collaborative Care, and Voluntary



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Services. OYS and Collaborative Care are sets of services and supports designed to assist older youth in successfully achieving their case plan goal (adoption, reunification, guardianship, or independent living). OYS and Collaborative Care 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 who have “aged out” of the foster care 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.

Probation Services

The Probation Services program includes the funding for services for children with pending delinquency matters and ordered by local juvenile courts in Indiana. Pursuant to IC 31-15-2-7, DCS is the Indiana agency responsible 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 property tax reform, funding for these services transferred from the county to the state. While responsibility for the case management associated with juvenile delinquency cases remain with local county probation departments, in order to retain the ability to claim federal reimbursement, funding to pay for JD services transferred to DCS.

The Probation Services 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 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.



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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** – Beginning in SFY 2012 and continuing into SFY 2013, DCS experienced an upward trend in staff turnover, peaking at 20.6% in November 2012. Acknowledging that in child welfare, case worker turnover has a direct, negative impact on outcomes for children and families, DCS included a goal related to staff recruitment and retention in its Good to Great plan presented to Governor Pence in May 2013.

During the fall of SFY 2013, DCS implemented several measures to curb the increase in employee turnover, beginning with pay raises to all field staff, with salary increases adjusted according to the number of years of experience with the Department. In addition, DCS created a new FCM trainee classification and increased the starting salary for FCMs once they complete training. During the initial twelve (12) week training course, all FCMs are classified at the “FCM Trainee” level and receive a \$33,748 salary. The FCM salary increases to \$35,776 once the worker completes training.

While working to address the practical concerns of compensation and workload, the Department has also invested increased effort to ensure that staff are supported in their work. A team of DCS staff were trained in critical response and DCS launched a peer-to-peer support team to provide support to staff when a significant event, like a child fatality or coworker death, occurs. Near the end of SFY 2013, DCS also partnered with the IU Kelley School of Business to identify strategies that are designed to promote employee recognition, well-being, and long-term commitment to children and families.

Lastly, in 2013, the Department designated the month of August as “DCS Employee Appreciation Month” and utilized funding from a partnership with Casey Family Programs to host employee recognition events statewide. The events promoted organizational support of the commitment staff make daily on behalf of Hoosier children and families. As a result of these efforts, in July 2014, negative FCM turnover was down to 16.9%.

- **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 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



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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 the program began in November 2012, there have been 232 youth served, and as of May 2014, there were 171 youth and children actively receiving 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 continue increasing its operational outcomes and metrics. 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 the new system.
- **Addressing Increased Family Case Manager (FCM) Caseload** – A number of factors lead to an increase in caseloads during SFY 2013, including an increased number of cases and staff turnover. Pursuant to IC 31-25-2-5, enacted in the spring of 2007, DCS is required to ensure that Family Case Manager 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 caseloads can impact the Department's ability to meet the 12/17 standard.

In an effort to maintain appropriate staffing levels amid rising caseloads, the Department implemented many strategies during SFY 2013 to reduce caseloads and staff turnover, and to ensure compliance with the 12/17 standard. One strategy was addressing staff compensation, as previously discussed, by providing raises to field staff based on their tenure with the Department. Another strategy was to seek funding for additional staff. The legislature appropriated funding for 136 additional Family Case Managers and 75 new Family Case Manager Supervisors during the previous biennium. In addition, during fall 2013, DCS was approved to add another 110 Family Case Manager positions. Even with these strategies, DCS continues to see a rise in caseloads and continues to struggle to meet caseload standards.



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OBJECTIVES – NEXT BIENNIUM

During the next biennium, DCS has five primary objectives:

1. Improve the financial well-being of Hoosier children by building an enhanced child support automated system. This goal describes the Child Support Bureau's 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). 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 help get child support monies to more kids, better enabling Indiana to ensure the financial well-being of Hoosier children.
2. Ensure the safety of Hoosier children through informed decision-making beginning from the initial assessment - To accomplish this goal, DCS will expand utilization of effective, proven home-based services to increase the number of children who can remain safely in their own homes and reduce the incidence of maltreatment for children involved in the child welfare system. DCS will also re-evaluate and update training curriculum for new Family Case Managers to ensure workers have the basic skills and knowledge to ensure child safety and support positive outcomes for children and families. DCS will also improve accessibility and effectiveness of substance use disorder treatment.
3. Promote safe, timely and stable permanency options for children – DCS will expand placement and permanency options, and improve placement stability for children in kinship placements and in foster care placements. DCS will improve placement stability of adopted children through proper identification of placement options based on the child's individualized needs, and will provide support for that placement to avoid disruption. This will increase the effectiveness of foster and adoptive placements.
4. Ensure the well-being of Hoosier children by integrating a trauma-informed approach to our child welfare practice – DCS will continue to integrate a trauma-informed approach by expanding the availability and use of evidence-based and evidence-informed practices to ensure child and family needs are being met. DCS will also enhance staff capacity to utilize safety, risk, and CANS assessments in conjunction with one another to identify underlying needs of children and families, this will ensure that appropriate case plans are established and tailored services are provided.



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5. Promote a culture of learning whereby staff at all levels consider ways to improve practice, programs, and policy – DCS will develop a policy and organizational structure to support building a Continuous Quality Improvement (CQI) system as the method for evaluating and improving child welfare practice. DCS will begin by evaluating current quality improvement and quality assurance policies and processes and implement strategies to further enhance these systems and integrate them into the larger agency CQI model.

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: *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 2014 = 62.99%
- Percentage 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 2014 (Q2) = 80.1%
- Percentage of children with no substantiated maltreatment after DCS involvement in last 12 months: *Number of children in care with DCS 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 2014 (Q2) = 91.27%
- Percentage of children with trauma symptom or related needs improvement: *Starting with new cases after July 1, 2014, for those children scoring a 2 or 3 on the adjustment to trauma indicator, DCS will compare the comprehensive Child and Adolescent Needs and Strengths (CANS) assessment completed at case closure to the first comprehensive CANS to determine percentage of children with improvement in the adjustment to trauma indicator or related strength and needs measure.*
 - Baseline year
- Percentage 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, what percentage did not reenter foster care within 12 months of case closure.*
 - June 2014 (Q2) = 95.85%



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ORGANIZATION CHART

See Attachment.

PROGRAMS TO BE REDUCED, ELIMINATED, OR REPLACED

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

REALLOCATION OF FUNDS

The Department is proposing changes to restructure its budget for the next biennium. The proposed reallocated fund structure will allow DCS to more closely align its funds with current practice. This fund restructure is purely a reallocation of funds and represents no increases in funding requests.

The current budget structure is outdated as a result of many operational changes made over the past 9 years. The changes began with the creation of DCS as a standalone state agency in 2005, which shifted the administration of child welfare from the county level to the state level. Shortly thereafter, DCS adopted a new practice model – a new way of doing business that focuses on partnering with families to keep children in their own home, when they can remain there safely. Additionally, in 2008 with the passage of property tax reform, the legislature changed the way Indiana funds its child welfare system from a county-payor system to a state-payor system. All of these changes have resulted in an outdated budget structure for the Department.

The SFY 2014-2015 budget allocated DCS funding into 22 different funds. The budget restructuring DCS is proposing would consolidate those 22 funds into 10 funds beginning in the SFY 2016-2017 biennium. The chart on the next page shows how the 22 funds would be consolidated:



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SFY 2014/2015	Proposed: SFY 2016/2017
DCS County Admin State Appropriation	Child Services Administration
DCS Information System – Technology State Approp.	
Case Management Services Appropriation	
Child Welfare Administration State Appropriation	
Child Welfare Training – State Appropriation	
Healthy Families Indiana	Healthy Families Indiana
Independent Living	Family & Children Fund
Family & Children Fund	
Special Needs Adoption II	Title IV-E Adoption Services
Adoption Assistance	
Adoption Services Grants	
Title IV-D Federal SS Act	Title IV-D Child Support
IN Support Enforcement Track	
DCS State Administration	Child Welfare Program
Case Management Services	
Child Protection Auto Project	
DCS County Administration	
Family & Children Services	
Youth Services Bureau	Youth Service Bureau
Project Safe Place	Project Safe Place
Child Welfare Services State Grants State Approp.	Child Welfare Prevention
Adoption Services State Appropriation	Child Welfare Adoption Program

SPECIAL INITIATIVES

DCS proposes one special initiative in the SFY 2016-2017 biennium budget:

1. An \$11.2 million increase to the base budget is proposed to continue funding the State Adoption Subsidy (SAS) program for nearly 1,600 children in SFY 2016. In SFY 2017, a proposed increase of \$11.4 million to the base budget would continue SAS for more than 1,600 children.



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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 2016-2017 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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