

**Risk Pool Peer Review Committee Report
ChildNet Broward
Fiscal Year 2016/2017**

ChildNet Broward (CN-Broward) submitted an application for risk pool funding on November 30, 2016. The application was subsequently reviewed by the Southeast Region and with the concurrence of the Regional Managing Director was submitted to the Office of Child Welfare.

The department established a Risk Pool Peer Review Committee pursuant to section 409.990(7), F.S. and consistent with the department's Risk Pool Protocol of November 18, 2016. For fiscal year 2016-2017, the Risk Pool application process was informed by lessons learned from the prior year reviews as well as the availability of extensive additional information from reports developed pursuant to proviso language included in the General Appropriations Act (Chapter 2016-66, L.O.F, Specific Appropriation 342) for fiscal year 2016-2017. In compliance with this proviso language the department completed a comprehensive, multi-year review of the revenues, expenditures and financial position of all Community-Based Care lead agencies including a comprehensive system of care analysis. This submission also included a financial viability plan from lead agencies that had experienced a financial operating deficit.

The Risk Pool Protocol provided for priority consideration for any lead agency with increased removals based on a 12-month moving average from September 2013 to September 2016. This criterion was based on the experience from prior year reviews that found that significant increases in removals were a key indicator of financial vulnerability for a lead agency. Tier one for priority consideration was lead agencies with an increase in removals of 50% or more. Based on analysis of relevant data, CN-Broward was in Tier 4 for priority consideration, and last in the state as they actually have decreased removals of almost 2%.

The Risk Pool Protocol further provided that site visits would be required if no Risk Pool Peer Review site visits had been held in the past 12 months. A Peer Review Committee conducted a site visit on February 10th through 12th, 2016, therefore this report updates the prior year report which is attached for reference. In addition, this update was informed by a site visit performed by a consultant to the department to assess current fiscal and operational challenges.

This report also includes a review of relevant contextual information regarding caseloads, financial history and performance as reflected in the comprehensive report of October 1, 2016, the Financial Viability Plan submitted in response to last year's Risk Pool recommendations and updated financial and programmatic trend data.

This updated report is designed to meet the direction of the statute and departmental protocol in order to:

1. Review, analyze, and discuss the application.
2. Verify the accuracy of the data being reported by the Lead Agency.
3. Conduct an on-site, fact-finding visit to confirm input from the applying Lead Agency (if a visit has not occurred in the last 12 months).
4. Assess need for immediate technical assistance regarding budget development/management, and determine if continued on-site technical assistance is appropriate. In these cases, the Peer Review Committee will serve as the coordinating entity for the provision of technical assistance.
5. Make a final recommendation to the Secretary upon the completion of all required site visits, regarding approval or disapproval of the application. Recommendations for approval will include:
 - a. Amount of funding and mix of funds to be made available.
 - b. Limitations or requirements on use of additional funding that are linked to correction of factors that caused the shortfall.
 - c. Any follow-up actions or additional documentation needed from the Lead Agency or Region.
 - d. Report on technical assistance activities completed and remaining, and/or recommendations for future technical assistance.
 - e. Access to the risk pool or back-of-bill funding.

This updated information is organized in seven areas similar to the organization of last year's report.:

1. Findings related to the need for services and commitment of resources.
2. Findings related to protective services including removals, referrals for post-investigative services, activities to protect children without removal and use of resources focused on prevention and intervention.
3. Findings related to provision of services for children in care (both in-home and out-of-home).
4. Findings related to exits from care including exits to permanence.
5. Findings related to funding, fiscal trends and fiscal management.
6. Findings related to overall management.
7. Other factors or considerations noted on the application or determined relevant by the Peer Review Committee.

The following summarizes the updated findings. Almost all of the challenges noted in the original report still exist, so this addendum only contains significant updates or changes.

1. Findings related to the need for services and commitment of resources

As was indicated in the comprehensive system of care report of October 1, 2016, the overall child poverty rate was below the state average based on 2014 information. The updated child poverty rate for 2015 was 20.3% for Broward County and 23.4% statewide.

As noted in the prior risk pool report, there is a robust array of both governmental and private organizations in Broward County that are involved in child welfare.

2. Findings related to protective services including removals, referrals for post-investigative services, activities to protect children without removal and use of resources focused on prevention and diversion.

Average monthly removals by fiscal year are as follows:

- SFY 11/12 - 85
- SFY 12/13 - 99
- SFY 13/14 – 104
- SFY 14/15 – 115
- SFY 15/16 – 106
- SFY 16/17 through April - 98

July – December 2016 average monthly removals of 89 had been trending well below July – December 2015 of 108, but January – April saw a slight uptick – 111 compared the same period in the prior year of 99. There have been discussions that the percentage of these removals related to cases already open to case management is high and of concern, but actual data has not yet been provided by the region.

The rate of removals has declined – during SFY 15/16, the rate was 9.2 children per 100 reports received, compared to 8.8 for the current fiscal year, which is above the statewide average of 8.0.

The Broward Sheriff's Office (BSO) is under new leadership, which has effectively stayed abreast of the need to strengthen their Safety Methodology (ACTION proficiency) to increase the accuracy of assessments and removal decisions. Additionally, CN-Broward provided the Decision Support Team. BSO implemented a reorganization, performance improvements, and culture change. BSO has provided space for 2 Safety Management Services (SMS) teams, which have successfully kept over 78% of the children safely at home with their families by effectively supporting safety plans. All families referred to SMS had originally had open investigations with present and impending danger. CN-Broward increased the capacity of SMS to 47 families each month.

3. Findings related to provision of services for children in care (both in-home and out-of-home).

CN-Broward has made steady progress in reducing the overall number of children in out-of-home care (OOHC) as well as the number of children in facility-based care. The OOHC census decreased from a high in May 2016 of 2489 to 2274 in April 2017, a reduction of 9.5%. The OOHC rate per 1,000 children in the child population at 5.74 is now below the statewide average of 5.84.

Similarly, facility-based care reached a high of 332 in February 2016 and decreased to 243 in April 2017, a decrease of 27%. This represents a level of 10.69% of all OOHC which is still above the statewide average of 9.46%. This is a decrease from 13.43% in February 2016.

CN-Broward's percentage of children in relative care and children in family-based licensed care is only slightly higher (less than 1% each) than it was during the prior site visit (43.23% and 35.14%, respectively). Both are very close to the statewide average.

The In-home census has declined from a high of 1275 in December 2015 to 1122 in April 2017. The rate of 2.83 per 1,000 children in the population is very close to the statewide average of 2.84.

The number of foster home beds decreased between September 2016 through March 2017 to ascertain true capacity. Efforts were made to identify foster homes that were committed to fully occupying beds according to their license and eliminate fictitious availability.

CN-Broward's spending on case management services is 41% compared to the statewide average of 51%. Licensed care spending represents 41% of the total core compared to 28% statewide.

April 2017 caseload data shows average caseloads of 20.71, with 64% of case managers in full rotation. This is the highest percentage in full rotation all fiscal year. There are currently 165 positions with 6 vacant.

In an effort to provide a full array of services for the family, substance abuse and prevention programming has been made available as a residential and outpatient services at Susan B. Anthony for expectant moms at risk of their children entering the dependency system. This is funded through the Broward Behavioral Health (ME). In addition, a multidisciplinary team (FIT) for parents and a Family Engagement Program have been collocated at BSO and accessible to CPIs for mental health and substance abuse referrals.

4. Findings related to exits from care including exits to permanence.

Three key permanency indicators relate to the percent of children in care who achieve permanency within 12 months, the percent in care for 12 to 23 months who achieve permanency within an additional 12 months and the percent in care for 24 or more months

who achieve permanency within an additional 12 months. The chart below shows the percentage for each measure.¹

Measure	National Standard	CN - Broward	Statewide
Children Achieving Permanency within 12 months of removal (children removed in October through December 2015 and followed for 12 months).	40.5%	33.8%	41.5%
Children in Care 12-23 Months on January 1, 2016 Who Achieved Permanency within an Additional 12 Months.	43.6%	54.6%	53.9%
Children in Care 24 or More Months on January 1, 2016 Who Achieved Permanency within an Additional 12 Months.	30.3%	39.9%	40.9%

All measures are improvements since the February 2016 site visit.

Exits from care averaged 91 per month for SFY 2016 and 102 per month YTD for SFY 2017.

The Office of the Attorney General (OAG) has worked diligently to decrease the number of days to disposition. Their average in April was 67 days which is well below the target of 90 days. In an effort to reduce caseload which averaged 74 cases in February 2017, four additional FTEs were added in May 2017. Unfortunately, attrition rate has contributed to continued high caseloads which in turn has had an effect on case preparation and continuity. As of June 8, 2017 the OAG had 9 vacancies (5 attorneys and 4 support staff).

It is important to highlight that two new judges have been added to the dependency division increasing judicial resources to 8 (6 judges and 2 general magistrates). Due to the appointment process taking longer than anticipated and the last judge taking the bench on March 2017, docket volume has only decreased by 1% compared to the same time last year (June 2, 2016). The additions will likely have a positive effect in the number of exits in a longer timeframe.

5. Findings related to funding, fiscal trends and fiscal management.

The projected deficit for SFY 2017 is \$3.7m which is 6.6% of their core funding. When added to their carry forward deficit of \$3.2m, the cumulative deficit of \$6.9m will represent 12% of core funding. Without more significant reductions in spending, it is unlikely that CN-Broward can become financially viable.

Cash flow issues may begin when a CBC deficit exceeds ½ months funding (4.2%) and become more severe as the deficit approaches and exceeds a full month of funding (8.3%).

¹ Child Welfare Key Indicators Monthly Report, December 2016, pages 26 through 28.

Ignoring potential risk pool funds, CN-Broward's contract is about \$73m, so any cumulative deficit in excess of \$3m (1/2 month) is of concern and a deficit of more than \$6m (a full month) is of significant concern.

Looking at the census trends, one would conclude that CN-Broward should be on the path to financial recovery. However, there has been almost no change in overall spending patterns despite the reductions in caseload. YTD average monthly spending through April was \$5.207m per month compared to SFY 2016 @ \$5.256m per month (excluding MAS, IL and Safety Management Services) – only 1% less. In fact, March was the highest level of spending all year, and April was higher than all months except March, November and January. To break even, they need to be at \$4.734m.

Financial analysis has been difficult due to accruals and re-classes, so it is challenging to pinpoint why spending remains so high while all census trends are decreasing. The primary concern of long-term viability posed by the risk pool committee in the February 2016 report remains relevant. As an alternative to analyzing current spending trends, we reviewed some historical data on caseload and financial results. Note the following (core funding includes mental health services funds but not Safety Management Services):

	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17*
Core Funding	54.9	51.6	49.9	48.9	49.3	53.4	56.8
Core Spending	53.1	52.2	47.7	51.8	56.7	63.1	60.5
Result	1.8	(0.6)	2.2	(2.9)	(7.4)	(9.6)	(3.7)
Annual removals	1,031	1,021	1,186	1,251	1,385	1,269	1,200
Avg OOHc census	1,449	1,364	1,363	1,689	2,102	2,430	2,329
Avg IH census	514	592	963	737	981	1,223	1,192
Total avg caseload	1,963	1,956	2,326	2,426	3,083	3,653	3,521
OOHC census per removal - CY	1.4	1.3	1.1	1.4	1.5	1.9	1.9
OOHC census per removal - lag yr		1.3	1.3	1.4	1.7	1.8	1.8
Year to Year removal incr		-1%	16%	5%	11%	-8%	-5%
Year to Year OOHc incr		-6%	0%	24%	24%	16%	-4%
2 Year removal incr			15%	23%	17%	1%	-13%
2 Year OOHc incr			-6%	24%	54%	44%	11%
* Includes estimates for May and June							

CN-Broward began experiencing significant deficits in SFY 14/15. At that time, their core spending was \$56.7m, their average OOHc census was 2,102 and average total census was 3,083. At that spending level, they would be able to break even within their current core funds available of \$56.8m.

When CN-Broward experienced a 16% removal increase in SFY 12/13, they managed to keep the OOHc census flat. However, with only a 5% increase in SFY 13/14, OOHc increased 24%. Because children, once removed, remain in the child welfare system for more than a year, it is sometimes helpful to look at removal and census trends over a 2 year period.

From SFY 11/12 to SFY 13/14, the OOHC census increase matched the removal increase – around 23-24%. However, in SFY 14/15, with a smaller increase in removals, the OOHC census increased at more than twice the rate of removal increase, and then again in SFY 15/16, despite a decrease in overall removals there was a significant increase in OOHC.

In general, a stable system has about 1.5 children in the OOHC census per annual removal. Where removals are increasing, it is appropriate to look at current year removals in this calculation; where removals are decreasing, it is more appropriate to look at the prior year.

As noted above, in the years when removals were decreasing, CN-Broward exceeded the 1.5 average and remains at 1.8. This, along with the fact that OOHC census increased even while removals were decreasing speaks to a significant deterioration of the case management function. This is further supported by the following data:

Average Length of Stay in Out of Home Care for All Exits by Agency 7-1-2016 to 4-30-17	
Agency	Total
ChildNet-Broward	18.87
Community Partnership for Children	17.90
Our Kids of Miami-Dade/Monroe, Inc	17.86
Childrens Network of SW Florida	17.16
Families First Network	17.14
Devereux CBC	17.13
Brevard Family Partnership	16.99
Community Based Care of Central Fla	16.83
Kids First of Florida, Inc.	16.06
Big Bend CBC	16.00
Eckerd Community Alternatives	15.69
ChildNet-Palm Beach	15.19
Heartland for Children	15.19
Family Integrity Program	14.80
Community Based Care of Central Fla (Seminole)	14.77
Eckerd Community Hillsborough	14.56
Family Support Services of North Fla	14.39
Kids Central, Inc.	14.17
Partnership for Strong Families	13.74
Sarasota Y/Safe Children Coalition	13.71
Statewide Avg	16.04

Percentage of Children in Out of Home Care by Months in Care Category as of 4/30/2017		
Agency	0-18 Months	19+ Months
ChildNet-Broward	63.12%	36.88%
ChildNet-Palm Beach	68.29%	31.71%
Brevard Family Partnership	70.07%	29.93%
Our Kids of Miami-Dade/Monroe, Inc	71.61%	28.39%
Community Based Care of Central Fla	71.79%	28.21%
Kids First of Florida, Inc.	72.60%	27.40%
Community Partnership for Children	73.95%	26.05%
Kids Central, Inc.	74.77%	25.23%
Statewide Total	74.96%	25.04%
Families First Network	76.22%	23.78%
Devereux CBC	76.40%	23.60%
Eckerd Community Hillsborough	76.68%	23.32%
Community Based Care of Central Fla (Seminole)	77.17%	22.83%
Heartland for Children	77.62%	22.38%
Big Bend CBC	77.71%	22.29%
Eckerd Community Alternatives	78.30%	21.70%
Childrens Network of SW Florida	78.99%	21.01%
Sarasota Y/Safe Children Coalition	79.20%	20.80%
Family Integrity Program	79.59%	20.41%
Partnership for Strong Families	84.66%	15.34%
Family Support Services of North FI	85.03%	14.97%
Statewide	77.6%	22.4%

CN-Broward's average length of stay at discharge of 18.9 months is the longest in the state and exceeds the statewide average of 16 months. In addition, almost 37% of their OOHC population has been in the child welfare system for more than 18 months – much higher than the statewide average of 22.4%.

This data collectively tells us that CN-Broward's ability to timely discharge children from the child welfare system has significantly deteriorated. It also tells us that there is significant room for improvement. If CN-Broward were to get to an OOHC census of 1.5 times annual removals of 1200 (1800), and maintained the current in-home census of about 1200, they would be at an average census of 3000 – the same as SFY 14/15 (though with a higher percentage in-home). If the spending trends in SFY 14/15 at that census level held at \$56.7m, they would be financially viable.

CN-Broward's current OOHC census is 2274, thus, they would need to discharge 474 children to get to 1800, a 20% decrease. The current number of children who have been in the system for more than 18 months is 889. If they were to get just to the statewide average for children in the 18+ months category of 22%, their distribution of OOHC census would look like this:

- Total OOHC – 1800
- 78% 0-18 months = 1404

- 22% 18+ = 396, or 493 less than today

Their current fiscal year spending on licensed care is expected to be \$25.8m compared to \$26.4m in SFY 15/16 and \$22.3m in SFY 14/15. As noted, the overall spending in level in SFY 14/15 is sustainable at their current funding level. A 20% decrease from their current level of spending in licensed care would save more than \$5m.

Another item to consider is that about half of all OOHC placements are paid, and for every child in a paid placement who exits the system, CN-Broward reduces expense by about \$1,900 per month or almost \$23k per year. In order to get to the 14/15 level of spending on licensed care, CN-Broward would need to reduce cost by \$3.5m, or 150 children in licensed care and 300 children in OOHC overall (assuming half in unpaid placements). This would represent a 13% decrease in their current OOHC census.

6. Findings related to overall management.

CN-Broward needs to increase its ability to recognize trends and respond to emerging needs with timely action, both financially and programmatically. At all levels of management, individual supervisors, managers, and executives work diligently with a sense of purpose and passion. However, the agency's ability to analyze, plan, and implement appropriately is inconsistent.

7. Other Findings and Considerations – Financial Viability Plan

The Financial Viability Plan submitted by CN-Broward was actually their Roadmap which was developed as a result of the February 2016 peer review team visit. It has broad community participation (BSO, OAG and CSC) and is extremely comprehensive. There are 5 high level goals:

- Develop a process of support and tools for CPI's to ensure BSO is removing with the highest level of accuracy, and with fidelity to the model.
- Safely increase discharge rate and improve time to permanency
- Safely reduce caseloads and vacancies at BSO, ChildNet, and OAG to Improve Quality of Work
- Strengthen Safety Planning Practice
- Increase utilization of foster care and decrease use of group care

As discussed in the narrative, CN-Broward has made progress to some degree in all above areas. However, they are still far from being financially viable. The 2016 peer review report noted significant concerns about CN-Broward's long term viability.

Summary of Findings and Conclusions

- While CN-Broward experienced some removal increases in prior years, it has taken too long for their case management function to recover resulting in disproportionately high numbers of children in care, and those in care remaining for too long.
- CN-Broward can be financially viable if they focus on getting caseloads in line with statewide averages related to total removals as well as children in care for more than 18 months.
- CN-Broward's overall culture and operating environment has been negatively impacted by the crisis-oriented management style.

Recommendations

The Peer Review Committee recommends that:

- CN-Broward should review the data in this report and indicate whether they agree that financial viability is achievable within the current funding structure.
- CN-Broward should review their Roadmap efforts to determine which will have the most significant impact on discharging children from the system in a timely manner.
- CN-Broward should then set adjust and / or amend measurable goals so that staff and stakeholders understand the timing, expected impact, and how that impact will be measured.

It is recommended the Risk Pool Funding be approved to the extent available to reduce the —prior years cumulative deficit and to improve cash flow. Because CN-Broward has been slow to improve their case management function, the current year deficit of \$3.7m should not be covered. This translates to a minimum of risk pool funding of \$1m to get the cumulative deficit below 1 month cash (to \$5.9m), but no more than \$3.7m which leaves them with only the current year deficit. This is contingent upon CN-Broward indicating that they believe that the current funding level is adequate for future financial viability and provide a clear and detailed update to the Roadmap to achieve such.