Risk Pool Peer Review Committee Report
Kids Central, Inc.
Fiscal Year 2016/2017

Kids Central, Inc. (KCI) submitted an application for risk pool funding on November 29, 2016. The application was subsequently reviewed by the Central 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 experiences 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. Tier two was for lead agencies experiencing an increase of 20% to 50%. Based on analysis of relevant data, KCI was in tier 2 for priority consideration with a 20.93% increase in removals.

The Risk Pool Peer Review Committee for Community Partnership for Children consisted of

Jackie Gonzalez, CEO, Our Kids of Miami-Dade/ Monroe Inc.
JoShonda Guerrier, DCF Assistant Secretary for Child Welfare
Lee Kaywork, CEO, Family Support Services of North Florida, Inc.
Kelly Messer, Director of Finance, Devereux Florida
Barney Ray, DCF Office of CBC/ME Financial Accountability
Tory Wilson, DCF Office of Child Welfare
Don Winstead, Team Leader

The Risk Pool Peer Review Committee reviewed relevant contextual information regarding caseloads, financial history and performance prior to the site visit. The Peer Review Committee conducted the site visit on March 24, 2017.

The Peer Review Committee's work was 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.

The work of the Peer Review Committee was organized in to seven areas and members of the committee looked in detail at issues in each of the following areas:

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 findings of the Peer Review Committee

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

1.1. What is the relevant community context within which the child welfare system operates?

KCI is in Circuit 5 which includes Citrus, Hernando, Lake, Marion and Sumter counties. The Child Protection Investigation function and Children's Legal Services functions are performed by DCF. KCI has been the Lead Agency since 2004. The geographical area includes some of the fastest growing areas of the state, particularly among retirees. Some of these communities have restrictions that limit the ability of residents to be foster parents.

1.2. This may include incidence of calls to the hotline, child poverty in the area, local factors that influence the need for services, etc.

Reports of abuse or neglect from this area of the state have historically exceeded the statewide average. The following chart compares reports per thousand children in the population for the state as compared to the KCI catchment area and the five counties that are in the circuit. As this shows, the reporting rate is higher in each of the counties for each of the past four years.

Reports Per 1,000 Children in Population				
	SFY 13/14	SFY 14/15	SFY 15/16	SFY 16/17
Statewide	3.8	3.8	3.9	3.9
Kids Central, Inc.	5.1	5.2	5.4	5.6
Citrus	6.8	7.4	7.4	7.9
Hernando	4.7	4.8	5.2	5.1
Lake	4.1	4.2	4.2	4.6
Marion	5.6	5.5	6.0	6.3
Sumter	5.3	5.5	5.3	5.2

Note: FY 16/17 through February 2017

Child poverty in the area is slightly above the state average in 2015. Child poverty rates for the area and the counties is shown below.

	2015 Child Poverty
State	23.4%
KCI	26.9%
Citrus	31.4%
Hernando	24.50
Lake	20.9%
Marion	31.9%
Sumter	30.6%

1.3. Factors may also include community resources available to meet the needs of children and families such as Children's Services Councils, local governmental resources or other unique factors.

There are no Children's Service Councils in the circuit. Funding from local government or other sources are not a significant fiscal factor for KCI.

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.

2.1. What are the rates of removal, rates of verification and other measures from protective investigations that affect the need for child welfare services? How have these measures changed over time and how do they compare with other areas of the state?

The removal rates for the July through September 2016 period were 5.5 per 100 children investigated which is slightly below the statewide rate of 6.2.[1]

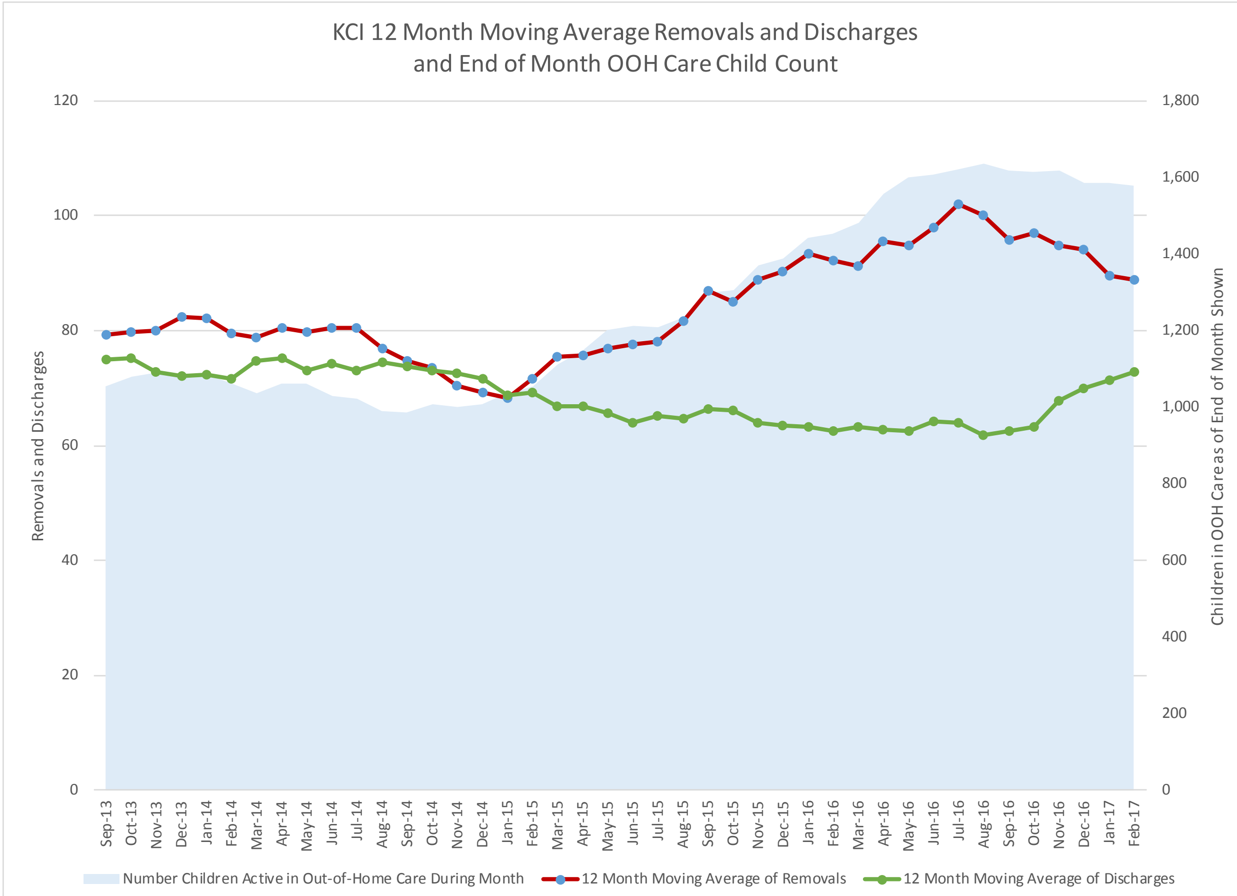
The average monthly number of removals increased substantially in FY 15/16 compared with prior years. The following table shows the average monthly number of removals by fiscal year[2].

Average Monthly Removals by State Fiscal Year - KCI

	FY 12/13	**FY13/14**	**FY14/15**	**FY 15/16**	**FY 16/17** through Feb. 2017
KCI	79	81	78	98	77

The following chart shows the trend in removals based on a 12-month moving average. Discharges are also shown along with the end of month child count. As the chart shows, there was a significant increase in removals from early 2015 to September 2016. Although the number of removals has moderately in the past few months, the 12-month moving average remains above historical levels.

[1] January 2017 Child Welfare Key Indicators Report
[2] DCF Office of Child Welfare Spinner Reports



2.2. What activities are in place to provide support to protective investigators and families to permit children to remain safe in their homes?

KCI has a wide array of services available to the CPI as an alternative to removal. These alternatives include specifically designed, evidenced-based in-home programs for safe, unsafe, high risk, and very high risk children. The evidenced-based in-home programs are: Family Connections, Community Domestic Violence Services utilizing Family Group Decision Making, Nurturing Parenting Programs and Family-Behavioral Therapy. Most of these programs, however, are underutilized by the CPI, which is a contributing factor in the increase of removals in this area.

In an effort to serve children in their own homes, DCF should make a stronger commitment to the use of the existing diversion programs and ensure ongoing training is provided to educate the CPI's on the services each program can provide. Also, additional and ongoing training is needed on the new practice methodology.

CPI retention would potentially assist with greater utilization of these services, as turnover and lack of clarity on the benefit of these services were articulated as contributors to the low utilization rate. Emphasis should be placed on the supervisor and Program Administrator (PA) level. The high turnover rate in the leadership has made it even more difficult to maintain a CPI team that is fully utilizing the available array of services.

In December, KCI and the CPI leadership implemented a number of strategies that should result in some long-term gains in these areas. One of these strategies includes the addition of Regional Planners assigned to each circuit. These planners are now managing the data. Also, none of the diversion programs can close a case without a closure staffing and, in the interim, all cases have 90 day staffings. They have also begun conducting shelter reviews, although this process has not yet been formalized. Another very important addition to the process is the initial visit being conducted jointly by the CPI and KCI staff. Critical to this process is the addition since December of the requirement that every single removal be staffed by a PA. Operations managers are also staffing every removal involving all 16-year-olds and above.

KCI previously employed Safety Management Specialists to serve as a resource to CPIs but changed their model to a formal Safety Management provider this fiscal year. This contract was awarded to Neighbor to Family and CPIs refer directly when needed. KCI indicated that there were challenges in getting this program running smoothly. The provider was initially unclear as to its mission regarding the provision of safety management services and was denying referrals on families perceived as “too complex” or headed toward a possible removal. KCI and the DCF worked together to address this identified barrier in January 2017. It does, however, appear that this information has not reached the front lines and CPIs may be resistant to making referrals to this provider given the history of denials. In addition, the review team noted a perception that Neighbor to Family still only provides safety management services to families with identified present danger. If accurate, this leaves a gap for the provision of safety management services in cases with impending danger.

Beyond this formal safety management provider, CPIs report that identification of informal safety management services is a struggle in their service area due to the high rate of generational abuse and poverty. CPIs also report the use of community resources through a community resource guide of providers assembled for them by KCI.

Locally, CPIs discontinued use of the Decision Support Team (DST) calls when they began proficiency work during the second half of 2016, which has included safety planning refresher training. A KCI sponsored DMAIC project revealed that in the vast majority of removals, CPIs did not consult with resources available through KCI or their Program Administrator (PA). As indicated above, the Department began requiring PA consult in December 2016, although the Operations Manager acknowledged that this supervisory review is not occurring in 100% of removals.

It is possible that return of the use of DST, a multi-disciplinary approach, might encourage CPIs to consider alternatives, including use of the formal safety management provider, to prevent removal.

The review committee noted a need to strengthen the relationships between CPIs and dependency case managers. One place this is evident is the perception around in-home non-judicial and judicial cases. There appears to be a wide range of opinions on these cases and how they fit into the system of care. In addition, it appears that when caregivers are not making progress during an in-home non-judicial case, the next step is to move to a shelter. Consideration of increasing the system's level of intrusiveness in these cases through the filing of a dependency petition could impact out of home care.

2.3. What services are provided with funds used for prevention and diversion?

Since 2013, KCI has been contracting with four providers of diversion services: Family Connections, Family Behavior Therapy, Nurturing Parenting Program, and Community Domestic Violence Services. All utilize an evidence based model and are provided in-home. In addition, all except for Family Connections serve both safe and unsafe children (an adaptation over time by KCI). Family Behavior Therapy has an increased focus on substance use treatment.

KCI employs a Family Preservation Specialist, who also conducts case transfer, in each county except for Sumter who shares with Lake County. The Family Preservation Specialist is available to assist CPIs with determining which of these diversion programs might be the right fit. Although a CPI can call from the field to make an inquiry, there is a required referral form and staffing associated with use of these programs. In addition, CPIs report that each program has its own referral form with required documents and information.

In addition to the referenced programs in section 2.2 above, there are a number of prevention programs provided or supported by KCI. These programs include: Baby Sleeps Basic, Healthy Start, a robust Kinship Care program, End Kids Tears, a Pregnant Inmate Diversion program, support to the local resource centers and a number of related community projects. There has been a decrease of over $2 million on prevention spending since 2013-14 to cover the expenses of the increase in OHC. It is expected that this decrease could continue if the OHC numbers do not subside. KCI's array of service in this area is excellent.

Despite the excellent service array, there appears to be a resistance at the CPI level to make referrals to these programs. In addition to the lack of clarity and need for training discussed in 2.2 above, another factor in the low referral rates may be related to the cumbersome referral process currently in place. Streamlining the process may lead to increased referrals.

2.4. What evidence exists to show that investment in prevention and diversion services are, in fact, resulting in reduced flow of children into out-of-home care rather than just adding to the cost of services?

Unfortunately, referral to these programs by CPIs is low. There seems to be the perception that navigation of these programs is challenging and that CPIs prefer to access services through the Family Intervention Specialists (FIS) whenever possible. CPIs discussed the ease of work with FIS as the FIS program pulls up records in FSFN, responds quickly, and documents activities in FSFN.

As discussed above, without a strong commitment by DCF Regional leadership, the utilization of the diversion and prevention services will continue to lag. Such conduct will cause removals to continue at a higher rate than would otherwise be expected. KCI has been a leader in providing family support and diversion services as alternatives to removals and have continually evaluated the way in which they provide safety management services. The entire child welfare system in Circuit 5 needs to be re-educated regarding the benefits of these services. Confidence must be re-established with the CPI, CPI supervisors and the PA's in the effectiveness of these programs. The strategies previously mentioned may assist in this area over time.

2.5. How well integrated are the CPI and diversion services components? Are there case transfer issues that affect performance?

As mentioned above, the Family Preservation Specialists also facilitate case transfer. KCI offers a "soft transfer" in order to facilitate quicker engagement of parents into services and to ease the referral responsibility on CPIs. CPI reports, however, that use of this first tier of transfer is inconsistent. When used, the CPI contacts the CMO directly, copying the Family Preservation Specialist, which results in the assignment of a case manager within 48 hours of shelter. A joint visit is scheduled between the case manager and CPI. Paperwork must follow the request to the CMO to the Family Preservation Specialist in order to "complete" the soft transfer; this includes the shelter petition, shelter order, EPSDT paperwork, signed home study, conference checklist, medication consent, and sexual abuse safety plan (if needed). CPIs report that this can be a challenge to have all of these documents complete so early in the case. To complete the formal case transfer, CPI then contacts the Family Preservation Specialist and provides an additional packet of information prior to the scheduled case transfer staffing. The staffing will be cancelled if the required documents are not provided within 72 hours of the scheduled staffing.

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

3.1. What is the composition of the children in care including age cohorts, placement types, use of specialized higher costs settings, use of congregate care, etc.

The increase in removals and the subsequent increase in the OHC has resulted in a doubling of the number of children being served in RGC. This has occurred despite the fact that KCI has had very successful additions (almost doubling) of their foster parent population. There have been some instances of very high cost placements that should have been served by APD, but these placements have normalized over the past few months. There has also been a dramatic downward shift in the use of in-home placements. This will require better utilization of Family Trees by the CPIs and the Case Managers.

The following chart shows the number of children in out-of-home care by setting.

KCI - Number of Children in Out-of-Home Care by Setting						
	SFY 13/14	**SFY 14/15**	**SFY 15/16**	**SFY 16/17**	**Feb 2017**	**Change 14/15 to 16/17 to date**
Relative Care	555	499	746	759	719	52%
Non-Relative Care	92	114	138	161	166	41%
Family-Based Licensed Care	284	346	386	505	519	46%
Facility-Based Licensed Care	85	80	108	156	148	95%
All Other	40	26	34	27	27	4%
Total OOH Care	1,056	1,065	1,412	1,608	1,579	51%

Of children in licensed care settings on December 31, 2016, KCI has percentages of children in group care settings that are lower than the state average for the youngest age group, above the state average for the 6 to 12-year old group and similar to the state average for the 13 to 17 age group.

Children in Group Care as Percentage of Children in Licensed Care by Age Cohort as of 12/31/2016 (from Jan. 2017 Key Indicators Report)		
Age Cohort	KCI	State
0 to 6	0.3%	2.6%
6 to 12	25.7%	21.6%
13 – 17	56.4%	57.2%

3.2. What is the cost of various placement types? To what extent are the rates paid for foster care (including care with various rates of intensity), congregate care consistent with statewide norms (considering community context)? Have these rates remained relatively consistent over the past few fiscal years?

Generally, the rates are comparable to rates paid by other CBCs and do not appear to be out of the norm. Rates are the same as in previous fiscal years though the specific needs of a few clients may require a greater intensity of services and therefore a greater rate than normal. For example, one specific client was placed in a rehabilitation center costing $860 per day or approximately $25,800 per month. A placement to serve victims of sexual exploitation at one provider costs $325 per day or $9,750 per month.

3.3. What is the cost for dependency case management? Is this consistent with norms for such services? Have these rates remained relatively consistent over the past few fiscal years?

The following chart shows expenditures over the past five fiscal years. Expenditures on case management declined from 62% to 57% of core service expenditures in FY 15/16. Most of these costs were transferred to the training line due changes in the Title IV-E waiver to exclude training costs and report costs under the traditional federal match grant.

Reported Expenditures by Fiscal Year (Including Carry Fwd)	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16
Administrative Costs	$2,091,175	$2,203,006	$2,159,359	$2,213,698	$1,863,147
Admin Cost Rate (Exp as % of Total Allocations)	4.5%	4.8%	4.7%	4.7%	3.9%
Dependency Case Management	$23,335,332	$23,831,851	$22,405,044	$23,219,541	$21,813,678
Adoption Services Promotion & Support	$736,096	$590,153	$571,303	$514,070	$470,874
Prevention/Family Support/Family Preservation	$4,139,522	$4,722,674	$4,444,005	$2,646,106	$2,406,374
Other Client Services	$3,263,750	$2,544,718	$2,835,175	$3,760,329	$3,262,182
Training - Staff and Adoptive/Foster Parent	$586,050	$537,755	$520,525	$674,511	$1,507,839
Licensed Family Foster Home Care	$2,061,805	$2,200,318	$2,213,386	$2,415,986	$2,948,760
Licensed Facility Based Care	$2,844,033	$3,045,034	$3,392,587	$3,929,979	$5,368,562
Services for Victims of Sexual Exploitation				$135,658	$29,300
Other	$243,124	$240,631	$250,016	$258,205	$323,814
Total Core Services	**$37,209,712**	**$37,713,135**	**$36,632,041**	**$37,554,386**	**$38,131,383**

One-time transition costs have been offset by higher Case Manager vacancy rates. KCI has realigned contracts along county lines by provider in order to keep clients with one provider if they end up with a goal of adoption. The FY16/17 vacancy rates are similar to those experienced in FY15/16. The vacancies in the last couple of months are starting to catch up (filled). Currently, contracts are budgeted at 90% filled rate in FY16/17. Budgeted rates in previous fiscal years were at 94% filled.

Prevention services expenditures dropped over $2 million from FY13/14 to FY14/15. This may be due to the overall system redesign of service array by KCI where services were identified as not cost effective and were eliminated. It is also potentially due to a change in method of payment based upon a unit of service and a decreased referral trend to providers which might be part of this as well.

KCI budgets their Case Management Agency (CMA) contracts by paying for all fixed costs and then variable costs based upon filled FTEs. Budgeted FTEs have stayed relatively stable. However with the increase in clients served, support positions were converted to case manager positions to keep up with increase in caseload.

The current total number of budgeted case manager FTEs are for thirty-five (35) supervisors and one hundred-seventy-three (173) case managers and thirty-five (35) family support workers (all 3 CMAs for FY16/17).

3.4. To what extent is the Lead Agency appropriately utilizing non-child welfare funding for services (such as DCF SAMH Funds, Medicaid, and other non-DCF funding sources).

The Utilization Management (UM) function is positioned to identify and refer to other programs and funding sources, however KCI stated that their Circuit has a resource scarcity for some substance abuse and mental health services.

One UM specialist is dedicated for all APD eligible clients. SIPP placements are generally not a problem. They would prefer a more timely rate of response from the Managing Entity to coordinate and pay for services. Currently about forty (40) client are in some form of therapeutic or SIPP placements with a waitlist of nine (9) clients. Generally the availability of Medical Foster Homes doesn't appear to be an issue. It was noted that Sumter County is lacking in Mental Health Medicaid providers. All counties have waitlists including for ME paid services. Some issues were reported with judges/magistrates (primarily in Citrus County) ordering services from non-Medicaid eligible providers in another county. KCI stated they had paid for $45,600 for court ordered neuropsychological evaluations by a specific non-Medicaid eligible provider since April 2016.

3.5. What evidence exists that case management services are well-managed by the Lead Agency?

KCI is a Sterling Certified company that understands the value and use of data to manage their performance. They meet regularly with their CMAs to discuss results and develop tasks to accomplish their mission. The two CMA representatives seem to have a good working relationship with KCI. The CMAs are adequately funded with fixed contracts. They have Continuity of Care, with seamless handoffs and expedited handoffs. They are geographically aligned to use the natural boundaries of their counties. They rebalance caseloads base on demand. They completed an ITN in 2015 with an effective date of April 2016. KCI did lose a major CMA in June of 2016 that affected the capacity of the system, but that was eventually resolved. Turnover at the CMAs is consistent with the state averages.

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

4.1. What is the performance of the Lead Agency in the recognized measures of children achieving permanence? Do these findings indicate that children are not remaining in care for longer than necessary? Are these permanency achievement rates consistent across placement settings?

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.[3]

[3] Child Welfare Key Indicators Monthly Report, January 2017, pages 31 and 32.

Measure	**National Standard**	**KCI**	**Statewide**
Children Achieving Permanency within 12 months of removal (children removed in October through December 2015 and followed for 12 months).	40.5%	42.0%	42.9%
Children in Care 12-23 Months on October 1, 2015 Who Achieved Permanency within an Additional 12 Months.	43.6%	42.0%	53.9%
Children in Care 24 or More Months on October 1, 2015 Who Achieved Permanency within an Additional 12 Months.	30.3%	32.4%	40.8%

KCI exceeds the national standard and is close to the statewide performance on permanency within 12 months. Performance on permanency for children in care 12-23 months is lowest in state and KCI is the only lead agency not to achieve national standard. Performance on permanency for children in care 24+ months is 2nd lowest in state but above the national standard.

4.2. What contextual factors (such as Children's Legal services, dependency court dynamics, etc.) influence time to permanence for children served by the Lead Agency?

There are three indicators that are used to track performance on the timeliness of court actions[4].

Percentage with reunification goal after 15 months and no TPR, Circuit 5 is 8.8% compared to SW of 7.8%.

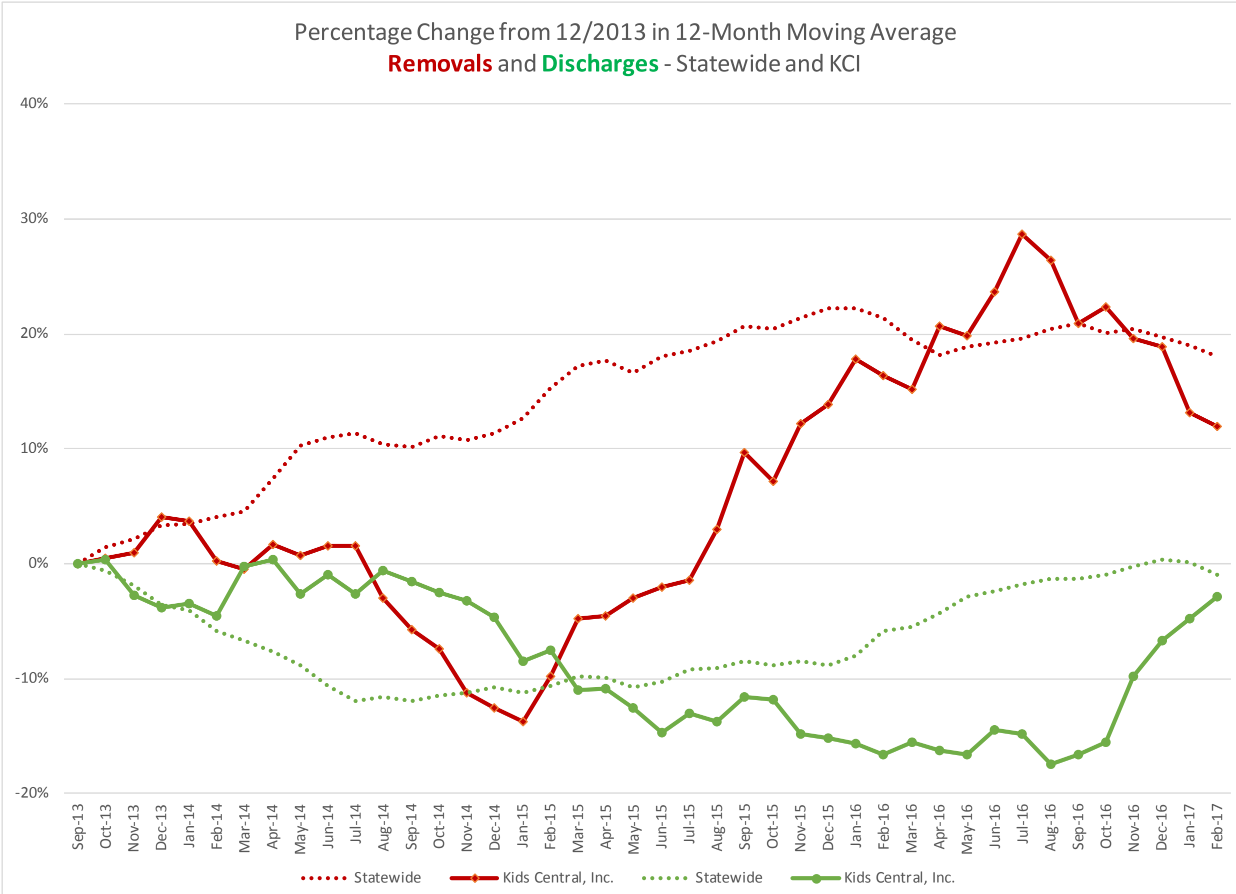
Timeliness of TPR from Petition to Final Order, Circuit 5 is 101 days compared to 153 days statewide. This indicator declined from 145 days in the December report.

Median days from Shelter to Disposition Order, Circuit 5 is 65 days, slightly above the SW median of 58 days.

4.3. Has there been a change in number of exits or time to exit that is materially influencing the cost of out-of-home care?

Removals are recapped in section 2.1. The following chart shows removal and discharge trends compared as 12 month moving average where 9/2013 equals 0% change.

[4] Child Welfare Key Indicators Monthly Report, January 2017, pages 34 and 35



KCI trends indicate removals have slightly exceeded statewide increase since about April 2016 and showed a substantial increase from early in 2015 to August 2016. Removals have dropped below statewide rate in the most recent months. Discharges have declined relative to September 2013 and have been below state rate since March 2015. Discharges have increased since August 2016.

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

5.1 How has core services funding changed over time? How has the Lead Agency managed these changes? What adjustments to the available array of services have been made?

Core funding is less today than prior to the implementation of the equity formula in Fiscal Year 2010/2011. KCI was able to manage the reductions due to a lower number of clients than in the past. KCI has a history of relatively healthy carry forward balances. KCI is using their carry forward funds in the current fiscal year to fund intervention services.

The following chart shows funding by year.

DCF Contract Funds Available (by Fiscal Year)	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17
Core Services Funding	$37,696,475	$36,818,126	$36,473,968	$38,204,407	$37,288,333	$37,633,982
Subsequent Amendments to Initial Allocation						
Unfunded Core Funding Budget			-$10,148	-$897	-$155	
Prior Year Excess Federal Earnings	$13,004	$12,647	$10,621	$23,871	$25,262	
Budget Amendment from Region to Transfer Resources	$115,823	$19,602				
Section 45 MAS from Back of the Bill					$191,121	
Core Services Funding Adjusted	$37,825,302	$36,850,375	$36,474,441	$38,227,381	$37,504,561	$37,633,982
Funding not defined as Core Services Funding						
Independent Living (IL and Extended Foster Care)	$1,486,379	$1,486,379	$1,486,379	$1,486,379	$1,486,379	$1,486,379
Children's Mental Health Services (Cat 100800/100806)	$405,030	$405,030	$405,030	$405,030	$405,030	$405,030
PI Training, Casey Foundation or other non-core svcs						
Safety Management Services (Nonrecurring)						$565,596
Total at Year End	**$39,716,711**	**$38,741,784**	**$38,365,850**	**$40,118,790**	**$39,395,970**	**$40,090,987**
Maintenance Adoption Subsidy (MAS)	$6,400,736	$6,877,742	$7,270,537	$7,397,640	$7,947,056	$8,274,206
MAS Prior Year Deficit					-$191,121	
Carry Fwd Balance from Previous Years	$2,935,279	$3,374,461	$2,388,645	$2,101,049	$2,774,045	
Total Funds Available	**$49,052,726**	**$48,993,987**	**$48,025,032**	**$49,617,479**	**$49,925,950**	**$48,365,193**

5.2 How have any changes to core services funding contributed to any projected deficits for SFY 2016/2017?

The primary cost driver to the deficit is the significant increase in clients served which has significantly increased licensed care costs. The table below show the increase in total facility based care expenditures each fiscal year. The greatest increase occurred between FY 2014/2015 and FY 2015/2016. KCI is projecting FY 2016/2017 total licensed care expenditures (family-based and facility-based care) of $11.4 million compared to the total reported licensed care expenditures of $8.3M in FY 2015/2016.

Reported Expenditures by Fiscal Year (Including Carry Fwd)	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16
Administrative Costs	$2,091,175	$2,203,006	$2,159,359	$2,213,698	$1,863,147
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Training - Staff and Adoptive/Foster Parent	$586,050	$537,755	$520,525	$674,511	$1,507,839
Licensed Family Foster Home Care	$2,061,805	$2,200,318	$2,213,386	$2,415,986	$2,948,760
Licensed Facility Based Care	$2,844,033	$3,045,034	$3,392,587	$3,929,979	$5,368,562
Services for Victims of Sexual Exploitation				$135,658	$29,300
Other	$243,124	$240,631	$250,016	$258,205	$323,814
Total Core Services	**$37,209,712**	**$37,713,135**	**$36,632,041**	**$37,554,386**	**$38,131,383**

5.3 In what ways are funding dynamics in the Lead Agency unique or atypical of funding in other Lead Agencies?

Circuit 5 does not have any local Children's Services Councils or local tax supports. KCI has two grants (Diligent Recruitment and Prevention Grant) which do fund initiatives that impact the responsibilities as a lead agency. However these are not significant sources compared with the DCF contract.

5.4 What is the amount of the anticipated deficit for the current year? How reliable and valid are these projections?

The most recent projected deficit based upon actual expenditures through December is $1,256,525. Facility-based care is projected as the average daily cost per day experienced in November and December 2016. However the average daily cost per day in January and February was about $400/day greater than the months of November and December.

5.5 Are their options other than Risk Pool funding available to reduce the deficit?

KCI started FY 2016/2017 with a $2.1 million carry-forward balance but they project they will completely exhaust these funds by year end. They assume in their projections that they will earn all restricted funding but will have an Independent Living surplus which is included in the projections. No other options were identified.

It is possible that KCI may earn up to $136,386 in adoption incentive award funds this year. These funds, if earned, could potentially be used to reduce the projected deficit.

5.6 If the Lead Agency meets the criteria for Risk Pool funding, but the amount of funding available is insufficient to cover the projected deficit, what other options are available?

KCI will have to manage their cash flows each month until they are able to reduce their total expenditures within their annual available funding. KCI has indicated that they are able to do so but the concern is the impact on the next fiscal year if additional funding is not provided.

5.7 Are there fiscal practices that could be completed with greater efficiency in order to reduce the projected deficit?

No fiscal practices to improve efficiencies to reduce the projected deficit were identified.

5.8 Has the most recent CPA audit indicated any issues that would affect the financial health of the organization?

No findings were reported in their June 30,2016 audited financial statements.

6. Findings related to overall management.

6.1. To what extent is there clear and effective communication between and among the Region, the Lead Agency, the Sheriff (if applicable), case management organizations and other key community partners?

There may be some communication issues at the leadership level between KCI and DCF. We were unable to ascertain any information about other community leadership concerns. KCI did represent to us that it has a good working relationship with CLS, the courts, the GAL and other key organizations in the Circuit. KCI holds regularly-scheduled meeting with most of the key players. KCI has developed an excellent relationship with DJJ. However, APD is still a challenge as they often fail to serve eligible clients.

6.2. How actively and effectively does Lead Agency management track programmatic performance and fiscal performance?

KCI is a very data driven organization that places value in strategic thinking and planning.

For a CBC, KCI conducts one of the most robust data analysis in the state of Florida. KCI uses a wide array of analytical tools to understand the various drivers of the business. KCI meets regularly with its providers at multiple levels to review data, operational issues and leadership issues. This is one of KCI’s key strengths. KCI also meets with its CMAs on a monthly basis to review step downs for high cost children. Specifically, KCI meets individually each month with the CMAs to review any placement that is costing $50 or more per day. With the increase in OHC came an increase in the use of congregate care. Therefore, the weekly monitoring of those placements is a key factor in managing costs. Serving court orders in a timely fashion sometimes impacts a case in a negative way. CLS has developed a new protocol to streamline this process. KCI has monthly data meetings and KCI’s Licensing Counselors contact foster parents monthly. KCI also staffs all Lockouts with DJJ and KCI utilizes Mindshare Dashboards to manage its daily operations.

6.3. What actions have been taken by the Region and/or the Lead Agency to resolve the fiscal issues without accessing the Risk Pool? What further actions are planned?

Engagement of CPIs to try and improve utilization of safety management and intervention services referrals as well as actions to improve communication between DCF and KCI regarding shelter reviews.

KCI is watching their travel costs to try and limit to essential travel. They have involved staff to identify additional cost savings. They moved to new location which will save them $25,000 this year and $50,000 annually thereafter.

They started holding some KCI and Diversion contract FTEs vacant beginning the last quarter of FY15/16. They reported no general salary increases to base pay for KCI staff or subcontractors.

They reduced the overall employee benefits in the group policy in FY15/16 to prevent costs increases.

6.4. If potential corrective actions or technical assistance is recommended by the Peer Review Team, what is the commitment of the Region and the Lead Agency to follow through on those recommended actions?

Leadership of the Region and the Community-Based Care Lead Agency both indicated a strong commitment to carry forward on any recommendations by the Peer Review Committee.

7. Other Findings and Considerations – Financial Viability Plan

KCI did not meet the requirements from the General Appropriations Act (GAA) proviso language to submit a Financial Viability Plan in FY 2016/2017. However, DCF has established a regular process in each Region and at the statewide level to continuously monitor and evaluate the financial viability of all CBCs in order to identify when lead indicators suggest the beginnings of financial distress.

Summary of Findings and Conclusions

- Overall, the key to long-term sustainability for KCI is to more effectively utilize up-front services to safely reduce entries into out-of-home care.
- The review committee noted underutilization of diversion and safety management services by Child Protective Investigators and issues related to communication and coordination by protective investigators and KCI contracted case managers and providers.
- The DCF Region and KCI have recently implemented actions to improve utilization of these services. The initial indications are positive, but it is too early to fully evaluate the impact of these actions.
- KCI's Risk Pool application requested $1,523,118 in funding. As noted in section the current projected deficit is $1,256,525 based on actual expenditures through December. The Peer Review Committee found KCI to meet the eligibility criteria for Risk Pool funding.

Recommendations

The Peer Review Committee recommends that:

1. The DCF Region and KCI continue the actions initiated in recent months to improve utilization of diversion and safety management services. These should be closely monitored to insure proper utilization of appropriate alternatives to removal.
2. DCF and KCI should jointly review the referral process for these services and streamline this process.
3. The Region should review whether use of a multidisciplinary decision support team process would better support Child Protective Investigators. Technical assistance and additional training should be provided by the Office of Child Welfare.
4. KCI should review mechanisms to provide feedback to CPIs regarding successful outcomes with children and families. This could improve the confidence of CPIs in the work of service providers.
5. DCF and KCI should review the number of cases that move from In-home Non-judicial to Removal to determine whether they are effectively engaging the families to allow the children to remain safely in the home while services are delivered. In addition, the review should include a determination as to whether increasing the level of intrusiveness by filing a dependency petition could have impacted those cases moving from in-home to out-of-home.
6. KCI should continue close monitoring of the use of Residential Group Care and, where appropriate, transition children to family-based settings.
7. If funds are identified, the Peer Review Committee recommends that KCI receive Risk Pool funding consistent with their projected deficit for the fiscal year.