

# SCAA BRIEF

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This special edition of the *SCAA Reports* describes needed child welfare financing, child protection and service delivery reforms. The materials were contained in two SCAA newsletters, published in spring and summer, 2000. With this issue, we consolidate the two earlier reports and further refine recommendations for legislation and budget decisions that are crucial for 2001 and beyond. We hope that this document can serve as a resource for all interested parties and--for the Legislature--will stimulate substantive dialogue and concerted action to create a 21st century child welfare system.

— Karen Schimke  
President & CEO

## A Different Front Door: Essential Reforms in Child Protection Services

### Executive Summary

The overwhelming majority of children and families needing the services of the child welfare system enter through child protection services (CPS). Parents shouldn't have to injure those they love to get help. The current system of child protection services is seriously flawed:

- An army of individuals, primarily from the helping professions, are mandated to report the very families they are trying to serve.
- Two out of every three reports are "unfounded" (not substantiated), raising the possibility that it might be inappropriate to investigate them in the first place.
- Forty percent of the indicated (substantiated) reports are closed the same day they are indicated, without families receiving service to resolve their problems beyond the investigation itself.

A comprehensive, integrated system of child welfare services that emphasizes prevention and early intervention requires a different approach to child protection.

As presently constructed, New York's child protection system cannot support the values and principles described in the Office of Children and Families Services (OCFS) *Establishing an Operational Framework* (OCFS, 1998), which seeks services that have a human development orientation, are family-centered, outcome-based, and locally responsive. Fortunately, the State has rightfully gone on record in favor of reform (OCFS, 1999):

OCFS is exploring new directions for the NYS Child Protection System. OCFS is currently examining the option of a dual-track system which gives CPS agencies the flexibility to respond to less serious cases of child neglect with

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an assessment of family needs and the provision of services, while continuing to respond to cases of child abuse and severe neglect with the requisite CPS investigation.

The purpose of this article is to consider critical and far-reaching child protection reforms. We will describe the current system, consider alternative approaches, describe what other states are doing and make recommendations to be considered by this state. Among the recommendations:

- **Require a study, contract with a consultant, or use some other approach to develop legislation and a public discourse process to fully revamp the CPS system.**
- **Require OCFS to review all current demonstration projects in an effort to identify, disseminate and replicate promising practices.**
- **Pass legislation to encourage additional innovation to change the system. In particular, we should test the dual track system used in Missouri.**
- **Increase the Quality Enhancement Fund to a minimum of \$15 million, in currently proposed budget bills, to support specific CPS reforms.**
- **Use savings from preventive services and aftercare services to invest in further development of new approaches to child protection.**
- **Use resources for expanded training programs for local and voluntary agency staff to move the CPS system toward a new approach to service delivery.**

## The Current System

New York State has a very mature child protection system that grew out of more than thirty years of State legislation. The

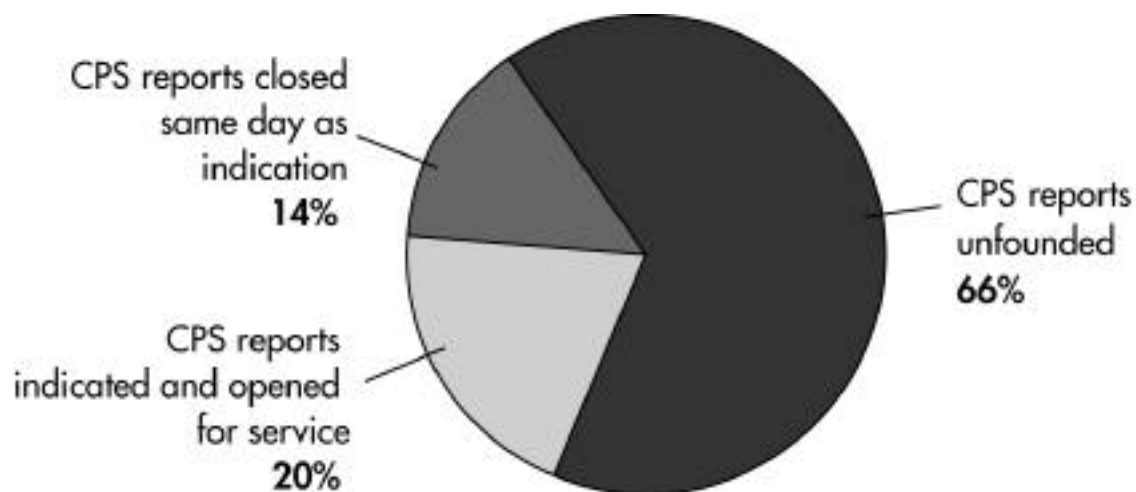
first reporting laws were passed in New York State in 1964. In 1973, New York enacted major CPS legislation and the federal government followed suit with the Child Abuse Prevention and Treatment Act a year later. The federal legislation included model legislation and modest treatment funding, mirroring the earlier NYS legislation in some respects.

The CPS system deals with more than 145,000 reports each year, a rate of 32.7 reports for every 1,000 children (OCFS, 1998). To receive and investigate these reports, the local departments of social services employ approximately 3,500 individuals, in addition to 250 employees at the State Central Registry (SCR). Over and above fielding and screening abuse and neglect reports, the SCR "clears" approximately 260,000 individuals who are seeking employment in child care, child welfare and other children's settings, as well as prospective foster and adoptive parents.

Allegations of child abuse and neglect can be reported to the SCR by anyone. The law mandates members of numerous "helping professions" (e.g., education, medicine, health, law enforcement, social services) to report instances of possible abuse and neglect; they are called "mandated reporters." In 1998, about 60% of all reports received were from mandated reporters (OCFS, 1998). With a report, what may have started with the parent voluntarily seeking help to improve the care of the children turns into an involuntary intervention. All too often, that report ruptures the relationship with the service provider and diminishes the family's willingness to receive service from that person or someone else in the future. Despite the fact that there are failures by mandated reporters to report (which can be prosecuted but rarely have been), nearly 90,000 reports were received from mandated reporters in 1998, even though they may have had concerns about service delivery or lack of clarity about what is reportable.

Like other states, New York's child protection system has become less effective

## 1998 CHILD PROTECTIVE SERVICES REPORTS' DISPOSITION



and quite overburdened. In 1998, 145,478 reports were registered as CPS reports (OCFS, 1998). Of those, 34% were indicated and 66% were unfounded. Further, of the approximately 54,000 indicated cases, almost 40% or about 20,000 were closed the same day they were indicated.<sup>1</sup> This suggests that those families may not have received service other than the investigation. Anecdotally, counties report that they do not have resources to do more than investigate reports, and that service needs are often not met after disposition of an investigation. Combining the unfounded cases and those that are indicated and closed on the same day, a substantial number (approximately 80%) of all families reported to the SCR were investigated but may not have received service. The possibility of unwarranted governmental interference in family life is a very significant matter. Further, an investigation is a serious intrusion into family life; **an investigation without help should be a significant cause of concern to all New Yorkers.**

While these numbers do not tell the whole story, they suggest problems that states face across the country. Many child welfare pro-

fessionals, including this author, have become very uneasy about child protection in the last decade and a half. The problems in the system can be summarized (Waldfoegel, 2000):

- **Over-inclusion:** Lower risk families are inappropriately reported to the system, receiving an unnecessary and adversarial response from child welfare.
- **Under-inclusion:** Families in desperate need of intervention often do not come to the attention of the child protection system, a system already overwhelmed by volume.
- **Capacity:** The number of families known to the system, primarily due to overinclusion, far exceeds its capacity to respond.
- **Service Delivery:** Too often, for families in the system, there is a mismatch of services with needs, as illustrated by significant numbers of families in New York State who appear not to receive service at all.

<sup>1</sup> New York State does not have 1998 data on cases indicated and closed the same day. This percentage is from 1996 and was used with the assumption that there has not been a change.

- **Service Orientation:** The balance between protection (investigation) and service provision has been difficult for the system, resulting in tension and a “one size fits all” approach. At the present time the “one size” appears to be investigation with little or no service.

New York State is no different from other states. During New York's more than thirty-year CPS history, there have been major efforts to respond to child abuse and neglect, as manifested by legislation, regulation, and an expanding system as well as demonstrations and pilots of new practice approaches. Despite these efforts, there is growing concern about whether our current CPS system can do “the right thing.” This concern is mirrored across the country. The nation has become impatient for change, concerned with three main questions (CFC, 1998), equally germane in New York State:

- Should CPS intervention in families be broad or narrowly focused?
- Beyond CPS, what supports and services should society offer vulnerable families to prevent maltreatment and heal the wounds it causes?
- What will it take to achieve an effective system of child protection?

## A New Approach

Questions about the effectiveness and appropriateness of the CPS system began to surface in the '80s. In 1988, the National Association of Public Child Welfare Administrators issued guidelines on child protection, updating and revising them in 1999. The 1999 guidelines (NAPCWA, 1999) recommend that:

- CPS agencies provide flexibility in their response to maltreatment.
- Responses be family-focused.

- CPS agencies become partners with communities in offering a comprehensive range of services, rather than bearing the sole burden of child protection.

All three recommendations are critically important, but the last deserves special attention. New York State's 3,500 child protective staff cannot alone assure more than an investigation of 145,000 reports each year (CFC, 1998; EMCF, 1999; Nelson, 1999-2000; CWLA, 1999). Richard L. Matt and David A. Berns in *Partnerships in Protecting Children* (NAPCWA, 1999) describe the importance of the community:

Families function within the framework of their neighborhood communities . . . extended families, friends, and neighbors often band together in both formal and informal ways to support each other. Children receive a portion of their personal identity and self-concept from their community. Therefore, in order to strengthen families, child welfare agencies need to use and to support this connection to communities.

During the '90s the John F. Kennedy School of Government of Harvard University convened *The Executive Session on Child Protection*, a working group of child protection administrators and other experts from around the country. In 1997, Frank Farrow, on behalf of the group, issued the report *Child Protection: Building Community Partnerships-Getting From Here to There* (Farrow, 1997). This document builds a case for child protection reform and provides a roadmap to achieve that goal. The author describes a new system where:

...rather than one agency—the public child protective services agency—bearing sole responsi-

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bility for protecting children, a broader array of parents, public and private agencies, organizations, and individuals should join together to carry out this fundamental public responsibility.

The CPS of the future must provide better service to children and families. A new system must prevent child abuse and neglect, respond quickly and effectively to instances of child abuse and neglect in ways that ensure children's safety, and reduce the recurrence of child maltreatment. Child safety has been, and must continue to be, paramount. Meaning, CPS needs a “differential” response paradigm that includes three major elements (Waldfoegel, 2000):

- Provision of customized response to families.
- Development of community-based systems of child protection.
- Involvement by informal and natural helpers who are part of a child's everyday life and live in the same community.

Increased local flexibility and decentralization are essential to community partnerships. CPS should retain the legal role as the protective agency, but not as the only organization responsible for protection. CPS roles need to expand from investigation to facilitation, community convener, policy guider, trainer, and consultant. The CPS agency should provide support to the system and community in such ways as:

- Transforming traditional approaches to investigations, to incorporate individualized and family-centered approaches.
- Intensifying attention to families with a recurrent pattern of child maltreatment.
- Developing community safety and/or service networks comprised of community social services workers, educators, and other community members.
- Providing risk assessment training and consultation to community providers and others.
- Implementing group family decision-making meetings where family members, along with the professionals, consider the course of action needed to assure child safety and well-being.
- Placing staff in community-based settings, as part of neighborhood CPS teams, in order to support community-based/ family focused decision-making and service delivery.



There are a number of ways to restructure receipt of and response to child abuse and neglect reports, assessment and investigation, and service. Other states and localities are testing out a variety of approaches. Some are reviewed in the next section.

## Reforms of Child Protection in Other Places

Communities and states across the nation are creating “communities of responsibility” in which CPS and others are collaborating to assure both child safety and family support. There are many efforts to restructure CPS to make it more effective and appropriate. For example, Missouri enacted legislation in 1994 to establish a demonstration project to allow 16 areas of the state to use multiple responses to reports of child abuse

uses a traditional investigative approach for alleged sexual abuse and cases of serious abuse/neglect, which results in a disposition. In cases with moderate or mild allegations, a broader assessment of family functioning is used instead, which results in identification of service needs and a plan for delivering those services. Families can change tracks as appropriate. In the demonstrations there were also efforts to work

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more collaboratively with community service providers. The Key to this approach is that it focuses on and emphasizes **both child safety and family engagement**.

Of particular note, the state notifies the appropriate local law enforcement agency whenever a report is classified as an investigation since its statute requires a co-investigation in cases of alleged crime. Staff receiving CPS reports have criteria for assigning reports to the investigative track. Such an approach has strengthened investigations in the most serious situations.

By most accounts (CMC, 1998) (IAR, 1998), the Missouri experience worked well, receiving support from families, child welfare professionals and advocates alike. Missouri reports that children were protected more quickly; families and children received services sooner and those services were more responsive to their needs; families were more positive about the intervention; and subsequent reports decreased. In particular, community providers and families reported the child protection workers' interaction with families was more positive in the demonstration. The workers were also more able to obtain concrete services under this model.

An impact evaluation (IAR, 1998) conducted on the Missouri demonstration reported that:

- Child safety was not compromised. 68% of the reports were assessed and 32% were investigated.
- Reports to the CPS hotline declined.
- Assistance was provided to families or children in an increased percentage of cases.
- The time between incident and service in demonstration counties was half that in comparison counties.
- Families were more likely to receive services from community agencies than the public child welfare agency.

- The number of subsequent CPS reports dropped.

In view of these positive results, the Missouri Legislature authorized statewide implementation of this new model. According to state officials, implementation is going well and positive outcomes are being sustained across Missouri.

The Edna McConnell Clark Foundation funded four community experiments starting in 1995. The cities funded included Cedar Rapids, Iowa; Jacksonville, Florida; Louisville, Kentucky; and St. Louis, Missouri. St. Louis, where the rate of child abuse and neglect reporting is over three times the national rate, created the *Neighborhood Network for the Protection of Children*. Four networks provide service through community-based hubs located at schools and other community settings. CPS workers are part of “family support teams” which coordinate resources for families and tackle shared problems. This effort is linked to the “dual track” response discussed in the preceding paragraphs.

Jacksonville developed a construct called “full-service school” which is the focal point of service. Staff teams in the schools comprised of a school social worker, child guidance therapist, teen-parent counselor and a family liaison worker are paired with CPS workers who serve as consultants on child maltreatment issues. This model requires a family assessment (rather than an investigation) including an overall assessment of child safety and family functioning. The Florida effort is called *Community Partnership for the Protection of Children*.

The states of Hawaii, Pennsylvania, Virginia, Washington, Texas, Florida, North Dakota and Iowa are piloting various new approaches to serving families and children which include CPS reform, the creation of “continuums of care” and other strategies as they seek to align services with family needs. Other countries are also reforming CPS. Sweden, with its *Contact Family Program* that provides on-going support through respite and mentoring families, to

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the entire family, not just a child, has seen out-of-home placements drop dramatically. “Part of the success of the Swedish contact family program is a belief in the notion that ‘ordinary’ people are basically equipped, by their own life’s success, to help other people in need.” (Welch and Briar, 1992)

In Canada, family group decision-making, which originated in New Zealand, is showing promise in assuring safety and family support for children as well as adults.

This model brings together family members along with relatives, friends and others to develop a plan to assure safety and an appropriate plan of service. It has also been implemented in many places in the United States including counties across New York State.

Great Britain has shifted from an “investigation of abuse” to an “inquiry into the need for services.” Outcomes of their efforts led to:

- Passage of the 1989 Children's Act. This law requires workers to first address the child's best interest and spend less time investigating whether abuse has occurred. Further, that country has decreased court involvement in CPS cases, resulting in better outcomes.
- A decreased proportion of children requiring out-of-home service.
- An increase in the number of collaborative partnerships built to ensure the most positive outcomes for children.

The approach in Great Britain reflects the understanding, supported by research, that **an incident-based investigative process itself can cause harm** and is not particularly helpful in developing effective service plans. (This thinking is in line with the earlier discussion about service providers who must report and thereby become unable to effectively continue to serve a family.) In the British model great emphasis has been placed on making the family part of the support system, based on research that demonstrates that parent involvement leads to better long-term outcomes for children. They

also incorporated “shared care,” understanding the necessity to involve a much broader community in providing support and services to families.

## New York’s Challenge and Opportunity

The vision described in these pages is in complete alignment with *Establishing an Operational Framework* (OCFS, 1998). Further, New York State is rich with innovations and experiments illustrating the very best CPS practice. Accordingly, it is time for New York State to consider a new system of child protection. Such a system could be created through a massive overhaul or in a more incremental way. Since the direction of CPS in New York State has been largely state-driven, the Governor, Legislature and state agencies need to accept the challenge and provide leadership. The good news is that the Governor and the OCFS already appear to be thinking about reform. (OCFS, 1999)

OCFS is exploring new directions for the NYS Child Protection System. OCFS is currently examining the option of a dual-track system which gives CPS agencies the flexibility to respond to less serious cases of child neglect with an assessment of family needs and the provision of services, while continuing to respond to cases of child abuse and severe neglect with the requisite CPS investigation.

Their thinking should be influenced by local experience and experiments that could “seed the process.” For example, such an effort might include rethinking how reports are received and screened. Continuing use of the SCR to receive reports could certainly be appropriate; however, the system might be more responsive, and certainly more community-based, if the current SCR were decentralized to some extent, allowing counties and/or regions to receive and assess CPS reports. Monroe and Onondaga

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Counties have had local registries for many years, making them logical places to test a different approach. Careful review and monitoring of their experience could inform further implementation efforts.

Many counties have strong relationships with community service providers as a part of their CPS system, making them appropriate for demonstrations as well. In a new system, the CPS agency and community providers might share responsibility for both the initial contact and the safety assessment. New York City has been building a community-based service delivery capacity for some time. It would be logical to test community child protection in communities across that city. Other local efforts include significant attention to development of preventive services, use of group family decision-making in a number of New York counties, an ever expanding home visiting program, ground-breaking risk assessment profiling and other innovations, all of which set the stage for important discussions. The point is to learn from the innovation already underway across the state.



The critical first step is for state and local leaders to recognize and acknowledge that **a stronger, more effective approach to child protection is needed to assure child safety.** Without this common understanding and associated commitment, change is unlikely. The Governor and the Legislature should agree that change is needed and develop a process to address reform. To help states in such efforts, the National Conference of State Legislatures published a report on improving CPS (Christian, 1997). In the report they suggest several components to consider when preparing for reform based on experience with initiatives across the country including:

- **Planning:** States must first carefully examine the functioning of their current CPS systems. In this phase it is critical to involve families and children who have

directly experienced the system's strengths and weaknesses. As a result of this process it is possible to establish goals and the strategies through which the goals can be accomplished.

- **Use of assessments:** CPS reform generally includes greater flexibility in responding to allegations of abuse and neglect. An example is the dual track system in Missouri. The Office of Children and Families has expressed interest in this approach.
- **Central Registry:** Reform in many states includes rethinking the functions of the central registry. Reform may focus on which reports are registered and for what intervention (e.g., investigation or assessment), who accepts the reports (e.g., the state or the locality), and/or how the reports are dispositioned. Equally important, the many functions carried out by the SCR in New York need to be carefully analyzed, as they have in other states, and tested for efficacy and cost benefit.
- **Role of law enforcement:** The role of law enforcement is being clarified in many states, especially in relation to serious physical abuse and sexual abuse. Some argue that law enforcement personnel should investigate certain kinds of cases, either exclusively or as a part of a multi-disciplinary team. New York has many solid examples of such multi-disciplinary teams. The State of New York Commission of Investigations has also been interested in improving investigations. (SNYCI, 95-96)
- **Community Collaboration:** The larger community must have an expanded role in protecting children. CPS simply cannot do it alone and be effective in assuring child safety. It is imperative that a variety of additional partners play roles in child protection.

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- **Implementation:** States need to make choices about incremental reform versus system overhaul. Most states have built on pilot programs to move into more significant systemic reform. New York has an abundance of such opportunities.
  - **Evaluation:** No reform should proceed without a clear evaluation plan. Legislators, rightfully, are in no position to change things without information and data to support their decision-making.

The Governor and the Legislature in New York State have many options for moving this agenda forward. Some experts have been concerned that our laws and infrastructure are so well established that the political will to reform the system cannot be mustered. New York does not lack good ideas and important innovations. A coherent, long-term strategic plan for knitting all these experiments together and fundamentally reforming CPS is, however, lacking. That should be the goal of both the Executive and Legislative branches. These recommendations could become the basis for moving forward:

## Recommendations

Specific, concrete recommendations should be considered and acted upon in this legislative session:

- **Require a study, contract with a consultant or use some other approach to develop legislation and a public discourse process to fully revamp the CPS system.** That effort should include a top to bottom review of all New York State laws regarding CPS, including family court law. Statute should be reviewed to ensure alignment with the goals of the system and to eliminate inappropriate or unnecessary activities. In the public discourse component, particular attention should be paid to involvement by parents served by the system. It will also be important to involve common citizens whose only exposure to CPS is when they read tragic stories in the newspaper. Certainly, too, community-based organizations should be strongly encouraged to add their perspectives to those of public child welfare and others. The result of this effort should be a blueprint for a new system.
- **Require OCFS to review all current demonstration projects in an effort to identify, disseminate and replicate promising practices.** New York counties and private agencies are engaged in hundreds of important activities that are building blocks for change. Now is the time to fully implement statewide the most promising innovations. The information that emerges from the OCFS effort would be made available to the group developing the blueprint.
- **Pass legislation to encourage additional innovation to change the system. In particular, we should test the dual track system used in Missouri.** There CPS reports are screened into an investigative track in the most serious cases and into an assessment track for less serious cases. This system offers great promise for children and families - serious situations receive the full attention of CPS, thereby increasing child safety, and less serious cases receive services without an adversarial CPS investigation. Further, special attention is paid to the involvement of law enforcement in serious reports when, if the allegations are true, a crime would be committed. Such a system should be tested in a number of locations. (In 1994, Missouri began the system in 16 counties.) Locations for consideration should include Monroe and Onondaga counties as both receive their own CPS reports, communities in New York City, other larger counties, and in small counties, possibly in some sort of regional approach.

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- **Increase the Quality Enhancement Fund to a minimum of \$15 million, in currently proposed budget bills, to support specific CPS reforms.**
  - **Use savings from preventive services and aftercare services to invest in further development of new approaches to child protection.**
  - **Use resources for expanded training programs for local and voluntary agency staff to move the CPS system toward a new approach to service delivery.**

After piloting these and other ideas, a report with recommendations should be presented to the Legislature either separately or as part of the overall recommendations.

These recommendations are not exhaustive. There are dozens of other options. These recommendations are intended to stimulate legislative and executive branch thinking about reform and, in particular, to support the Executive in efforts begun to date.

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## Conclusion

New York State leadership must address CPS reform not at some distant future point but in the coming year, concurrently with child welfare financing reform. New York State has a golden opportunity to reinvent child welfare services. To do so, New York should carefully consider long-term fiscal policies as well as the creation of a child protection system that is in alignment with current child welfare thinking, **assuring child safety and family support**. No work in New York can be more important than this effort. With the release of the New York State Office of Children and Family Services (NYS OCFS) proposal for child welfare financing, the stage is set.

Even if a new approach to financing child welfare were not being considered, the reform of child protection is imperative and overdue. What these two efforts would do together, however, could be revolutionary.

Children and families are depending on New York State to create a better system of service. The state has the opportunity to once again be the nation's child welfare leader, just as it was in 1979 when the Child Welfare Reform Act set the standard for the nation. To regain that position, fundamental and far-reaching child protection reform must go hand in hand with changes in financing for the child welfare system.

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# Child Welfare Block Grant: The Opportunity



*We seek a system with a better balance of prevention, protection, and permanency - one that is outcome-focused, cost effective and accountable.* From: *Establishing an*

*Operational Framework* (OCFS, 1998)

## Part I: A Fiscal Framework

In 1999, the New York State Legislature extended the Child Welfare Block Grant until 2001 and required that the Office of Children and Family Services submit a report and legislation by July 2000 detailing a new way to fund child welfare services. New York State has the opportunity to reshape how children's services are delivered and funded.

Reforming child welfare financing and the child protective system, the front door into the child welfare system, are necessarily conjoined elements needed for better service delivery in this new century. This article discusses fiscal issues as a part of child welfare reform. Major fiscal policy decisions and principles to guide alternate funding strategies will be reviewed. In the next Quarterly the need for child protection (CPS) reform will be reviewed.

In 1998, the Office of Children and Family Services developed "Establishing an Operational Framework." The document

## Fiscal Policy Decisions

The most difficult and controversial decisions are those regarding fiscal policy. Such decisions made during the last years need to be revisited, tested, and, in many cases, revised. Even if they were appropriate in the past, a new set of fiscal policy assumptions and decisions need to be developed for the future.

**New York faces a series of decisions regarding federal funding, which should be utilized to the greatest extent possible, without over-utilizing TANF surplus.**

New York has been fairly effective over the years in maximizing federal funding to

articulates a vision for the child welfare system which:

- Emphasizes an asset development framework.
- Establishes primary prevention as a top priority.
- Affirms the most important role of families.
- Focuses on outcomes as the major performance indicators
- Emphasizes the role and importance of local communities in service and service delivery.

That vision is entirely consistent with the principles guiding child welfare policy today:

- Reasonable efforts to prevent placement.
- Permanency planning for children in out-of-home care.
- Placement in the least detrimental alternative.

The most important assertion of "Establishing an Operational Framework" is the intent to push resources to the front end—away from placement services—back to primary, secondary and tertiary prevention and early intervention. The fiscal and programmatic policy decisions to be made the coming months can support that vision and make it a reality.

support child welfare services. Current fiscal decisions, however, may not enable the state to move in the direction articulated in "Establishing an Operational Framework" over the long run. It will be important for the successor to the Block Grant to serve New York well for many years.

- **TANF Surplus:** TANF (Temporary Assistance to Needy Families) is the federal grant program to states to be used at their discretion to provide eligible families, primarily for mothers and children, with cash assistance benefits and other support services to help families to find

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and retain employment. A substantial percentage of the child welfare budget is comprised of TANF surplus funds, created as a result of dwindling caseloads and less spending for benefits. Such investment makes sense as it reduces the unobligated surplus, thereby reducing its susceptibility to federal raids or possible reduction when TANF is reauthorized. However, while the economy is strong now and welfare rolls continue to drop, there are no guarantees that will persist. New York needs to consider what might happen to child welfare funding if:

- the TANF allocation in the 2002 authorizing legislation were reduced substantially?
- additional restrictions on use of the surplus were imposed?
- there were an economic downturn and caseloads began to rise, thereby requiring the expenditure of more TANF money?

New York State has probably over-utilized TANF for child welfare, supplanting both state and local resources. The child welfare infrastructure, therefore, depends on TANF and may not be sustainable if TANF were no longer available at current levels. Further, as Congress sees significant TANF funds available for services, they continue to chip away at Title XX, further degrading the child welfare infrastructure. Accordingly, any future financing strategies should systematically rebuild state and local investments in child welfare. New York should take full advantage of federal resources using funding streams that are more appropriate than TANF.

- **Title 4-E Resources:** This title of the Social Security act is the main funding stream to support child welfare, primarily foster care. New York has not taken full advantage of the 4-E waiver process or utilized 4-E resources to strengthen education and training of the child welfare workforce. It is essential that 4-E be better utilized.

Many states have waivers allowing expenditure of 4-E for non-foster care services. While New York also obtained a waiver, it has not been fully implemented and no impact has been felt. Further, it seems to be of interest only in New York City, leaving the rest of the state with the status quo. Whether a review and reconsideration of the current 4-E waiver and/or application(s) for new waiver(s) are possible is not certain. Immediate discussion with the federal government should be initiated to alter the terms and conditions of the current waiver and/or begin work on additional waivers.

The schools of Social Work are essential partners in training and workforce development. Turnover in both public and private child welfare settings is a critical concern at this time. Some agencies have turnover rates approaching 50%. The negative impact on families and children will reach crisis proportions if left unchecked. Schools and agencies should collaborate to prepare agency staff for professional practice and to recruit newly trained professionals into child welfare.

Child welfare staff, serving the public child welfare caseload, could all benefit from training offered by schools of Social Work. Further, students seeking master's and bachelor's degrees in Social Work should receive tuition, stipends, and other supports subsidized through 4-E. Consideration could be given to requiring a commitment to work with the public child welfare caseload for a period of time in return for the support. This was a common and successful practice three decades ago.



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**This is the time to rethink how 4-E can enable New York State to build its system and change its course.**

In addition to education and training, the schools can also provide valuable assistance on research, policy development, and program development (including demonstration projects). Further, students in field units could be placed in public child welfare settings, supervised by faculty, as one strategy to strengthen the current work force. Since the federal government allows 4-E reimbursement to be matched by public university resources, this could proceed with modest additional state resources. This is the time to rethink how 4-E can enable New York State to build its system and change its course.

- **Title 4-B:** Another Title of the Social Security Act, 4-B has two components, both supporting prevention services. In the early 90's additional money was added to 4-B to support family preservation. In order to obtain the additional money, states needed to meet a level of spending called maintenance of effort (MOE). New York State no longer receives 4-B dollars, which could support preventive services, due to our failure to meet MOE requirements. Some, but not all, of the programs that could be funded under 4-B are partially supported through TANF surplus funds. In view of the uncertainty about TANF and concern about its longer term potential, New York should work to once again obtain 4-B to support important preventive services, which are especially critical in the context of the OCFS vision.
- **Medicaid:** Medicaid is the program, comprised of federal, state and local money to provide medical care to qualifying individuals. There have been ongoing discussions about increasing utilization of Medicaid, especially for children needing special services, including mental health. In fact, much Medicaid is spent on foster children through clinic use and other mechanisms. Unfortunately, that spending is not coordinated or leveraged and, too often, supports more expensive out-of-home programs designed to respond to a child's need only after a crisis has

developed. A significant barrier in the current system is the "Medicaid neutrality" provision in current law that has prevented the establishment or expansion of outpatient mental health programs that would increase Medicaid spending. While this does not effect foster care rates, it is essential to eliminate that requirement in order to support community based services.

Medicaid needs to be included in a comprehensive, blended funding approach for child welfare services. Models of service delivery, including *CCSI* and *Kids Oneida*, are good examples of blended funding and coordinated service delivery. Programs of this type might appropriately be considered for funding and expansion through the use of Medicaid. In view of the Governor's emphasis on improving mental health, as well as the commitment of the State Commissioners, this is a critical time to consider these options.

**New York needs to create opportunities to sustain and strengthen local funding commitments and investments in child welfare.**

With the advent of the Block Grant, New York State withdrew as a full partner in funding child welfare services. As a consequence, in the years immediately after imposition of the Block Grant, counties reported that they withdrew substantial resources from child welfare as well. In a study by SCAA during the first year of the Block Grant, counties reported that they cut preventive contracts, reduced staff, and took other steps to save money. That was all to the detriment of children and families and to the child welfare infrastructure. Since then, New York State has returned money to the Block Grant using the TANF surplus to provide "fiscal relief," including the transfer of \$241 million to Title XX. According to some county sources, local governments have used "fiscal relief" for a variety of purposes, often not child welfare.

Further, according to county sources, the reductions in spending for child welfare in the early Block Grant years continue

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to this day. The system is far from where it was in terms of services, preventive programs, and staffing. The child welfare infrastructure has been weakened and continues to decline.

The expiration of the Block Grant provides the opportunity to reassert the full partnership between the state and the counties. Not only is such a move fair and more appropriate, but it could also set the stage for more local investment in child welfare. Communities need a strong local capacity to provide service to vulnerable children and families. They cannot build such an infrastructure with inadequate and uncertain support from the state and without continuing local investment.

**New York, utilizing a venture capital approach, should invest new resources at the front end in an effort to turn the child welfare ship around.**

A good deal of business development begins with venture capital, substantial new resources invested in order to grow a business and realize success fairly quickly.

To achieve the results envisioned by the Office of Family and Children Services, New York State needs to infuse new resources into child welfare as well as redirect current resources. It is inappropriate to depend only upon redirection. Children and families rely on the existing system.

Accordingly, if New York State were to construct a system that included a venture capital fund to support prevention and early intervention programs, it is likely that resources would be freed for redirection and further reinvestment in the future. Unlike the mental health system, where beds in state psychiatric hospitals were closed and the money was converted to community uses, child welfare needs a different approach. Our goal must be to identify resources for front-end and after-care investment, regardless of whether beds are closed or not.

There are other sources of venture capital that could strengthen local service delivery. In the 1979 Child Welfare Reform Act,

there were provisions for donated funds to make up local share for preventive services. Donated funds could be in-kind as well as actual dollars. The legislation allowed local Departments of Social Services to benefit from the full amount of donated funds to offset local share. As a result, during the 1980's we saw significant expansion of preventive and early intervention services. That provision should be revisited and reutilized. It offers an important, albeit small, source of venture capital that can help turn the system from back-end to front-end expenditures.

**New York should blend funding from various systems to provide integrated, comprehensive services to children and families.**

In New York and across the nation, there are numerous examples of pooling funding from various sources to support improved service delivery to children and families. *Coordinated Children's Services Initiative* (CCSI) and *Kids Oneida* are examples of this approach in New York State. In both cases, multiple sources of funding are used, sometimes pooled, and there are also various waivers and service delivery structures enabling more flexible provision of service. In both cases, the counties have been able to assemble a package of services that is responsive to the needs of the child and his/her entire family. In sum, money follows the child and his/her family.

In August 1996, a New York State team of policy makers spent a week with the Danforth Foundation where they focused extensively on the concept of blended funding. The group left with an expectation that, with further work, such an approach could be feasible. While there has been relatively little action since then, the approach is quite viable and should be considered. Sources of funding might include education, mental health, health, and others. The State of Maryland has such a fund, the Sub-cabinet Fund (currently totaling \$100 million) that is used for prevention and other front-end services.

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## Financing Strategies

This article does not propose a specific financing approach as a replacement to the Block Grant. Many other organizations have made and will make proposals that need to be seriously considered (CCC, COFCCA, NYPWA). The Office of Children and Family Services will submit their proposal and legislation by July 1, 2000. However, as financing strategies are debated, it makes good sense to review them against a set of principles that grow, in part, from the fiscal policies that are recommended here. New York State should:

- Once again become a full partner, with the federal government and local government, in funding child welfare services.
- Develop a financing structure that can move the system toward the policies articulated in “Establishing an Operating Framework.”
- Support the concept of full funding for child welfare services and not discount, regardless of which mechanism is chosen.
- Blend funding from multiple sources to allow for truly flexible service delivery.
- Create a financing mechanism that understands that the whole family is the service unit, not just an individual child.
- Create a financing mechanism that is as consistent as possible between public and private agencies.
- Create a financing mechanism that rewards non-placement services.
- Create a financing mechanism that is administratively feasible, is easily understood and which can be implemented quickly.
- Reward attainment of milestones as well as outcomes rather than simply service or care.
- Use incentives, disincentives and payment approaches to support the goals of the system.
- Fashion a service delivery system and a financing mechanism that heightens the sense of urgency to move the child through the system quickly.
- Carefully review the 1979 Child Welfare Reform Act in order to extract those components that are relevant.
- Use its money to leverage resources from other sources, including private sources.

New York State has an opportunity to re-shape and improve services to children and families. These important fiscal decisions can provide the foundation for a new system.

**According to some county sources, local governments have used: fiscal relief for a variety of purposes, often not child welfare.**

