

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILES 8672
2719 SCOMM 122: COMMISSION ON PRIVATIZATION... , 1999

children from their homes. Termination of parental rights are far more rare events, involving less than 1% of the open cases in this same period.

These critical decisions occur within a legal framework established to protect children, while providing safeguards against unnecessary government intrusion into family life, primarily in the form of laws and court rules that safeguard the rights of parents. Children can be removed from parental custody only when specific criteria are met and demonstrated in impartial court proceedings at which parents are represented by their own counsel. These proceedings are governed by rules of evidence and procedure that are the same as or parallel to those that govern criminal and other civil proceedings. The Child In Need of Aid Rules are designed to "...to promote fairness; accurate fact-finding; the expeditious determination of children's matters; and the best interests of the child, including individualized care and treatment in the least restrictive placement, and the preservation of family life." The burden to prove that removal from parental custody or termination of parental rights is necessary and justified rests with the state agency. Children are provided with separate advocates precisely because their interests may differ from those of their parents or the agency.

The description of processes on page 8 of your report requires clarification. In attempting to differentiate between emergency and non-emergency custody processes, your report states, "When non-emergency custody is taken, the agency is required to show cause within a 'reasonable time'." A more accurate statement would be "When non-emergency custody is sought, the agency is required to show cause within a 'reasonable time'." When the division seeks custody on a non-emergency basis, it must first file a petition for adjudication, prove at trial that the child is a Child In Need of Aid (CINA), and then provide evidence to demonstrate in a subsequent disposition hearing that custody is necessary.

Minor clarification of the method for prioritizing reports of harm and workload adjusting might be useful. First, the process of prioritizing reports involves assessing the degree of immediate danger posed to a child and the urgency of the response required by DFYS, rather than assessing risk of subsequent harm at some future date. This distinguishes between the process of establishing the priority of a report of harm and the later use of the risk assessment tool to establish level of service. In addition, the process of workload adjusting is established in a formal, rather than informal, policy, and some of the variance between offices is due to both the number and the nature of reports of harm received compared to the number of staff available to respond.

Key Observations and Conclusions

Several important observations and conclusions reached in your report deserve specific comment.

Exercise of discretion and the effect of legal advice in custody and termination decisions

Your report notes that social workers have significant discretion in making decisions to take emergency custody, seek non-emergency custody, or maintain custody once it is granted. You point out, however, that this discretion is neither exercised in isolation nor unchecked. DFYS

does not make these decisions alone or without safeguards that provide both legal oversight and checks on DFYS decisions and actions.

Emergency custody decisions must meet strict statutory standards (AS 47.10.142) and are subject to court review and the challenge of parents, supported by their attorneys, within 48 hours. Non-emergency custody cannot be obtained without court order, which again can be contested by parents and their counsel at trial. Custody orders are time limited and the necessity of continued custody is subject to annual court review. Parents or the children's advocates may seek a judicial review and challenge the need for department custody at any time.

You observed that, in deciding to seek custody, social workers are guided by the advice of assistant attorneys general who represent and advise them. It is both prudent and appropriate that they seek such advice. This is a key reason why your report is able to conclude that "...DFYS is well supported when it takes children into custody..." and is a reason that judges also consistently rule in favor of the department in child protection cases.

The advice of assistant attorneys general helps to prevent social workers from taking custody when facts of the case do not support doing so. Their involvement and counsel serves to assure that formal legal action is pursued only when it is necessary and supported by the facts and circumstances of the case. It is an important means of preventing errors and deterring unnecessary or unsupportable disruption of family life.

Independence and impartiality of judiciary

Your report identifies consistent complaints voiced by some parents and parent advocate groups that the court process does not provide an independent, impartial review of DFYS actions. This complaint seems to arise primarily from the fact that judges rule in favor of the DFYS in most child protection cases and from obvious dissatisfaction of parents with the outcomes of court proceedings. However, your report found both that DFYS custody decisions are generally supported by facts and that judges do not always follow department recommendations.

The fact that the department is consistently able to prove to the court that facts support its actions does not indicate that judges or court processes are biased in favor of the department or against parents. Nor should it lead to the conclusion that the department has some other advantage that enables it to prevail. Instead, it demonstrates that the department does not pursue formal legal action to intervene in family life without good grounds for doing so and does not pursue legal action frivolously or punitively.

Assistant attorneys general are ethically bound to advise against and to refuse to litigate cases they believe are frivolous or not supportable. In fact, citizens should be alarmed if judges consistently found that the department had *failed* to prove a basis for its child protection actions, just as they would be alarmed if prosecutors consistently pursued criminal cases against citizens on inadequate grounds.

It is true that the child protection legal proceedings can be complex and adversarial. It is also true that these complexities exist to protect the rights of parents and children against unnecessary and unjustified government intrusion. It is precisely because of this that parents are accorded the right to legal representation from the outset of such proceedings.

Custody decisions

Parent and parent advocates often complain that social workers are overzealous and act too intrusively or with insufficient factual grounds in taking custody, seeking non-emergency custody, or pursuing termination of parental rights. Conversely, parents involved in custody disputes, grandparents, concerned relatives, foster parents, and child advocates sometimes express concern that social workers do not take custody early enough, return children to parents too soon, and do not act decisively to terminate parental rights.

The cases reviewed by auditors seem to have led you to conclude that the latter criticism may be more accurate. Your report notes what seems to be "quite a high threshold to the agency's probable cause to take custody of children being abused and neglected" and concludes "that custody is not taken as often as is necessary." Similarly, you noted not only that social workers generally make required reasonable efforts to avoid removing children from their parents but that sometimes their efforts to avoid taking custody may seem "extremely reasonable" and were perhaps more than was warranted.

Your conclusions are consistent with much of the testimony received during consideration of significant changes in Alaska's child protection laws (HB 375) during the last legislative session. Your case reviews seem to indicate that if there is a pattern of error in DFYS decisions it may be in the caution social workers have demonstrated seeking custody of children or termination of parental rights.

This is obviously influenced by many factors. Among these are Alaska's laws, workload and staffing levels in DFYS, poorly implemented agency policy focusing on "family preservation," individual judicial decisions in specific locations which influence future actions in similar cases, and uncertainty of staff based on lack of adequate training as well as many other factors.

As you know, a recent review by the Kempe Center found that the restrictive nature of Alaska's laws limited intervention and focused custody decisions on the single incident under investigation and the immediate risk to children. These laws and their interpretation in case law restricted social workers and courts from effectively considering "cumulative risk" or the totality of circumstances. Passage of HB 375 and the recent Supreme Court decision discussed in your report will significantly affect future practice. In fact, there is a clear trend in the number of children being taken into custody which indicates that practice is already changing to better consider the total risk to children.

Changes in law and court decisions will clearly impact decisions in custody cases. They will not necessarily eliminate misunderstandings such as those noted in your report. These cases clearly

point out the importance of thorough investigations and the need to consider the "totality of circumstances" when making custody decisions.

Predicting custody actions

You noted that, though DFYS custody decisions are supportable, they are not always obviously consistent. The difficulty auditors encountered in developing a "definitive standard" for predicting case conditions that trigger DFYS custody actions is an issue child protection agencies struggle with throughout the nation. The complexity of these decisions makes it difficult to develop definitive or prescriptive tools or standards to guide or interpret custody decisions.

For these very reasons, the Risk Assessment Tool (RAT) was not designed to drive the decision to take custody of a child or to open or close a case for services. In fact, national concerns against using a risk assessment tool for such purposes were extremely strong when Alaska's RAT, the first empirically based model for use in child protection, was developed. In particular, the RAT was specifically not developed to serve in making the decision on whether to assume emergency custody. Insufficient information is available, particularly in new cases, to complete the tool at the time an investigation is begun and the decision regarding emergency custody must be made on the basis of statutory criteria. As you have indicated in your report, much of the key risk information is acquired throughout the investigative process, and that process can continue for some time after the decision to assume custody has been made.

The RAT does predict the risk of subsequent harm to a child in the current living situation absent intervention or mitigating circumstances, but it is focused on a limited number of factors and is not used to dictate the nature of the intervention. It is, as you know, used to determine the level of agency interaction with a family according to the level of risk identified, i.e. High, Medium, or Low, with contact standards prescribed in policy for each level of risk. Further discussion of the RAT will be offered in response to your Recommendation No. 1.

The complexity of the factors influencing custody decisions and their interaction in individual cases do not lend themselves to ready comparison in a few cases. The small number of cases you reviewed or the fact that some of the cases were picked based on complaints arising from them may make them less than representative and may have contributed to the difficulty in developing a common standard. However, it is more likely that the unique interplay of factors in each case make them difficult to compare. Nonetheless, we certainly agree that there should be consistency in custody decisions and that training is critical to achieving consistency, particularly in such important and complex decisions.

Reunification after removal

Your report observed that case plans reflect reasonable efforts to reunify children with their parents and that the plans were focused on the issues that present risk to children. However, you noted that return of children to parental custody was not necessarily contingent on the parents' completion of all steps in a case plan. This is true because completion of the case plan is not the standard for returning a child to parental care.

Return of children to the parental care is governed by a legal standard at all times. To sustain an out-of-home placement, the department must demonstrate that leaving a child with the parent is "contrary to the welfare of the child" (or, for cases subject to the Indian Child Welfare Act, "necessary to prevent imminent danger of physical harm or damage to the child.") Parents must demonstrate the ability to provide care and safety for their children, but are not legally required to fully comply with all aspects of a case plan before a child can be returned home. Clearly, there should be a high correlation between progress on key elements of a case plan and return of children to parental care, but absolute completion of all parts of a case plan is not the required test.

Termination of parental rights

Your report accurately presents some of the problems inherent in terminating parental rights. This has been, partly by design, a difficult undertaking. In the case you mentioned of the mother not visiting, DFYS would, I believe, need to make efforts to encourage and assist visitation between the mother and child rather than leaving the responsibility completely to the mother.

You note that recent changes in federal and state law (the federal Adoption and Safe Families Act and Alaska's HB 375) may expand DFYS' "authority to effect" terminations or to take custody of children. It is important to clarify the effect of the new federal and state laws. While commonly perceived and frequently characterized as expanding DFYS authority to act, these laws do not give DFYS broader authority. They do give DFYS and others in the child protection system better guidance and set clear expectations for early movement toward permanency. They also specify certain situations in which DFYS is not required to make "reasonable efforts" to prevent removal or reunify children with their parents before proceeding toward alternative permanent plans. And the new laws *do* hold both DFYS and parents accountable to more quickly resolve the conditions that put children at risk. But they do not diminish the legal safeguards that protect parents' rights.

Specific sections of the new federal and state child protection laws provide for the filing of a petition for termination of parental rights when a child has been in out-of-home placement in the custody of the division for 15 of the most recent 22 months. That provision does not extend to children in custody but placed at home during that time, and it does extend to children in placement for any 15 of 22 months rather than for "the last 15 of the most recent 22 months" as stated in your report. In addition, concurrent planning need not include the termination of parental rights but may include other permanent plans such as placement with a relative or a particular foster parent or independent living plans for an older child.

Relative placements

In the section on "Organization and Function", you mention that children in custody are placed in foster care, emergency shelter, or residential care, and that each provider is subject to licensure. It is important to emphasize that children are frequently placed with relatives who may or may not become licensed providers. In fact, Alaska law provides a preference for placement with relatives, and over one third of children in agency custody as a result of abuse or neglect (more than 600) currently live with relatives.

You also commented that the state benefits from relative placement by minimizing the cost of foster care. This is sometimes true, but it is not the policy reason prompting placement of children with relatives. The statutory preference for placement with relatives is based, I believe, on the goal of maintaining family ties and providing emotional stability for children. Any financial benefit to the state is obviously secondary and is more limited than auditors may have understood. Some relatives are able to care for their related children without financial assistance. However, over one third of relatives providing care for children in department custody are licensed as foster parents and receive foster care payments to enable them to care for related children. Many others must apply for temporary assistance benefits through the Division of Public Assistance in order to be able to support a relative child in their home.

Case Studies

Your report discussed some case examples that illustrate the complexity of some custody decisions. Some additional information about these cases may help readers understand the cases, events, and decisions.

Case A: This is a difficult case to compare to others because it is an extreme anomaly. The case was handled by a succession of three troubled workers: one was demoted for lack of competence as a journeyman social worker; the next suffered from terminal cancer; the third was terminated for incompetent work. Many of the reports of harm were workload adjusted because of staff shortages, but many were investigated as a composite rather than individually. Sometimes when custody was contemplated it was not taken because, although the case was considered problematic, the evidence to sustain custody was marginal or there was someone available to appropriately care for the children. Custody was taken from April, 1995, until December, 1996; then again in August of 1997 and continues to date. While there have been many changes in policy, law, and recently in staffing levels since this case first came to the attention of DFYS in the early 1990s, it should not be reflective of normal practice. It does, however, provide cause for concerned action to improve practice.

Case B: This case involved a heated custody battle between the grandparents and the father. The grandparents were the primary source of reports of harm. It was extremely difficult to obtain evidence to substantiate the reports. In addition, the grandparents were readily available to care for the child and the parent readily sought their assistance to assure the child received appropriate care. There was no clear indication that the child was at risk. The grandfather requested that DFYS intervene and terminate the father's parental rights, but was unwilling to work with the department. The department, by law, was required to work toward reunification with the father if the department took legal custody of the child. The grandfather already had physical custody of the child, had filed for a legal guardianship of the child, and had obtained an order that restrained the father from contacting the child. The department dismissed the CINA petition when the grandfather obtained full legal custody of the child.

Case C: As you point out, the initial report of harm did not appear to present serious circumstances. The department took custody mainly because the child's mother refused to have the child in her home after an altercation and requested removal of the child from the home. The statutory grounds were AS 47.10.010(a)(1), "no parent willing to provide care." As often happens, however, much more information surfaced as the investigation proceeded, raising the level of identifiable risk to the child. You assessed that we acted appropriately to take custody, but the mother adamantly disagrees. But the mother, who was represented by counsel at all times in the proceedings, did agree to state's custody in a written stipulation to adjudication. She also agreed that she could not provide needed services to the child. The child was recently returned home because she desperately wanted to return home and was running away from alternative placement. The mother had begun to work on the case plan. The counselor for the mother and the child recommended return home as long as the mother continues to work on the case plan.

Case D: There does not seem to be any question regarding DFYS action to take custody in this case. As auditors noted DFYS sought to maintain custody outside the home. The court found at an adjudication trial that the child had been sexually abused by her stepfather and continued to be at risk in the home. The judge allowed the child to live in the home, conditioned on the stepfather being required to leave the home and having no contact with the child. Those orders remain in place. The stepfather is required to participate in sex offender treatment. The mother continues to deny that her daughter was sexually abused.

Case E: As your report notes, the court refused to grant the state legal custody of the child. The parties are attempting to negotiate a resolution without further litigation.

The case described on page 31 merits additional clarification since it represents some of the complexity of cases in which DFYS becomes involved and the need for special training to deal with the complexity. The mother in this case repeatedly alleged that her young daughter's father had sexually abused the child. In attempting to gain evidence to support this claim, the mother tape-recorded herself insisting to the child that the child was sexually abused by the father. The mother, on tape, repeatedly insisted that the child say that her daddy hurt her "tush." The child did not say that her father sexually abused her.

The father tape-recorded phone messages from the mother in which she threatened him with losing contact with the child. The judge who presided over the custody dispute between the parents ordered DFYS to get involved. DFYS had experts interview the child. The experts reported that the child did not report sexual abuse by her father, but only said that her mother had told her to report that her father touched her inappropriately. DFYS sent the case to the Kempe Center for review. The Kempe Center could not testify that there was a "preponderance of the evidence" that the child was sexually abused by the father. Because of the failure of legal proof, the AG recommended dismissal of the case.

Though your report seems to leave the impression that the worker's inept interviewing skills hampered a resolution of the case, it was the mother's conduct that contaminated the evidence. She completed multiple inappropriate interviews with the child and even tape-recorded herself

prompting specific answers in those interviews. This would clearly have been a challenging case under any circumstances and one that would, as auditors conclude, require a highly trained and skilled staff person.

Recommendation No. 1

The director of DFYS should review the format and implementation of forms used to assess risk to children.

The department concurs. The RAT form is a risk assessment tool that was developed and empirically validated to measure indicators of subsequent risk to a child in the environment assessed at the time absent any intervention. It was the first such tool developed in the child protection field nationally. When the RAT was developed, there was recognition that it would need to be refined and revalidated to reflect newly gained knowledge and experience. Much work has been done in the area of risk assessment in the years since this tool was originally developed and it represented a "state of the art approach." The division is committed to 1) reviewing the RAT and either empirically revalidating it or adopting a different tool that better serves our purpose; and 2) developing a valid tool for measuring progress and evaluating the continuing risk of harm in a family based on changes made and current circumstances. In the meantime, staff will be trained on the appropriate use of the RAT and reassessment procedures.

Recommendation No. 2

DFYS should develop alternatives to closing cases where services are indicated but custody is not taken.

The department concurs. Fundamentally, however, we simply do not have the resources to routinely devote to staff cases where we have no legal authority. The increased funding received in FY99 is certainly helpful, but even with the additional staff those funds provided, we cannot investigate all reports of harm or adequately serve those children and families for which we have legal and custodial responsibility. We cannot justify devoting staff resources to cases in which we have no legal authority and no means to compel parental involvement in services.

We have been able to increase the grants to agencies providing family preservation and family support services. We believe that these types of voluntary services – coordinated with our own efforts – offer the best response in cases where risk exists but legal intervention is either not necessary or not possible. We will explore the possibility of addressing this issue through existing grantee services.

Recommendation No. 3

DFYS should document the involvement, or lack thereof, of parents in the development of case plans.

The division concurs. Parental involvement in developing case plans is important, as is documenting that involvement or the lack of involvement. In fact, DFYS' case planning form provides a line for parents to sign indicating that they were involved in the planning process but disagree with the case plan. Unfortunately, parents' attorneys often insist that their clients not participate in the planning process until after a court decision has been made on the petition seeking adjudication of the child as a child in need of aid.

In any case, parents participate or not, documentation is essential. Steps to assure improved documentation will be accomplished through the increased training efforts and through the supervisory review process.

In addition to basic documentation of parental involvement, federal regulations require the division to document its attempts to elicit parental involvement in the case planning process.

It is interesting to note that Alaska is one of the few states that arranges for parents – including those to are incarcerated – to participate telephonically in the case planning and review process. This presents some unique documentation issues.

Recommendation No. 4

DFYS should ensure that all line social workers receive appropriate training.

We concur. As you know, the division signed a contract last July with the University of Alaska to establish the Family Services Training Academy under a partnership between DFYS and the UAA Social Work Department. The Academy will provide training to all social work staff. It offers orientation and training in a core child welfare curriculum for Family Services social workers and licensing workers and specialized training for Family Services supervisors.

In addition, the academy will develop and present specialized training on a number of child welfare practice areas. Plans call for all new social workers to receive two weeks of orientation and core training before being assigned a caseload, and for experienced workers and supervisors to receive several days of specialized training each year.

The academy will be able to respond quickly to emerging needs for specialized training. Training can be delivered at the academy site in Anchorage and at sites in hub cities around the state as needed. In addition, the Family Services Training Academy will develop curriculum materials and technology for self-study and remote delivery of training throughout the state.

The Family Services Training Academy will facilitate the work of two advisory bodies: the Training Advisory Board and the Training Work Group. At this writing, recruitment for members of these bodies is underway.

The Training Advisory Board will consist of representatives of numerous agencies and organizations that have responsibilities or interest in child protection issues. The Board will advise DFYS and the University on broad issues and related training needs for the various stakeholders.

The Training Work Group will consist primarily of DFYS and University employees. Both rural and urban supervisors, social workers, and licensing workers will be represented. The Work Group will be charged with identifying the specific training needs of DFYS workers and supervisors and recommending training to meet those needs. The Work Group may recommend training be secured locally or provided statewide by the Academy.

Recommendation No. 5

The commissioner of the Department of Health and Social Services (DHSS) should develop a non-judicial process to provide recourse and consideration to parents and other interested parties that become involved in protective services disputes.

I understand and agree with the intent of this recommendation – that the department should do all we reasonably can to eliminate perceptions of unfairness and develop processes that facilitate effective resolution of child protection issues. However, I disagree with those who believe our court processes do not provide them with a fair, impartial forum.

Clearly I cannot, as commissioner, establish a process that substitutes for the judicial process. Nor can I resolve the dissatisfactions various parties have with that process. I can, however, work with the court and other parts of the child protection system to educate and inform the public about the child protection system and the judicial process to overcome some of the gross misunderstandings and misperceptions and any legitimate shortcomings that prompt dissatisfaction with the process.

I am not so naïve that I believe any action we take will be able to satisfy those whose complaints are fundamentally expressions of frustration with the outcome of child protection processes. And I am wary of making wide-scale changes based on the perceptions of a limited and select sample of persons dissatisfied with the outcome of their particular case. Nonetheless, there are legitimate reasons to attempt to understand and address all concerns in order to improve both the real outcomes and the perceptions of those affected by the processes.

You have included some additional recommendations within this broader recommendation.

1. Improved public notification and staff awareness of existing DFYS complaint resolution process.

I agree that increased public and staff awareness and utilization of the grievance resolution process already in place would assist in resolving complaints and concerns. I believe, however, that this process, which is adopted in agency regulations, should be streamlined. As it exists, the process can be cumbersome for both citizens and burdensome to the agency. Despite this, it has been a successful vehicle for satisfactorily resolving complaints and could be used more frequently if streamlined.

Although other projects will necessarily take precedence, I will consider revising these regulations to make the grievance process a more effective mechanism for resolving complaints as work plans allow. We will also ensure staff are knowledgeable about this avenue for resolving complaints, advise complainants of the process, and have the complaint forms available.

2. Funding a specialized position in the Office of the Ombudsman.

I do not agree that contracting with the Office of the Ombudsman is an appropriate means to resolve child protection concerns and complaints received by the department. While I fully support the Office of the Ombudsman and the work it does, I do not believe a position external to the department would provide the rapid response needed to resolve most complaints we receive. I also believe it is most appropriate for the Legislature to adequately support the Ombudsman to perform its critical role.

Instead, I have established a position within DFYS to assure a rapid, knowledgeable response to complaints. Rather than providing an oversight role, the position will focus on troubleshooting problems and concerns, implementing substantive solutions whenever possible, mediating and assisting in resolving problems, and providing information and follow-up. DFYS' inability to respond in a timely manner to the many issues raised concerning the thousands of investigations and custody decisions made by agency staff each year has hindered timely resolution of these issues and detracted from perceived responsiveness of the agency. Rapid, sensitive and substantive response to concerns will do much to improve public perception and satisfaction with agency responsiveness. Of course, not all persons can be satisfied with the

3. Development of a community-level mediation process.

I agree that mediation can be an excellent tool for resolving differences between parents and the agency. The CINA subcommittee of the Court Improvement Project, of which DFYS is a member agency, is establishing a mediation project, to be piloted first in Anchorage and then expanded in other areas of the state. This project will provide a means of reaching agreement on custody cases and avoiding the formal adversarial, and sometimes lengthy and emotional, court proceedings. DFYS will be a full participant in this effort, but the department obviously cannot develop such a process alone.

In the meantime, key parties in the child protection system (the court system, Public Defender, Office of Public Advocacy, Department of Law, and Department of Health and Social Services) are moving forward to increase use of mediation in custody and termination cases under Civil

Rule 100. Agreed to as part of joint planning efforts related to implementation of HB 375, agencies are identifying candidate cases and will be pursuing this alternative resolution approach this fiscal year, even before the mediation project is fully developed.

Recommendation No. 6

The director of DFYS should reevaluate the scope and application of the agency's confidentiality requirements, giving due consideration to the impact they may have on promoting more cooperation with parents in the development of case plans for their children.

The division must, of course, follow the confidentiality requirements established in law by congress and the legislature. We have, however, twice within the past three years requested and received, legislative changes to reduce the confidentiality restrictions in Alaska laws. In part these changes were specifically made to allow sharing of information with legislators to assist them in understanding the full context of complaints and concerns brought to them and to aid in their resolution.

In addition, within the past year Governor Knowles appointed the Task Force on Confidentiality of Children's Matters to study the issue of confidentiality in child protection cases and to recommend changes that could assist in informing the public and providing agency accountability. The Task Force did not specifically address the primary issue that I believe generated this recommendation – allowing lay advocates and persons without a specific role as a party in a case to participate in hearings and case conferences in which confidential information about children are discussed. However, the Task Force did recommend opening CINA hearings to the public, which would allow advocates to attend, so long as they were not witnesses in the case. The Task Force recommendations were released for public comment last summer. Task Force members are meeting next month to review comments. Proposals for additional changes in state law may well result from this effort.

Sharing information about a child with the child's parents is fundamental to working with parents and has always been required with rare exceptions established in law to protect a minor's independent right to privacy. If a child is not in custody, a parent has the right to the information available to the division. If a child is the subject of a CINA proceeding, the parents, through their attorney, are provided with all reports and evaluations through the discovery process. Misunderstanding about these issues may stem from DFYS' inability to provide information that is not even available to the division because of privacy issues safeguarded in patient/doctor/therapist communications. The division cannot independently circumvent or control those confidentiality provisions.

Court Rules and Processes

Because many of the conclusions and recommendations in your report center on parents' misperceptions of the standards and processes employed by the court in CINA cases, these deserve some discussion. Your report describes some of the rules that are regarded by parents as unfair to them.

For example, parents complained that they were not given an adequate forum to tell their story and were given limited opportunity to speak at hearings.¹ Parents may be witnesses at any proceeding. At the very first hearing, parents are advised of their right to testify and to present witnesses - CINA Rule 10(b)(2). Parents must take the stand under oath and be cross-examined, the same as any other witness. No rule limits the ability of a parent to testify at any proceeding. However, they often choose not to testify or accept the advice of their attorneys that they should not do so. This, of course limits their opportunity to relate their views. Some parents may feel that the process of testifying in response to questions posed to them by attorneys limits their ability to fully express themselves.

Exclusion of parties

CINA Rule 3(c) is cited as a rule that is viewed by parents as unfair because it allows children to testify outside of the presence of their parents. Invoking this provision requires that a hearing take place and that the state prove that the parent must be excluded from the courtroom in order to protect the child from "material psychological harm." The parent participates in the hearing by phone or by videolink, and is allowed to consult with counsel between direct and cross-examination of the child.²

It is important to note that the same procedure is available in criminal trials as well. Alaska Statute 12.45.046 allows the court to make special accommodations for child witnesses in criminal trials. The statute allows the court to use closed-circuit television, one-way mirrors, and any other procedure that would assist the child in meaningfully communicating in court. The U.S. Supreme Court has addressed the issue in several opinions and decided that in some cases, special accommodations may be made for child witnesses. (See, Maryland v. Craig, 497 U.S. 836 (1990), which requires the state to demonstrate that the child witness would be traumatized by the presence of the defendant and that confrontation would pose a threat of serious emotional harm to the child before a special procedure may be authorized by the court).

¹ There was one probable cause hearing in Kenai where the judge accepted the testimony of a parent through an "offer of proof," rather than calling the parent to the stand. The decision was reversed on appeal.

² No AAG could recall a case where parents were required to listen to tapes after the hearing and then prepare for cross-examination. The parents participate in the hearing while it is occurring, but from a different room, or the child's testimony may be prerecorded, with defense counsel present to cross-examine, and presented at trial on videotape.

The procedure in CINA Rule 3(c) was employed during the summer of 1997. DFYS was adjudicating a Child In Need of Aid case based upon ongoing sexual abuse of a child by her stepfather.³ Prior to the trial, the child's mother repeatedly threatened the child with how gruesome the cross-examination was going to be at trial. Two days before trial, the child was admitted to the psychiatric unit at Providence Hospital due to an overdose, in an attempt to commit suicide. The medical providers concluded that the mother had pressured the child into feeling responsible for the case going to trial. The child's mother had pressured, coerced, and threatened the child to recant her statements of fear of her stepfather, immediately prior to trial. On the day of trial, a psychiatric nurse accompanied the child to court.

The AAG asked the court to have the stepfather/offender participate in the hearing by telephone from a neighboring courtroom, based upon CINA Rule 3(c). The court first required that the psychiatric nurse testify about the level of psychological harm that would occur to the child if she had to testify before her abuser. The nurse testified that the child was not eating, had lost a lot of weight, was suicidally depressed, and would probably attempt suicide again if forced to face the man who molested her. The court ruled that the evidence met the burden of proof in CINA Rule 3(c) as "material psychological harm." The stepfather/offender participated in the hearing by phone from a conference room in the courthouse while the child testified. The child's mother was in the courtroom during the child's testimony. The teenage babysitter victim had to testify before the offender because the rule does not offer the same protection to a child victim who was molested by a non-family member. The state successfully adjudicated the case.

Exclusion of witnesses

CINA Rule 3 (d) is called the "exclusionary rule" because the rule does not allow witnesses to listen to each other testify. The basis of the rule is found in Evidence Rule 615. Both state and federal evidence rules follow the practice in all cases, civil and criminal. The rule is enforced so that witnesses cannot change or alter their testimony based upon hearing the testimony of another witness. The rule does not exclude parties from the hearing, and parents are parties to a CINA action, therefore parents are never excluded from a hearing based upon this rule.

Witnesses for the parents and for the state will be excluded from listening to other witnesses testify.⁴ The purpose and function of the rule and the protections it provides to them have obviously not been made clear to parents.

³The stepfather had sexually abused two younger sisters of an ex-wife in another state. He was fired from the police force in another state for providing liquor to teenagers and for dating teenage girls. In Alaska, he was criminally convicted of molesting a teenage babysitter. The state took legal custody of his two stepdaughters after one child reported that he had molested her since she was eleven years old. Nevertheless, her mother stood by the offender and insisted that the child was lying.

⁴ The complaint from Guardians of Family Rights is that the witnesses for the parents are not allowed to hear the state social worker testify. The Guardians claim that if their own witnesses could hear the worker testify, then their own witness could testify that the worker lied. Nothing in the rules prevents a witness from taking the stand for the parents it only prevents witnesses from tailoring their testimony on the basis of the testimony of others.

Admission of hearsay evidence

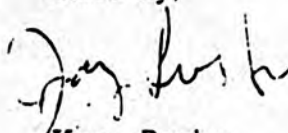
CINA Rule 10(b)(4) is perceived by parents as unfair because they believe it was unfairly applied to admit hearsay evidence presented by social workers but not them. Hearsay evidence is admissible at trial, both criminal and civil, in the specific identified circumstances where hearsay evidence has been determined to be reliable. Evidence Rules 801, 802, 803, 804 and 805 govern the admissibility of hearsay evidence at all times in trial, both civil and criminal.

CINA Rule 10(b)(4) is a special exception that only exists at a "probable cause" hearing for the limited purpose of establishing probable cause before a judge. CINA Rule 10 (b)(4) does not govern the presentation at evidence at adjudication trial or termination of parental rights trial. A similar provision exists in criminal law. At the grand jury presentation, where probable cause is established, specific exceptions allow prosecutors to use hearsay evidence for the limited purpose of establishing "probable cause" before the grand jury. (See AS 12.40.110 which allows hearsay evidence to be presented to the grand jury in limited and conditional circumstances for child abuse cases).

Court proceedings can certainly be intimidating and difficult to understand. They are also easy to misinterpret, particularly when the issues at stake are so important to the participants and so emotionally charged. Procedures that are highly technical and poorly understood can certainly lead to perceptions of unfairness, especially when the outcome is dissatisfying. That is why legal counsel is essential for all parties in those child protection cases that unavoidably involve formal legal processes. It is also why I agree with many of your suggestions for resolving complaints and issues outside those formal legal processes whenever possible. I recognize, however, that there will always be instances in which alternative processes cannot be applied because of the risk to children and the unwillingness or inability of those whose behavior endangers children to recognize that danger.

Again, I recognize the difficulty auditors faced in reviewing and interpreting controversial custody decisions. I appreciate the effort and professionalism of your staff during the course of their work on this audit and your indulgence in allowing me additional time to respond to your report.

Sincerely,



Karen Perdue
Commissioner

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ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit



P.O. Box 113300
Juneau, AK 99811-3300
(907) 465-3830
FAX (907) 465-2347
Internet e-mail address:
legaudit@legis.state.ak.us

November 27, 1998

Members of the Legislative Budget and Audit Committee:

We have reviewed the Department of Health and Social Services' response to our audit report. We have the following observations and comments regarding various aspects of the department's response:

Number of cases reviewed

On page 42, the department comments that it is difficult to fully capture the varied and complex factors that have an impact on custody decisions from looking at a limited number of cases. We believe that certain commonalities among the 72 cases included in this review validate the comparisons we made. For this review, we selected cases where DFYS had investigated and substantiated reports of harm.

Many of the cases had initially been ranked as top priority for investigation and the situation subsequently assessed as high risk. Though some of these cases were brought to our attention by complaints arising from the manner in which they were investigated and resolved, they shared many of the same characteristics of the cases we selected more randomly. While we agree with the commissioner's comments on the individuality and uniqueness of each specific case, it is our position that similar case circumstances should lead to similar casework decisions.

Concerns about social worker training in handling sexual abuse cases

In this and in previous reports on DFYS, we have recommended that social workers receive comprehensive training. In this report, we discuss a case which seemingly illustrates this concern, where lack of training of a social worker may have hampered timely and appropriate resolution of a case involving the alleged sexual abuse of a small girl. In this case, the Kempe Children's Center, the experts with whom the State contracts for advice on child protection issues, questioned both the interviewing techniques used and the outcome of the case.

On pages 45-46, the commissioner comments that the case involved additional complications:

"Though your report seems to leave the impression that the worker's inept interviewing skills hampered a resolution of the case, it was the mother's conduct that contaminated the evidence. She completed multiple inappropriate interviews with the child and even tape-recorded herself prompting specific answers in those interviews. This would clearly have been a challenging case under any circumstances and one that would, as auditors conclude, require a highly trained and skilled staff person. [emphasis added]"

We were aware of the extenuating circumstances as set out by the commissioner. Our intent in describing this case was to illustrate and support Recommendation No. 4 regarding the need for better and more specialized training of social workers. Though, the commissioner concedes that a highly trained and skilled staff person would have been needed to resolve this case in the appropriate manner, social workers have told us, as we state on page 31 of the report, they are *"often ill prepared to make custody determinations especially in cases of alleged sexual abuse."* Because most social workers will, at some point in their careers, be required to investigate sexual abuse allegations, we believe that they should be adequately trained to perform these duties as efficiently and effectively as possible.

In summary, we reaffirm our conclusions and findings that similar case circumstances should lead to similar casework decisions. Additionally, we remain convinced that social workers would benefit from more comprehensive training.

Sincerely,



Pat Davidson, CPA
Legislative Auditor

**DEPARTMENT OF HEALTH AND
SOCIAL SERVICES
DIVISION OF FAMILY AND YOUTH SERVICES
RESIDENTIAL CHILD CARE PROGRAM**

February 13, 1991

06-4388-91

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
P.O. BOX W
JUNEAU, ALASKA 99811-3300

March 21, 1991

Members of the Legislative Budget
and Audit Committee:

In accordance with the provisions of Title 24 of the Alaska
Statutes, the attached report is submitted for your review.

DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF FAMILY AND YOUTH SERVICES
RESIDENTIAL CHILD CARE PROGRAM

February 13, 1991

Audit Control Number

06-4388-91

The audit mainly addresses issues related to the rate structure for paying providers of residential child care services. In addition, we analyzed staffing levels, turnover rates, and salary levels for some grantees and summarized the funding sources of some providers' operations. The scope of the review was developed from a special request of the Legislative Budget and Audit Committee.

The audit was conducted in accordance with governmental performance auditing standards. Fieldwork procedures utilized in the course of developing the findings and discussion presented in this report are discussed in the Objectives, Scope and Methodology section of this report.

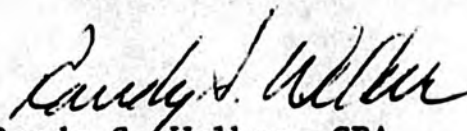

Randy S. Welker, CPA
Legislative Auditor

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OBJECTIVES, SCOPE AND METHODOLOGY

In accordance with a Legislative Budget and Audit Committee special request and the provisions of Title 24 of the Alaska Statutes, a review was conducted on various issues relating to the purchase of residential child care (RCC) services by the Department of Health and Social Services, Division of Family and Youth Services (DFYS).

Objectives

The objective of the review was to answer specific questions asked by the Committee, with minor modifications. The specific issues in the request were analyzed under three topics: (1) Rate Structure, (2) Staffing Ratios, Turnover Rates, and Salaries, and (3) Provider Profile. The Audit Issues and Analysis section of this report details the questions under these topic areas with our responses.

Scope and Methodology

Audit resources focused primarily on grants administered from FY 89 through FY 91, with emphasis placed on FY 90 activity.

Fieldwork procedures utilized during the course of the audit included analytical review of a wide variety of materials:

1. The request for proposals for FY 89 residential child care services.
2. Responses to the request for proposals submitted by grantees.
3. A study prepared by Banerjee Associates entitled: "Children's Residential Services Rate Study, Final Report, July 30, 1988."
4. Various grantees' budgetary data, quarterly cumulative fiscal reports, and audited financial statements.
5. DFYS and grantee correspondence related to RCC services.
6. Professional literature and newspaper articles relating to residential treatment services.

In addition to document review and analysis, interviews were conducted with selected grantees and various DFYS personnel.

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ORGANIZATION AND FUNCTION

Title 47 of the Alaska Statutes charges the Department of Health and Social Services (DHSS) with responsibility for providing a range of services designed to remedy or prevent abuse, neglect and exploitation of children, youth, and adults. To meet these statutory responsibilities, the Department created the Division of Family and Youth Services (DFYS) in 1980 by combining the Division of Social Services with the youth section of the Division of Corrections.

Residential child care services are purchased under grants to facilities licensed by the State to provide 24-hour care or day treatment for one or more children. Regulations define a child as a person under 18 years of age who has not been judicially emancipated, or a person under 20 years of age who is in the custody of the department. Grant awards are based on the purchase of a specified number of beds for the level of care requested in specific areas of the State. According to DFYS, a total of 212 beds for emergency shelter and residential treatment and 28-day treatment slots were purchased from 17 grantees in FY 90. Payment rates for emergency shelter and residential treatment ranged from \$95 to \$185 per bed per day.

Payment Rate Structure

In June 1982, the Legislature suspended the operation of the "full cost of care" payment rate structure provided for under AS 47.40.040, and AS 47.40.050 from July 1, 1982 to June 30, 1984. During this time frame DHSS was ordered to conduct a study of alternatives to the method of establishing payment rates under AS 47.40.

A committee of five appointed by the commissioner of DHSS was formed to conduct the study. Three members of the committee were employees of DHSS and two members represented RCC providers. The committee addressed various issues including the rate setting mechanism, methods of reimbursement for capital costs, sources of funding, allowable expenses, service providers, cost comparisons among facilities, accreditation, and appeal procedures.

The committee issued a report to the Legislature on their findings in January 1984. The report recommended that the payment for services move from a "full cost of care" methodology to a granting process. However, the report was deficient in that it failed to establish or define a methodology for setting rates.

The current rate structure for paying RCC providers was initiated in FY 89. DFYS instituted the new rate structure as a systematic method of calculating grant awards to

providers. Grants awarded to providers are based on a payment rate per day multiplied by the number of beds being purchased from that provider. The payment rate structure as described in the request for proposal for FY 89 RCC services is multi-layered for additional services provided. Generally speaking, providers of Category II through IV treatment services are granted a basic rate of \$90 per bed per day increased by \$15 for emergency shelters. Providers of day treatment, Category I, are paid at 70% of the basic rate.

A facility may receive incremental additions to the basic rate for additional services provided. For example, the basic rate is increased by a predetermined rate for night supervision, psychological counseling, and individual and group therapy.

Service Categories

The FY 89 request for proposal for RCC services describes the categories of services purchased by DFYS as follows:

Category I: Day Treatment Programs

An intensive daytime program with services designed for the individual. The emphasis of each program is on counseling for the child, family members and foster parents, development of interpersonal, living and problem solving skills, physical and academic education, and positive recreation.

Category II: Emergency Shelter

A temporary residential care facility for children who are in immediate danger in their present environment or who are not committable to Alaska Psychiatric Institute or a juvenile detention center but no other alternative is currently available.

Category III: Specialized Residential Care

A highly structured program providing 24-hour care, supervision, and treatment services for children with moderate to severe emotional and behavioral problems who require an integrated program of specialized treatment and residential care. Specialized residential care includes: (a) programs for emotionally disturbed children, (b) sex offender treatment programs, (c) programs for dysfunctional behavior, and (d) emancipation/transition programs.

Category IV: Intensive (Staff Secure) Residential Treatment

Intensive treatment programs provide 24-hour interdisciplinary, psychotherapeutic treatment for children who have severe emotional disorders and require secure residential

treatment. These emotional problems include conduct, anxiety, affect and adjustment disorders, and poor impulse control. Intensive treatment programs must provide a safe environment for children who have a combination of treatment needs and are a danger to themselves and/or others as evidenced by suicidal or homicidal threats or attempts or are chronic runaways.

The RFP also identified three levels of care and supervision as follows:

Level 1. Basic Care/Structured Supervision.

Level 2. Controlled Supervision.

Level 3. Staff Secure.

The level of care dictates the staff-to-client ratio required of a provider.

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AUDIT ISSUES AND ANALYSIS

Included within the special audit request were questions on various issues related to the residential child care (RCC) program. In response to those areas of interest, we formatted our analysis of questions under three topics: Rate Structure; Staffing Ratios, Turnover Rates, and Salaries; and Provider Profile. The following summarizes our response to each question.

RATE STRUCTURE

1. What are rates of reimbursement for RCC grants based on? Are the rates based on the cost of service provided? If not based on the cost of service, why not?

As discussed further in Recommendation No. 1 on page 15 of this report, the current rate structure used by the Division of Family and Youth Services (DFYS) to reimburse providers for RCC services has deficiencies. Costs unique to each facility are not taken into account in the rate structure. Generally, a standard rate is applied to all facilities. The following describes the development of payment rates.

The rate structure for reimbursing providers, as described further in the Organization and Function section of this report, was designed by DFYS. Providers are awarded grants based on a fixed rate for a predetermined number of beds as specified in the request for proposal. The fixed rate includes, but is not limited to, a basic rate which reimburses providers for the cost of food, clothing, shelter, daily supervision, social services, and administrative oversight. Supplemental rates are available for enhanced services above and beyond services already provided under the basic rate.

The basic rate was taken from a rate study prepared by Banerjee Associates in July 1988. This study used information based on actual costs of residential care providers. According to the study, some of the techniques used to develop the proposed rate system included: (1) data provided by facilities for the 1987 Annual Cost Report (IVE) [Non-Voluntary Foster Care federal program], (2) the development of theoretical models to provide a framework for the rate system, and (3) the collection and review of extant materials on rates, in professional literature and from other jurisdictions.

The rates for category III services (residential treatment) were broken down by facility size as follows. Maximum ranges were calculated for higher intensity levels of treatment.

<u>Facility Size</u>	<u>Basic</u>	<u>Maximum</u>
Family Size (less than 6)	\$ 79.57	\$102.47
Small (6-9)	\$ 71.32	\$109.38
Medium (10-14)	\$ 78.66	\$119.44
Large (more than 15)	\$109.23	\$137.56

DFYS originally used the minimum rate for a family size facility of \$80 (rounded) as the basic rate. Negotiations between a previous DFYS director and RCC providers resulted in a rate increase to \$90 per bed per day. Generally, the day treatment rate was calculated at 70% of the original basic rate. (This percentage approximates the time spent by each youth per 12-hour day at the treatment facility.)

The study also suggested that the base rate be increased by incremental rates for added services, however, no amounts were suggested.

According to DFYS, incremental rates were generally calculated for each service based on what it would cost to add that staff person on a per day basis. As stated in the body of Recommendation No. 1, documentation supporting the development of these cost components is not available. Examples of incremental rates are as follows:

Individual Therapy (\$10 per bed per day)
 Awake Night Staff (\$5 per bed per day)
 Psychological Consultation (\$5 per bed per day)
 Controlled Supervision (\$20 per bed per day)
 Secure Supervision (\$70 per bed per day)

2. Were geographical cost differentials included in the rate structure?

The FY 89 request for proposal for awarding grants to RCC providers included a 25% cost of living differential to be applied to the basic rate. The geographic cost differential was only to be applied to grants awarded to facilities located in Bethel and Nome. Three providers' rates included the geographic cost differential - the Bethel Receiving Home, the Bethel Group Home, and the Nome Receiving Home. The amount of the cost differential added was arbitrarily set at 25% of the basic rate of \$90. Incremental increases were not adjusted by the arbitrary 25% cost differential. For further discussion, see Recommendation No 1. d. on page 16 of this report.

3. Have providers received adequate increases in their funding to cover the effects of inflation?

The current rate structure for awarding grants to RCC providers was implemented in FY 89. Rates have not been adjusted since then. Therefore, any increases in costs due

to the effects of inflation have been absorbed by the facility. For further discussion, see Recommendation No 1. c. on page 16 of this report.

STAFFING RATIOS, TURNOVER RATES, AND SALARIES

4. What is the proper staff-to-client ratio for the service being provided?

Staff-to-client ratios required of the RCC facilities are based on standards for levels of supervision which are outlined in the FY 89 Request for Proposal (RFP). The three levels of supervision and their ratios per the RFP are as follows:

<u>Level of Supervision</u>	<u>Staff/Client Ratio</u>	
	<u>Waking Hours</u>	<u>At Night</u>
Structured	1:6	1:12
Controlled	1:5	1:10
Staff Secure	1:3	1:6

The RFP identifies the level of supervision required at each location.

We did not evaluate the adequacy of the staff-to-client ratios shown above. It is our belief that the issue of proper staff to client ratios should be addressed by qualified DFYS field staff. See Recommendation No. 3 on page 19.

A facility must be licensed by DFYS to operate as an RCC facility. DFYS requires a minimum staff-to-client ratio for basic care of 1:6 during waking hours and 1:12 at night (structured supervision). DFYS Licensing Section believes these minimum staffing level requirements provide proper supervision to care for and protect children placed in RCC facilities. No documentation is available to support the ratios required.

Controlled and staff secure supervision staff-to-client ratios were initially established by DFYS in the RFP at 1:4 and 1:2 during waking hours, and 1:8 and 1:4 at night, respectively. DFYS based these two ratios on their individual understanding and expertise in the field. However, a teleconference between the director of DFYS at that time and interested providers resulted in a change to these staffing levels. The ratios were decreased to the levels specified in the RFP. Again, no supporting documentation exists for either set of ratio requirements.

Six providers' facilities were visited during the course of the audit - Juneau Youth Services, Inc.; Alaska Baptist Family Services; Alaska Children's Services, Inc.; Alaska Youth and Parent Foundation, Inc.; Booth Memorial Youth and

Family Services, and Mat-Su Community Mental Health Services, Inc. These six providers represent 59% of the RCC grants awarded and 56% of the total beds and day treatment slots purchased by the State in FY 90. All of these facilities indicated that the required staffing levels are insufficient to properly care for the level of intensity of disturbed children that DFYS is placing in their facilities.

In December 1990, The Child Welfare League of America published its new regulations for basic care staffing levels. A ratio of 1:5 during waking hours and 1:10 at night was recommended. According to the league, the higher staffing level requirements are in response to the higher intensity level of children's problems seen today.

5. What are staff turnover rates of RCC providers?

Historically, the social worker/counseling field has been known to have a high rate of turnover. Our analysis of staffing patterns at six RCC facilities showed a high level of turnover, especially in the entry level positions. The turnover rate for these positions averaged 58%. Providers believe the reason for staff leaving includes employees seeking job opportunities available with the State of Alaska and employees experiencing a high level of job burnout.

There appears to be a direct correlation between salary levels and the turnover rate. Generally, as discussed below in question six, salary levels in positions at RCC facilities are lower than in comparable state positions. This is particularly true in the entry level positions.

6. How do salaries paid by RCC providers compare with salaries paid by the State of Alaska for similar positions?

We compared salaries paid by RCC providers with salaries of similar state positions. We used education and experience requirements of positions as the basis for our comparison. Duties performed within the job classifications were not considered as a basis for comparison purposes. Also not included in the salary comparison amounts were fringe benefits, housing, or subsistence paid by either the RCC providers or the State.

Our comparison showed that salaries paid by RCC providers averaged 82% of the salary paid by the State of Alaska for similar positions. Entry level staff salaries have the largest deviations. These salaries averaged 64% of the salary paid by the State for similar entry level positions. Many providers believe this contributes to the high turnover rate noted in response to question five.

PROVIDER PROFILE

7. Are RCC providers properly classified based on the intensity of services provided?

In FY 89, grant awards were made to providers based on the criteria established in the request for proposal (RFP). In that proposal, DFYS identified the number of beds being requested for the four service categories - Day Treatment, Emergency Shelter, Specialized Residential Care, and Intensive Residential Treatment - in specific locations throughout the State. For each category and location, the levels of supervision and treatment being requested are also identified. Respondents to the RFP specify which service they intend on providing.

As discussed in Recommendation No. 3 on page 19, monitoring providers by DFYS is lacking. The department does not have a system for monitoring to ascertain that the providers are providing the services requested in the RFP. Monitoring procedures could include evaluating the adequacy of placements to ensure that the level of intensity required by clients is compatible with the provider's abilities.

8. Are there providers receiving funds that are not in full operation?

According to DFYS, the number of beds licensed for each facility and the number of beds purchased by the state RCC program during FY 90 are as follows. Beds not purchased by the RCC program may be funded by other sources.

<u>Provider</u>	<u>Licensed Number of Beds</u>	<u>Number of Beds Purchased by State</u>
Alaska Baptist Family Services	12	10
Alaska Children's Services - Residential Care	40	32
Intensive Residential Treatment	20	18
Booth Memorial Youth and Family Services - Residential Care	18	10
Day Treatment (Slots)	N/A	13
Kenai Peninsula Community Care	23	15
Kodiak Baptist Mission	12	11
Mat-Su Community Mental Health Services	5	5
Alaska Youth and Parent Foundation	25	15
North Slope Borough	12	12
North Star Children's Home	8	8
Presbyterian Hospitality House	15	15

<u>Provider (cont.)</u>	<u>Licensed Number of Beds</u>	<u>Number of Beds Purchased by State</u>
Gateway Center for Human Services -		
Residential	5	5
Emergency Shelter	5	5
Ketchikan Youth Services (Day Treatment Slots)	N/A	10
Juneau Youth Services -		
Residential Care	16	14
Emergency Shelter	8	6
Day Treatment (Slots)	N/A	5
Youth Advocates of Sitka	5	5
Bethel Group Home	8	8
Bethel Receiving Home	16	8
Nome Receiving Home	6	6

During FY 90, one provider, Gateway Center for Human Services located in Ketchikan began providing residential care services in October 1989 and emergency shelter services in March 1990. Emergency shelter services were discontinued in September 1990. Funds granted were adjusted for the reduction in service. Grantees awarded FY 90 RCC funds have been operating as follows:

<u>Years of Operation</u>	<u>Number of Grantees</u>
2 years or less	1
3-5 years	1
6-10 years	0
11-19 years	8
More than 20 years	7

9. Are other state, federal, or private funds being used to fund residential treatment services?

Providers receive funds from sources other than the DFYS, RCC grant award to operate their program. Analysis of five providers' available FY 90 audited financial statements showed that the percentage of funding received from other sources ranged from 9% to 20%. Current regulations do not require providers to match internally generated funds with the state grant. Individual policies on fund raising activities vary from provider to provider. However, most agencies do receive some federal funding and United Way contributions. In addition, some providers operate other programs which help fund a portion of administrative costs.

A review of FY 90 RCC providers' financial statements showed the following examples of other revenue sources:

- a. State of Alaska, Division of Mental Health and Developmental Disabilities.
- b. State of Alaska, Department of Education.
- c. Federal School Lunch Program.
- d. Municipal/Borough Funding.
- e. Private Contributions.
- f. Interest Income from Investments.
- g. United Way.

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FINDINGS AND RECOMMENDATIONS

Recommendation No. 1

The Department of Health and Social Services, Division of Family and Youth Services (DFYS) should reevaluate the current payment methodology used to reimburse residential child care (RCC) providers and then, in accordance with AS 47.40.011(b), adopt regulations implementing the payment process.

Regulations have not been adopted by DFYS to define the methodology of setting RCC rates. During our review of the rate structure which is used to reimburse providers, we identified several weaknesses. The current structure does not ensure that providers will be reimbursed for allowable costs.

Generally, grants to facilities are based on a fixed rate per bed per day. The fixed rate is comprised of a basic rate and may include supplemental rates for additional services provided. During our review of the rate structure, we noted the following deficiencies:

- a. Basic Rate Was Not Predicated on Facility Size. The basic rate, a major component in the rate structure, was derived from a study entitled: "Children's Residential Services Rate Study, Final Report, July 30, 1988." Components of the basic rate include the costs of providing: shelter, food, daily supervision, clothing, liability insurance, and administrative oversight.

The study prepared by Banerjee Associates computed basic rates for four sizes of facilities ranging from 6 beds or less to more than 15 beds. However, DFYS selected the basic bed rate of \$80 for residential treatment, family size facility (6 or less residents), as the foundation for the rate structure. This base rate, increased to \$90, was used as the basic rate for all grantees, no matter how many beds were licensed for the facility. Therefore, a facility that had 32 beds would have the same basic rate as a 5 bed facility.

- b. Applying Fixed Rates to All Facilities Does Not Take Into Consideration Differing Operations. Not all facilities are alike. Facilities have differing operating costs. Consequently, applying a standard rate to all providers does not ensure providers will be equally reimbursed for allowable costs. Some providers have to pay for facility rent while others have no rent obligations. In addition, some providers, usually the older organizations, have large endowments that provide

substantial other income to supplement program operations while others are relatively new and do not have this resource.

- c. Cost of Living Allowances Were Not Incorporated in the Rate Setting Process. The rate structure for awarding RCC grants has not been adjusted since the development of the rate structure in FY 89. Consequently, cost increases due to the effects of inflation have not been covered by the rate setting process. Therefore, the potential exists that providers with increasing costs may not be fully reimbursed for their operating costs.
- d. Geographic Differentials Were Arbitrarily Established and Applied. The FY 89 request for proposal for awarding grants to RCC providers included a 25% cost of living differential to be applied to the basic rate. However, the geographic differential was only to be applied to grants awarded to facilities located in Bethel and Nome - the Bethel Receiving Home, the Bethel Group Home, and the Nome Receiving Home. Studies exist that show costs may differ for facilities located in other regions of the State. However, rates established for those facilities in other locations of the State were not adjusted by a geographic differential.

Furthermore, the percentage of the geographic differential added was arbitrarily set at 25% of the basic rate of \$90. Incremental increases were not adjusted by the 25% cost differential.

According to the Banerjee Study (the original source for the basic rate), geographic differentials should be adjustments to the basic rate. The Study stated: "It is recommended that the Basic Rate be . . . adjusted for geographic differences in accord with Alaska standard practice."

- e. Documentation Does Not Exist to Support Changes Made to the Basic Rate or Incremental Additions to the Basic Rate. Facilities receive a basic bed rate per day plus incremental rate levels added for services provided in excess of the basic level of care. (See Organization and Function section of this report for further information). A basic rate of \$80 was taken from the Banerjee Study. However, DFYS adjusted this amount to \$90 per bed per day. Justification for the \$10 increase was not available. In addition, the source for incremental level rate adjustments to the basic rate was not supported by computations. Accordingly, we are unable to determine the reasonableness of the rate increases due to the lack of documentation.

- f. Incomplete Data Was Used to Compute Basic Rates. The report, prepared by Banerjee Associates, contained several qualifications. For example, the report included qualifications on the completeness of data used to derive cost figures:

The twin restraints of limited time and resources allocated to the study precluded both the collection of primary data and significant follow-up efforts to extend the secondary data available through the IVE [Non-Voluntary Foster Care federal program] reports and other extant documents. In addition, the providers did not make available figures on certain cost items as a group of them had proposed doing. The IVE data were difficult to analyze for several reasons. The figures were incomplete in a number of instances and they were predicated on different premises or it was impossible to determine the premise on which a specific item was based.

AS 47.40.011 (b) states:

The department shall adopt regulations . . . establishing the procedures to be followed in awarding grants, the types of services for which payment may be made, costs that may be paid with grant money, and the method of payment. [Emphasis added.]

Title 7 AAC 50.965 states:

Payment. (a) The department will reimburse a grantee for the allowable costs incurred by the grantee in performing its duties under the residential child care facility grant. The department will, however, pay a grantee no more than the total amount awarded in the residential child care facility grant.

This regulation does not specifically address the method of payment.

Because no regulations that outline the methodology that would assure adequate reimbursement of costs have been promulgated, the quality of care may be affected for homes where payment rates do not meet operating costs. Facilities that are unable to provide staff with sufficient salaries will tend to have a higher rate of turnover. A high rate of turnover is believed to adversely affect treatment of residents. Social bonding between staff and residents is thought to be an integral part of the treatment process, especially for severely emotionally disturbed children.

In addition, facilities are unable to provide formal input into the rate structure by not having the methodology addressed in regulation. Consequently, providers may become dissatisfied with the method of reimbursing them for operating costs and decide to no longer respond to requests for proposals.

We realize the development of a payment methodology is a difficult and complex task. We do not anticipate an adequate payment methodology will be developed overnight. Many variables will have to be considered in designing a methodology that will reimburse grantees for the fair share of providing RCC services. Recognizing that no two providers are alike, the rate structure should ensure that providers are reimbursed for the net cost of operations to the fullest extent possible. Ultimately, regulations that are adopted should promote both efficient operations and quality of care and include incentives for cost containment.

Recommendation No. 2

DFYS should develop an accounting policies and procedures manual to assist providers in reporting financial information.

Title 7 AAC 50.955(a)(2) and (3) requires RCC grantees to submit to DFYS quarterly expenditure reports and a final expenditure report. Review of these reports and discussions with some providers showed that reporting of financial information is not consistent between providers. The following are examples of inconsistencies:

- a. Some facilities do not report all costs associated with the RCC grant. They only report costs up to the amount of the grant.
- b. Not all agencies report the value of donations received as revenue or as in-kind costs.
- c. Facilities that operate more than one program do not allocate costs and report them similarly. Some facilities allocate administrative costs to all grants while others do not. In addition, some allocations are based on judgements and are not supported.

As a result of the above, for some providers, we are unable to determine the actual cost of providing RCC. Comparing costs between facilities is not meaningful based on quarterly financial status reports submitted by facilities.

Much of the inconsistency in reporting is caused by the lack of accounting and reporting instructions to act as guidelines for facilities to use in reporting fiscal data.

According to RCC providers, DFYS has not provided instructions or training to assist providers in preparing quarterly financial status reports.

To be useful and comparable, accuracy and uniformity in financial reporting should be pursued for providers of RCC services.

Recommendation No. 3

DFYS should maintain documentation to justify staffing levels being requested of RCC providers and monitor the providers.

DFYS has no documentation to support staffing level requirements requested in the FY 89 RCC request for proposal (RFP). The draft RFP for FY 89 services was published with staff-to-client ratios for structured, controlled, and intensive supervision at 1:6, 1:4, and 1:2, respectively. After a teleconference between the previous DFYS director and providers, the ratios were changed to 1:5 for controlled supervision and 1:3 for intensive supervision. However, no justification for the revision was available.

According to some providers, the current required staff-to-client ratio is insufficient to meet the needs of the children. DFYS admits that the level of disturbance of children being placed into residential care has been increasing, thus requiring more sophisticated treatment or supervision.

Furthermore, at present, no policy for monitoring providers is in place to ensure compliance with levels of supervision and treatment specified in the RFP or that present levels are adequate. DFYS awards grants to facilities to provide for the care and treatment of children placed in their facility. For some facilities, the payment rate consists of a basic rate plus incremental increases for higher levels of services. According to division staff, the rate of some incremental level increases is based on higher staffing levels. Without monitoring, DFYS is unable to evaluate the adequacy of those staffing levels established. In addition, understaffing at the facilities could jeopardize the safety of children and staff.

Alaska Statute 47.10.230(b) states:

. . . A child under the care of the department may not be placed in a family home or institution that does not maintain adequate standards of care.

Increased monitoring efforts would result in DFYS knowing what staffing level is appropriate at each facility and for the level of intensity of children placed in the facility.

Developing RFPs based on the results of periodic monitoring would provide acceptable justification for the levels being requested. Therefore, DFYS should develop and implement a plan to monitor facilities. DFYS should also maintain documentation of the decision making process.

STATE OF ALASKA
DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

P.O. BOX H
JUNEAU, ALASKA 99811-0601
PHONE: (907) 465-3030

RECEIVED
MAY - 6 1991

LEGISLATIVE AUDIT

Michael J. Deegan, CPA
In-Charge Auditor
Division of Legislative Audit
P O Box W
Juneau, AK 99811-3300

Dear Mr. Deegan:

Re: Audit Control Number 06-4388-91
Special Audit on Division of Family and Youth Services,
Residential Child Care Grant Program
February 13, 1991

Thank you for the opportunity to respond to the report on the residential child care grant program within the Division of Family & Youth Services. We believe your analysis of the issues will assist the Division in improving the payment system for residential child care. Our specific comments to your recommendations follow:

Recommendation No. 1

The Department of Health and Social Services, Division of Family and Youth Services (DFYS) should reevaluate the current payment methodology used to reimburse providers of residential child care (CC) and then, in accordance with AS 47.40.011(b), adopt regulations implementing the payment process.

We agree that the payment methodology needs to be reevaluated and that there are weaknesses in the rate structure. The current system is designed so that the Department specifies the services needed for which it will reimburse. However, limitations in funding preclude the Division from covering all allowable costs.

We basically agree with the deficiencies in the current structure you have noted, and will comment on each as follows:

- a. Basic Rate was Not Predicated on Facility Size. The current rate structure was based on the Banerjee study, which had a number of inadequacies, including the size breakdowns used. We agree that facility size affects operating costs and

believe that there is an economy of scale that operates so that facilities of fewer beds will cost more per child than large facilities. The Banerjee study came to an opposite conclusion, but failed to provide adequate evidence to support higher rates for larger facilities. Thus, DFYS was faced with an inadequate study and no time to initiate a new study. As a result, using some of the Banerjee data, a rate structure was developed that would allow residential care providers an increase, and would be as fair as possible. DFYS selected the middle payment range as the fairer of the options available at the time.

- b. Applying Fixed Rates to All Facilities Does Not Take Into Consideration Differing Operations. We agree that there should be a way to differentiate between costs that some facilities have to incur that other facilities do not. The issue of facility rent costs is certainly one that needs attention. Some facilities are paying rent to individuals or organizations not connected to the facility operator; others pay rent to an umbrella agency; others have received state capitol grants to build facilities and now own those facilities outright, although they may have repair and replacement costs. In some communities, we have been unable to negotiate operating grants, because there are no facilities available for rent or purchase that will accommodate the needed services. We believe part of this problem could be solved by the state owning the buildings and the Division granting only for operation of the programs delivered at the facility and facility repair and upkeep.

You have also referred to some programs having endowments that allow those programs to supplement program operations. DFYS wants to have a system that will reward, not penalize, facilities that are able to raise funds which can enrich the basic programs the state can fund.

- c. Cost of living Allowances were Not Incorporated in the Rate Setting Process. DFYS has requested funding of Cost of Living Allowances through the budget process but requested increases have consistently been either not funded or vetoed. DFYS agrees that the potential exists for providers with increasing costs to not be fully reimbursed for operating costs which are associated with the level of services required

by DFYS. AS 47.40.041 establishes a contingency procedure if legislative appropriation does not cover the costs required: "If insufficient money is appropriated to fund all grants awarded, the department shall prorate grant amounts, reduce the number of beds contracted for, or otherwise adjust grants to the extent of the appropriated funds." However, DFYS consistently confronts the fact that there are an insufficient number of beds, and therefore DFYS cannot afford to reduce the number of beds in order to increase cost reimbursement to grantees.

d. Geographic Differentials Were Arbitrarily Established and Applied. DFYS has established a geographic differential payment system for foster care which could be used for the residential care system as well. (This system is found in 7 AAC 50.720(c).) However, to implement such a system would create a significant cost increase which could not be implemented unless significant additional funding were appropriated. To apply a geographic differential in the absence of increased funding would mean that other funded programs would be reduced, which would also be unfair.

e. Documentation Does Not Exist to Support Changes Made to the Basic Rate or Incremental Additions to the Basic Rate. We concur that the documentation is unavailable.

f. Incomplete Data was Used to Compute Basic Rates. We concur that incomplete data was used in the original rate computation. Part of the difficulty, as noted in the Banerjee quote, is that "providers did not make available figures on certain cost items." Lack of information on all costs incurred by grantees will continue to affect the ability of DFYS to improve the rate system. We expect considerable opposition from some providers to providing complete costs data. In FY92, agencies receiving residential care grants will be required to submit financial reports that include all sources of funding for each budget category. This should then give DFYS complete information on total funding.

Recommendation No. 2

DFYS should develop an accounting policies and procedures manual

to assist providers in reporting financial information.

DFYS agrees that the development of an accounting policies and procedures manual would be useful to all concerned. DFYS proposes to establish a working group to include residential child care providers, DFYS staff, and staff from the Department's Accounting Section which would be charged with development of more appropriate reporting forms, accompanying instructions, and a policy and procedures manual.

Recommendation No. 3

DFYS should maintain documentation to justify staffing levels being requested of RCC providers and monitor the providers.

It is our understanding that the staffing levels requested were based on a review of staffing requirements then being recommended by national groups such as the Child Welfare League of America, the Residential Child Care Consortium, and licensing requirements. Ultimately, the ratios were a professional assessment, based on the state of the art at that time. It would certainly be useful to reassess the current thinking in the field to determine whether higher staffing ratios are needed because of the levels of disturbance that are being exhibited by children going into out of home care today. Review of current national standards and a project currently underway to assess children in foster care on the severity of problems and needs for supervision may be of assistance in determining staffing levels.

We recognize that monitoring of providers for compliance with requirements in the RFP, including staffing levels, is important. However, there are no funds in the proposed FY92 budget for grant compliance monitoring. It will be impossible to assess some areas of grant compliance without conducting on-site reviews and thorough analysis of written reports. DFYS does not have the capability in either staffing or travel budget to perform this function at the current time. Projected budget reductions will make it even more unlikely that adequate monitoring will occur in the future.

We appreciate the efforts of your staff to analyze all the issues that have led to the current situation we encounter in the residential care grant program. Your auditors have raised important questions, and have been both objective and professional

Michael J. Deegan, CPA
dit Response
Page 5

in their approach. Thank you for the opportunity to respond.

Sincerely,

A handwritten signature in dark ink, appearing to read "Theodore Mala", with a long horizontal line extending to the right.

Theodore A. Mala, MD, MPH
Commissioner

Audit Report

**DEPARTMENT OF HEALTH AND
SOCIAL SERVICES
DIVISION OF FAMILY AND
YOUTH SERVICES
SELECTED ISSUES AND CONCERNS**

February 11, 1992



Audit Control Number:

06-4407-92

Division of Legislative Audit

P.O. Box 113300, Juneau, Alaska 99811-3300

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DIVISION OF LEGISLATIVE AUDIT

Randy S. Welker, CPA
Legislative Auditor
Merle R. Jenson, CPA
Deputy Legislative Auditor

P.O. Box 113300
Juneau, Alaska 99811-3300

(907) 465-3830, Juneau
(907) 561-1445, Anchorage

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit



P. O. Box W
Juneau, AK 99811-3300
(907) 465-3830
FAX (907) 465-2347

February 21, 1992

Members of the Legislative Budget
and Audit Committee:

In accordance with the provisions of Title 24 of the Alaska Statutes, the attached report is submitted for your review.

DEPARTMENT OF HEALTH AND SOCIAL SERVICES DIVISION OF FAMILY AND YOUTH SERVICES SELECTED ISSUES AND CONCERNS

February 11, 1992

Audit Control Number

06-4407-92

As set out in the Objectives, Scope, and Methodology section of this report, this audit addresses various selected issues of concern involving the operations of the Division of Family and Youth Services. Of major concern was the impact of impending agency reorganization on service delivery, agency compliance with the requirements of the federal Indian Child Welfare Act, and the agency's consistency in following their own standards when taking emergency custody of children.

The audit was conducted in accordance with generally accepted government auditing standards. Audit scope and methodology are discussed further in the Objectives, Scope, and Methodology section. As discussed in the report, we are unconvinced that the benefits purportedly to be realized through agency reorganization are supported. Other results of our audit are summarized in the Report Conclusions and the Findings and Recommendations sections of the report.

A handwritten signature in cursive script, reading "Randy S. Welker".

Randy S. Welker, CPA
Legislative Auditor

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OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with a Legislative Budget and Audit Committee request and Title 24 of the Alaska Statutes, we have reviewed selected Division of Family and Youth Services (DFYS) issues and agency reorganization plans. The objectives, scope and methodology of our review were as follows:

Objectives

The objectives of the audit addressed selected issues developed from the special requests of the Legislative Budget and Audit Committee. These objectives are summarized as follows:

1. To assess the impact of division reorganization on the provision of services.
2. To assess the current status of DFYS' compliance with the federal Indian Child Welfare Act (ICWA).
3. To determine if DFYS applies child protection criteria consistently to both native and non-native clients when making emergency custody decisions.
4. To determine if DFYS applies foster care licensing standards on a consistent basis.
5. To evaluate the extent that foster care providers are complying with training requirements.
6. To evaluate the effectiveness of agency social worker training.
7. To determine the extent to which agency social workers meet DFYS' training policy.

Scope and Methodology

For most of the objectives listed above, we reviewed pertinent documentation related to DFYS activities carried out during 1990 and 1991. Likewise, our interviews with selected individuals, particularly representatives of native community service organizations generally addressed DFYS operations over the past two years.

To address objectives one through four, we reviewed a sample of the following DFYS documents: (1) Emergency custody client files, (2) foster home licensing files, (3) foster parent training files maintained through the contracted foster parent training center, and (4) various staff training records.

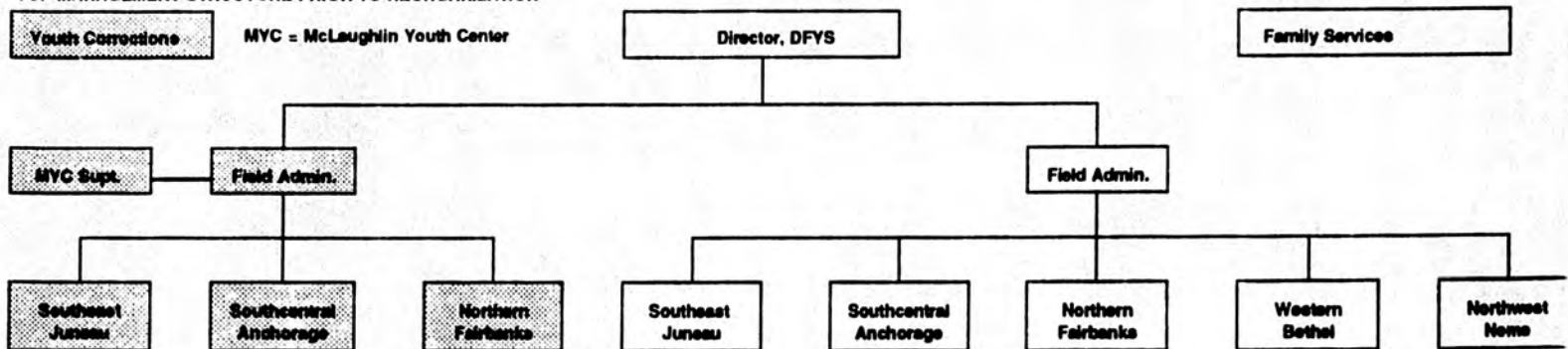
In addition to reviewing these documents, we interviewed social workers, native community members from rural and urban areas, a rural Superior Court judge experienced in child custody cases, and the DFYS staff trainer.

In order to assess the impact of reorganization, we reviewed caseload information, past and prospective organization charts, internal cost savings reports, DFYS management review contracts, and an Office of Management and Budget preliminary evaluation of the system. We also researched social service delivery models in other states and interviewed several DFYS management team members.

DFYS UPPER MANAGEMENT STRUCTURE

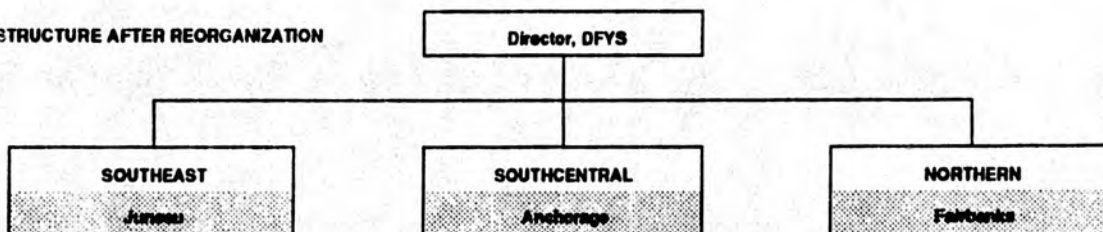
BEFORE

TOP MANAGEMENT STRUCTURE PRIOR TO REORGANIZATION



AFTER

TOP MANAGEMENT STRUCTURE AFTER REORGANIZATION



ORGANIZATION AND FUNCTION

Title 47 of the Alaska Statutes charges the Department of Health and Social Services with responsibility for providing a range of services designed to remedy or prevent abuse, neglect, and exploitation of children, youth, and adults. To meet these statutory responsibilities, the department created the Division of Family and Youth Services (DFYS) in 1980 by combining the Division of Social Services with the youth section of the Division of Corrections. Since this organizational combination, DFYS has administratively been divided into two major sections - Family Services and Youth Corrections.

The Family Services section of DFYS is responsible for providing child protection and welfare services, licensing of child and adult care facilities, the recruitment, selection, and training of foster parents. Youth corrections is responsible for supervising adjudicated youth offenders. A major aspect of the youth corrections section is the operation of five facilities for adjudicated youth located in Juneau, Anchorage, Fairbanks, Bethel, and Nome.

DFYS' management is primarily structured on a regional basis

As illustrated by the organizational chart on the opposite page DFYS agency management is primarily structured on a regional basis. Prior to reorganization (or the BEFORE structure on the opposite page chart), the separation of Youth Corrections and Family Services was maintained in the line organization starting just below the division director.

The Youth Corrections section was divided into three regions, each managed by a regional administrator. Each regional manager reported to a field administrator responsible for Youth Corrections. With the exception of the McLaughlin Youth Center in Anchorage, the superintendent of each youth facility reported to the regional administrator responsible for the part of the State where their facility was located.

The Family Services section was divided into five regions. Similar to Youth Corrections, each of the regional managers reported to a field administrator responsible for the Family Service section of the agency. Essentially, the top management of the agency involved a total of eleven positions, with overlapping regional responsibilities, albeit with different service delivery functions.

A major directive of the Hickel administration was to comprehensively reorganize DFYS. A central aspect of the reorganization has been the realignment of management of the agency's Family Services and Youth Corrections sections. In an August 1991 memorandum to the Division of Budget Review, Department of Health and Social Services Commissioner Mala commented that the existing structure, which had evolved over a number of years, had made DFYS

...a top heavy agency resulting in a cumbersome, redundant, and inefficient administrative structure which is unresponsive to staff needs. Public monies are being wasted; clients of the Division are not receiving badly needed services as a result of the ineffectual structure.

As a result of this, the current administration has ordered a reorganization of the Division of Family and Youth Services.

Reflecting his view of the management structure, Commissioner Mala in turn directed the division to

...consolidate and merge the eight Youth and Social Services Regions into a three-region structure with Juneau, Anchorage, and Fairbanks as the regional offices. The perspective I have ... is that additional layers of administrative staff are not productive or cost effective enough to justify the expenditures we are now incurring. My goal is to have a "leaner" and more productive organization by deleting a number of "mid-level management" positions, while at the same time improving the quality of service to the public by improved service delivery coordination and the funding of additional line social worker and probation staff.

DFYS Director Price, cited this directive along with other benefits that would result from reorganization. In his view, the reorganization would provide more on-line social workers, better service delivery, and was necessary to implement a new "family preservation" service delivery model. In turn, the new family preservation philosophy would result in DFYS being less intrusive on the family and allow the State to reduce foster care costs.

Accordingly, the Hickel administration reorganized DFYS' management structure. As shown on page 2 (labeled as the AFTER structure) the agency created three regions below the director level, with administrators responsible for **both** Youth Corrections and Family Services functions in each particular region. The administrators in each region, headquartered in Juneau, Anchorage, and Fairbanks respectively, report directly to the division director.

In FY 91, DFYS had an operating budget of almost \$60.5 million. Of that total, almost \$26 million was for "purchased services" which provides funding for receiving homes, emergency shelters for youth, and foster care. The remaining \$34.5 million in operational funding is generally evenly split between family service and youth correction sections. The family services section has 310 authorized full-time positions while the FY 91 youth services budget authorized 288 full-time positions.

Licensing of Out-of-Home Care Providers

When children are taken into state custody they are placed in foster care, or into an emergency shelter facility. Out-of-home placement providers, whether foster parents or institutions, are reimbursed on a daily rate which varies based on the level of supervision, custody, and treatment that they provide to the youth in custody.

Each provider is subject to licensure and review on an ongoing basis to assure that they are providing reasonable care in a clean and safe environment or facility. Complaints of abuse and neglect of children placed in out-of-home care are also the responsibility of staff, DFYS' social workers, and licensing workers.

**CALCULATED ON A POSITION-BY-POSITION BASIS
RECLASSIFICATION ELIMINATES TEN LINE SOCIAL WORKERS**

<u>PCN</u>	<u>PRE-RECLASS TITLE</u>	<u>WORKER TYPE</u>	<u>POST-RECLASS TITLE</u>	<u>WORKER TYPE</u>
06-2243	Mental Health Clinician	A	Grants Administrator II	A
06-3881	Publications Specialist I	A	Program Officer	A
06-3900	Clerk Typist III	C	Social Worker IV	A
06-3014	Social Worker IV	S	Social Worker V	A
06-3770	Clerk Typist III	C	Social Worker IV	A
06-3954	Data Processing Clerk I	C	Social Worker IV	A
06-3089	Social Worker IV	S	Social Worker V	A
06-3063	Clerk IV	C	Accounting Clerk III	C
06-3085	Social Worker IV	S	Social Worker V	A
06-3114	Administrative Assistant II	A	Administrative Assistant III	A
06-3863	Clerk Typist III (PPT)	C	Clerk Typist III (PPT)	C
06-3878	Social Worker IV	S	Social Worker V	A
06-3925	Clerk Typist III	C	Analyst Programmer I	A
06-3186	Social Worker V	A	Social Worker IV	S
06-3357	Social Worker IV	S	Probation Officer IV	S
06-3617	Youth Facility Superintendent I	A	Youth Facility Superintendent II	A
06-3633	Unit Leader	S	Probation Officer IV	A
06-3482	Administrative Assistant I	A	Regional Administrator	A
06-3034	Social Worker III	L	Social Worker III (PFT)	L
06-3215	Social Worker III	L	Regional Administrator	A
06-3076	Social Worker III	L	Social Worker IV	S
06-3713	Social Worker III	L	Social Worker IV	A
06-3871	Social Worker III	L	Program Officer	A
06-3218	Social Worker III	L	Regional Administrator	A
06-3889	Social Worker III	L	Program Officer	A
06-3874	Social Worker III	L	Probation Officer IV	A
06-3201	Social Services Associate III	L	Social Worker V	A
06-3866	Probation Officer II	L	Probation Officer IV	S
06-3573	Youth Counselor II	L	Probation Officer IV	A

Key to "Worker Type" Column:

A - Administrative position
C - Clerical position

S - Supervisory position
L - Line Worker

REPORT CONCLUSIONS

REORGANIZATION CONCLUSIONS

As reflected in the Objectives, Scope, and Methodology section of this report, the objectives of our review were varied. One of the major objectives of the review was to evaluate the impact that reorganization of the agency (as discussed in the Organization and Function section) had on the division's ability and effectiveness to deliver services. Specifically, there were concerns regarding the rationale behind the reorganization, the impact that reorganization had on the number of available line social workers, and the extent that the agency realized any administrative cost savings.

Lack of savings and reduction in line social workers clouds necessity for reorganization

The immediate necessity of reorganizing the Division of Family and Youth Services' (DFYS) management structure to accomplish the administration's change in service delivery focus and philosophy appears to us to be unconvincing. Though a family preservation philosophy may be adopted by the agency at any time, the actual provision of services by DFYS' social workers will be delayed until extensive training has taken place. In the interim, some family preservation services will be contracted to outside providers.

The professed benefits of reorganization were to be cost savings, an increase in the number of line social workers, and transition to a family preservation service delivery philosophy. These benefits have not been realized. The number of case carrying line social workers has been reduced; cost savings, if any, are negligible and; the agency's ability to offer family preservation services is not imminent. In our view, the reasons given for the urgency with which DFYS has pursued the reorganization effort are unconvincing and the resultant disruptions in service delivery are insupportable.

Reorganization has reduced the number of line social workers

Reorganization was primarily accomplished through the elimination of 11 administrative positions, and the reclassification of another 29 positions. DFYS' management felt that this reorganization would save funding which could be used to increase the number of line social worker positions. Using various and differing calculations and definitions of line social workers, the reorganization resulted in a net reduction of 5 to 10 line workers.

The table on the opposite page shows the effect of the 29 reclassifications on line staff. The table reflects our view that Social Worker IVs (SW IVs), typically the first line of supervision within DFYS, **cannot** be considered as line social workers. Since SW IVs carry either less than a full or no caseload they should not be considered as line staff. Likewise, the analysis in the table assumes that Probation Officer IVs are supervisory positions and that Probation Officer IIs are considered as line workers.

As reflected by the table on page 6 (note the shaded line for PCN # 06-3034), only 1 of the 11 reclassified line positions remained so after reorganization. By this comparatively simple calculation, reorganization resulted in a reduction of 10 line social worker positions.

Using caseload hours from the agency's management information system, we calculated that more than 8 full-time equivalent line worker positions were lost after the elimination or reclassification of the 40 positions involved in reorganization. The detail of our calculation of the impact on full-time equivalent line staff is presented in the inset below.

In calculating the effect that reorganization had on line services, we analyzed the impact on caseload carrying capacity. Under DFYS standards a full-time social worker is defined as having a 112.5 monthly caseload of hours. Using this standard, we calculate that the reorganization of positions resulted in the equivalent of more than eight full-time social workers being eliminated.

As illustrated below, the ten caseload carrying positions affected by reclassification represented just over 1,000 monthly caseload hours. After the shuffle of positions, that total dropped to the equivalent of one full time worker - 112.5 hours. This reduction of 923 casework hours represents the equivalent of 8.21 line social workers.

PCN	Position Title Before Reclassification	Position Title After Reclassification	Before Case Hours	After Case Hours	Difference in Case Hours
3034	Social Worker III	Social Worker III	56.3	112.5	56.20
3076	Social Worker III	Social Worker IV	112.5	-0-	(112.50)
3713	Social Worker III	Social Worker IV	112.5	-0-	(112.50)
3871	Social Worker III	Program Officer	112.5	-0-	(112.50)
3889	Social Worker III	Program Officer	112.5	-0-	(112.50)
3874	Social Worker III	Juvenile Probation Officer	112.5	-0-	(112.50)
3089	Social Worker IV	Social Worker V	79.8	-0-	(79.80)
3666	Probation Officer II	Probation Officer IV	112.5	-0-	(112.50)
3215	Social Worker III	Regional Administrator	112.5	-0-	(112.50)
3218	Social Worker III	Regional Administrator	112.5	-0-	(112.50)
Total Caseload Hours			1,036.1	112.5	(923.60)
Decrease in equivalent line Social Workers			923.60 ÷ 112.5 = 8.21		

Reorganization was implemented with little evidence of comprehensive planning

Each administration has an extensive prerogative to structure and organize agencies as necessary to accomplish program and policy goals. Despite this wide latitude, any large, significant change to an organization's structure should be adequately planned and evaluated.

In our view, DFYS did not adequately plan for, nor evaluate the need for, agency reorganization. While citing numerous advantages -- more line social worker positions, better supervision, fewer central office personnel, cost savings, and the need to emphasize family preservation services -- these factors were never comprehensively addressed in any singular, directed planning document.

DFYS' realignment of regional management was done independently of a comprehensive statewide evaluation of executive branch management, which was being conducted by both the Office of Management and Budget and the Lieutenant Governor's office. Rather, the former director implemented reorganization based on his previous experience as director and the findings of two reports prepared by former DFYS managers under contract with the agency. These reports criticized the agency's existing management structure, although the amount of original and recent research involved in the reports appeared to have been limited.

Within DFYS, lead agency personnel were designated in each region to develop new regional management structures. Designation of these groups appeared to be a consensus building exercise, aimed at eliciting widespread support for reorganization. However, our observations and discussions indicated that input from the designated staff was limited.

Anticipated cost savings of reorganization have not been realized

DFYS' management maintained that, through the elimination and reclassification of positions, reorganization would streamline management structure and provide for savings in personnel costs. However, an internal analysis prepared by DFYS' administrative staff projects that savings will not be realized. Rather, it was projected that the net result of the reclassification and elimination of positions would result in slightly greater personal services costs. Two factors contribute to negating any anticipated personal services savings:

1. Many eliminated positions were vacant - Many of the positions that were eliminated were necessarily kept vacant due to budgetary constraints. Accordingly, no actual personal services costs savings were realized from eliminating these positions.
2. Many of the reclassified positions were upgraded - The three regional directors for the blended Youth Corrections and Family Services functions were classified as Range 23 while the previous regional managers had pay ranges of 19 to 21 on the State's salary scale. In total, of the 29 reclassifications, 25 involved upgrades on the State's salary scale.

Reorganization's impact on family preservation service delivery remains to be seen

According to the former director, a third benefit of reorganization was the facilitation of family preservation services. Under his directorship and consistent with the Hickel administration's policy, he wanted to redefine the scope of child protective services. Under this redefinition the scope of services would expand from a focus only on the protection of

the abused and neglected child, to also include new family services emphasizing the preservation and maintenance of the child's family.

The director also anticipated that this change in scope and focus would allow DFYS to reduce the agency's reliance on foster care. By doing so, the agency could stop the growth in foster care costs incurred in recent years. Further, it was anticipated that the foster care expenditures could be either reduced and/or reallocated to promote both child safety and preservation of the family.

Consolidation of Youth Correction and Family Service functions within the agency may provide an opportunity to reduce foster care costs. The change in program focus and the accompanying reorganization of the agency has been patterned after a reputedly successful program implemented by Idaho. The consolidation of Family Services and Youth Corrections, under the Idaho model, contributed significantly to the smooth transition to the family preservation delivery approach and subsequent realization of foster care cost savings. As discussed previously, however, DFYS is not yet prepared to offer the family preservation services that are expected to reduce foster care costs.

ADDITIONAL REPORT CONCLUSIONS

In addition to an analysis of the impact of DFYS' reorganization efforts, we reviewed several other selected DFYS management practices. These included: (1) the agency's compliance with the Indian Child Welfare Act (ICWA), (2) the application of child protection criteria (3) the consistency with which foster care licensing and training standards are applied, and (4) the social worker training program. Our conclusions regarding these reviews are summarized below and are discussed in the Findings and Recommendations section of this report.

Compliance with the ICWA is hampered by lack of native foster homes

To help preserve the culture of the native child while the child is in state custody, the federally mandated ICWA provides criteria, or preferences, for foster care and preadoptive placements. Due to lack of native foster homes, native children are often placed out-of-preference. Social workers generally recognize that compliance with ICWA is simply good social work and place native children in out-of-preference homes only after all other options have been exhausted.

Regions in which recruitment of native foster homes has been comparatively successful have established close working relationships with native community service organizations. Regions in which the cooperative effort does not exist, however, tend to have more problems recruiting native foster homes. Recommendation No. 1 in the Findings and Recommendation section of this report further discusses DFYS' ICWA efforts.

ASSESSMENT OF RISK DETERMINES DFYS' PRIORITIES AND DOCUMENTS RATIONALE FOR EMERGENCY CUSTODY

By necessity, child protection services and intervention decisions are risk driven. In order to formally evaluate and document the risk that a child may be exposed to abuse or neglect, social workers complete a Risk Assessment Tool (RAT). Each RAT (illustrated and discussed further in Appendix A) requires that each social worker assign a score to factors that have been shown to be related to abuse and neglect of children.

The RAT is used to prioritize service levels for cases. Children assessed with the highest risk levels are served first. Because DFYS suffers chronic casework overload, generally only the highest priority cases are provided services.

Many high priority cases require DFYS to assume emergency custody of the child. The decision to assume emergency custody is based on the assessment that there is risk or potential for further risk to the child if left in the home without immediate action by DFYS to protect the child. Alaska Statute (AS 47.10.142) requires that at least one of the following criteria be met before emergency custody may be assumed:

1. The minor has been abandoned, or
2. The minor has been grossly neglected and the division determined that immediate removal is necessary to protect the child's life, or
3. The minor has been abused and the division determined that immediate removal is necessary to protect the child's life, or
4. The minor has been sexually abused.

For each child remaining in emergency custody for more than 12 hours, DFYS must file a petition with the court alleging that the child is a child in need of aid. If, within 48 hours, the child remains in emergency custody, a DFYS representative must plan to appear in court to show probable cause for removing the child from the home.

In evaluating the consistency with which DFYS made emergency custody determinations, we reviewed and compared RAT scores for children taken into state care. Further, we reviewed individual children's cases to verify that the circumstances of the case were reflected on the child's RAT.

In general, child protection criteria is applied consistently

One objective of our review was to determine if child protection criteria was applied consistently to native and non-native clients. From our review of selected DFYS emergency custody client files, we concluded that DFYS does consistently apply agency-established criteria when deciding on taking emergency custody of children. Children assessed on the risk assessment tool (RAT) (see inset at top of the opposite page) at high risk of abuse or

neglect were uniformly removed from the home. Furthermore, the RAT scores in client files were generally found to support the decision to assume custody.

Community standards may compromise safety requirements of foster care licensing

Before licensure, each prospective foster home must undergo an investigation to ensure that the home meets certain regulatory standards. Licensing workers are allowed some flexibility in this evaluation, and, as a practical matter, use what are termed "community standards" as a guide for acceptability in some situations. The community standard flexibility, while useful in some cases, should not be applied to fundamental safety standards. In our view, these include the storage of firearms, medicines, and fire safety. We noted, through review of foster home licensing files, that safety standards, while generally applied in urban areas, are less likely to be enforced in rural areas. See Recommendation No. 2 in the Findings and Recommendation section of this report for further discussion of our concerns in this area.

Foster parents do not consistently meet the 15 hour training requirement

State regulations require that foster parents complete a minimum of 15 hours of foster parent training annually. Only 17% of the foster parent training files we reviewed indicated that the foster parents had received the minimum required training. Though the Alaska Foster Parent Training Center (AFPTC) presently offers correspondence courses through which foster parents may obtain training credits, all on-site courses have been eliminated as a result of reduced funding. See Recommendation No. 3 in the Findings and Recommendation section of this report.

Most foster homes do not receive foster care orientation

State regulations require each prospective foster parent to receive an orientation in which the details of foster parenting are explained. The purpose of the orientation is to inform the prospective foster parents of the level of commitment required and to explain the regulations relating to foster care. Of the files we reviewed, most foster homes had not received this orientation prior to licensure. See Recommendation No. 4 in the Findings and Recommendations section of this report.

Staff training program improves social worker skills but is not fully used

DFYS has developed a social worker training program consisting of orientation and core competency courses. The courses receive good to excellent evaluations from social workers and appear to be effective. Our review of tests given before and after training showed that trainees' knowledge of basic aspects of social work increased markedly. The pre-service orientation packet, also an important part of the training program, however, is often not completed in the timeframe specified by internal policy. See Recommendation No. 5 in the Findings and Recommendation section of this report.

FINDINGS AND RECOMMENDATIONS

Recommendation No. 1

Division of Family and Youth Services (DFYS) should take measures to improve agency compliance with the Indian Child Welfare Act (ICWA).

ICWA is aimed at preserving the culture of native children while they are in state custody. To help ensure that a child remains connected to their native culture, the Act provides criteria, or preferences, for foster care and preadoptive placements. These criteria include, in order of preference:

- a. A member of the native child's extended family.
- b. A foster home licensed, approved, or specified by the native child's extended family.
- c. A foster home licensed, approved, or specified by the native child's village or tribal organization.
- d. A native foster home licensed or approved by an authorized non-native licensing authority.
- e. An institution for children approved by a native tribe or operated by a native organization which has a program to meet the native child's needs.

Due to lack of foster homes, native children are often placed out-of-preference

Native children in Alaska are often placed in non-preference, non-native homes because too few native foster homes are available. DFYS' social workers generally acknowledge the importance of placing native children in a culturally compatible setting. However, due to the shortage of native foster homes, DFYS is unable to do so on a consistent basis. Native communities as well as primarily non-native areas have had difficulties recruiting native foster homes. Barrow, for example, has had a particularly difficult time recruiting foster homes for pre-school age children. As a result, most children of this age that cannot be placed with relatives are placed at a local receiving home. The receiving home, which employs primarily non-native workers, is considered an out-of-preference placement.

DFYS has enjoyed some recruitment successes in smaller, more rural areas. The Association of Village Council Presidents recently commended the Bethel DFYS office for their success in recruiting native foster homes. In general, in areas where the agency has been successful in placing native children in preference homes, DFYS and the local native organizations work well together. Regions where there is little contact with native organizations tend to have less success in placing native children.

One supervisory social worker describes the procedures required by ICWA as "just good social work" and commented that the removal of children from the native culture is akin to the systematic elimination of a political body through the removal of its members. Of the

files we reviewed on native children in out-of-preference homes, most were placed only after all relative placement options had been exhausted.

Southcentral region does have difficulties in complying with ICWA requirements

**MANY NATIVE GROUPS RESIST
SIGNING STATE'S STANDARD
ICWA AGREEMENT**

The ICWA State Tribal Agreement, as authorized by Alaska Statute (AS 47.10.230(g)) is a procedural document. The intent of the agreement is to establish the powers and responsibilities of tribes and the State when a native child is taken into state custody.

The drafting of the standard agreement was a collaborative process. State agencies met with representatives from Alaska's native organizations to develop the agreement. Accordingly, the agreement does not address all the issues that the various organizations necessarily wanted to be recognized in a standard agreement. In the interest of reaching some consensus and developing a workable agreement, some salient issues were intentionally left unaddressed. Most prominently, these issues pertained to (1) tribal courts, (2) jurisdiction, and (3) state funding for social services.

Because the agreement does not specifically address or recognize these issues some tribes have refused to sign the agreement. Most prominently, the Tanana Chiefs Conference (TCC), a large Native organization, has advised virtually all of its members against signing the agreement because TCC believes the tribes gain too little through the agreements.

As of December 31, 1991, the State had developed fourteen tribal agreements, covering the following twenty-six villages.

Craig	Circle	Elkvik
Haines	Hoonah	Hydaburg
Juneau	Kasaan	Kanaitza
Ketchikan	Klawock	Klukwan
Kotzebue	Ninilchik	Pellana
Petersburg	Port Graham	Saxman
Scammon Bay	Sitka	Tanana
Tenassee Springs	Tokeook Bay	Unalaska
Wrangell	Yakutat	

Many villages may still be considering whether or not to sign the agreement. As a result, the list of covered villages may continue to grow.

While it is clear that a cooperative effort between DFYS and native organizations yields more positive results in case planning and native child placement, this cooperative effort does not exist in all regions. The Southcentral DFYS office is perceived by many native organizations to be culturally insensitive. Although it was reported to us that often there is a difference in opinion between native organizations and DFYS over case plans in most regions, the Southcentral DFYS office was the only office repeatedly mentioned by the native community as unreceptive to the need for the native child to remain in touch with his/her culture.

Native organizations from outside as well as inside the Southcentral region suggest that the Southcentral office has preconceived notions about village life. Two native corporation social workers report that DFYS' social workers are reluctant to place native children in villages. One village representative's remarks illustrate the native community's view of DFYS. He said that he thinks workers in the Southcentral office "feel like village life is not good." Our limited review of native children in foster care in the Southcentral region bore out these concerns. Of the six files reviewed, only one file indicated the child was in a preference placement.

Large caseloads and high turnover rates for social workers may be factors that

contribute to the perception that DFYS' Southcentral office is culturally insensitive. Due to overwork and rapid turnover, social workers are less likely to be adequately trained about the Alaska native culture than their less overworked counterparts in other regions.

DFYS' staff trainer recognizes the importance of cultural issues but has not yet designed a course, aside from ICWA training, to emphasize cultural sensitivity. Once the course has been established, DFYS' staff trainer would like to add it to the basic training already required of social workers. Given the Southcentral region's poor working relationship with the native community and resulting perception of cultural insensitivity, training aimed at increasing levels of cooperation between the Division and the native community should be considered.

Since our last audit in February 1990, DFYS has improved notably in documenting attempts to comply with ICWA, for which we commend them. The division must, however, continue to address, through education of social workers and cooperative efforts with the native community, the necessity of recruiting native foster homes in both rural and urban areas.

Recommendation No. 2

When applying community standards in licensing foster homes, DFYS must not unduly compromise established safety standards.

As a practical matter, DFYS must make some allowances for what are termed "community standards" when licensing foster homes. DFYS is given discretion to make these allowances under regulations that permit the agency to

...waive [licensing requirements] if an alternative method of satisfying the intent of the requirement is consistent with community, ethnic, and cultural standards, and the safety and well being of children are not endangered.

Licensing workers are often faced with the dilemma of too few homes for too many children needing foster care. The problem is further complicated by the need to comply with ICWA preferences. We recognize the difficulties of simultaneous compliance with regulatory and ICWA requirements. Given the chronic shortage of homes and the central role that foster care placement plays in ICWA compliance, there are compelling reasons to be flexible in licensing decisions. However, DFYS should still be cautious not to unduly compromise the safety of children in foster care.

Application of community standards has compromised regulations pertaining to safety

As acknowledged in the regulations, DFYS should not compromise foster home safety standards when applying community standards. Safety standards are those standards that relate to the storage of firearms and ammunition, medicines, and fire safety. We are

concerned that these safety standards are applied differently in rural areas than in urban areas of the State.

State regulations [7 AAC 50.570 (h)] require that:

A foster parent shall ensure that firearms are unloaded and stored in a locked place reasonably inaccessible to all children, that firearms are equipped with trigger guard locks and that ammunition is stored separately in a locked place, reasonably inaccessible to children.

In our review of foster home licensing files we identified an instance where firearm safety standards were not consistently applied to both rural and urban communities. In rural communities, DFYS licensing workers do not consistently require that foster homes unload and store all firearms in a safe locked place, purchase and use trigger guard locks, or that ammunition be stored in a locked place. One foster home, which had been licensed and relicensed since June of 1988 and was revisited in July of 1991, had the following notation in its licensing file:

I talked to them about their firearms and the necessity of being equipped with trigger locks, being locked in a separate storage space, and that the ammunition needed to be stored and locked in a separate storage space.

The foster father stated that they are to be used for hunting, or for his own use. He talks to the children about gun safety, and guns are nothing to play with. He went on to state he would not purchase any trigger locks and the guns would continue to stay in his entryway along with the ammunition.

Licensing workers felt that since rural communities rely extensively on firearms for subsistence hunting of, and protection from, animals, this justified exceptions for community standards. However, in our view, these exceptions unduly compromise safety standards.

Recommendation No. 3

DFYS should ensure that all foster parents have satisfied the required 15 hour minimum of foster parent training before relicensure.

According to state regulations (7 AAC 50.433):

(b) A foster parent shall participate in training provided or approved by the agency to develop and enhance the foster parent's skills. A foster parent shall annually participate in a minimum of 15 hours of agency-approved ongoing education. The hours may be shared between two foster parents in a two-

parent foster home. However, each foster parent in a two-parent home shall and the total training hours for the home must be at least 15 hours.

Only 17% of the 29 foster parent licensing files we reviewed showed evidence that the minimum training requirements were met. Another 10% of those foster parent licensing files reviewed had received some training during the past year, but they had not met all the training requirements.

Foster parents need the training to develop and enhance their foster parenting skills. By developing these methods through training, foster parents will be able to enhance their relationship between the foster parents and foster children. Licensing workers have not been enforcing the training requirements prior to relicensure. Many foster parents reported they were not aware of the foster parent training center. The training courses are not difficult, and they provide foster parents with an additional resource to help them confront difficult foster parenting issues.

DFYS has reduced commitment to foster parent training

Recently, DFYS has reduced the Northwest Resource Associates, Alaska Foster Parent Training Center (AFPTC) one year contract by 40% and made the contract renewable on a quarterly basis. Reduction of the contract from \$600,000 a year to a renewable \$90,000 quarterly contract suggests DFYS has reduced the agency's commitment to meeting the training needs of foster parents. In order for foster parents to obtain the necessary training, DFYS needs to renew their commitment to foster parent training.

This contract reduction has had a major impact on the training AFPTC offers foster parents. Given the new contract AFPTC can only offer training by mail. Before the contract reduction, AFPTC offered on-site training to foster parents. This gave foster parents an opportunity to interact with other foster parents facing similar issues and an opportunity to learn different techniques to deal with these issues.

Foster parents who attended on-site training favorably evaluated the courses presented. Trainers were also afforded the opportunity to interact with foster parents and monitor how foster parents were adjusting to foster care responsibilities.

Recommendation No. 4

DFYS should ensure that all foster homes receive the approved foster care orientation before children are placed in the home.

State regulation [7 AAC 50.433(a)] requires each prospective foster parent to complete an approved foster care orientation *before* accepting children for foster care. The orientation is aimed at ensuring that foster parents fully understand the regulations and resultant level of commitment associated with foster care. Prospective foster parents must not continue to

be permitted to make this commitment without the knowledge necessary to make an informed decision.

The foster parent files we reviewed did not provide documentation that foster parents consistently received orientation prior to placement. Twenty-one of the twenty-nine files reviewed represented homes that should have had orientation. Of these, only five contained documentation that the orientation had been received prior to licensure.

Some foster homes have received no orientation because they were licensed before the orientation requirements became effective. If these foster parents are to be "grandfathered in" or excused from the orientation, this determination should be reflected in the licensing file. Other foster homes have not received a documented orientation because licensing workers sometimes consider a discussion of regulations at the time of the standard-by-standard evaluation as orientation.

In our view, this does not constitute orientation as neither the content nor the occurrence of these discussions is documented. To retain foster parent accountability for compliance with the regulations, DFYS must be able to show that the standards were explained and understood.

Recommendation No. 5

DFYS should fully comply with all training standards established in the division's November 1989 policy statement.

DFYS' staff work in a changing environment which requires that they maintain an appropriate level of knowledge and skill to function effectively. To ensure that social workers attain this level, DFYS must renew their commitment to social worker training.

In November 1989, the director of DFYS issued a policy statement on training. One aspect of this statement required that newly hired Family Service employees complete a three week orientation period. This includes completion of the pre-service orientation packet (PSO) and one week of internship with an experienced social worker. During this time the newly hired employee receives no case assignments.

Only 40% of the new employee files we reviewed indicated that the employee had completed the PSO. The low completion rate seems to be attributable to high caseloads. Though supervisors are generally supportive of the training effort, few are willing or able to cover the caseload of the social worker in training.

Social worker training has improved in recent years. Social workers have been receptive to the training. The course evaluations we reviewed generally rated the training between very good and excellent. Pre- and post-tests to measure the effectiveness of the training show a marked increase in knowledge considered necessary to perform social work services. The

PSO is also an important part of the DFYS training effort. The DFYS management team should ensure that social workers are provided the full benefits of the agency's training program.

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Risk Assessment Tool (RAT) Used to Determine Service Levels and Measure Caseloads

Assessment that the child's father abuses alcohol. Accordingly, the risk has been given a value of one.

FAMILY ABUSE / NEGLECT ASSESSMENT

Worker: Marg Jones
Case Name: Miller

Date: 4/12/88
Case Number: 123456

ABUSE			NEGLECT		
	SCORE			SCORE	
A1	1	Number of prior reports of abuse (None, One, Two or more)		0	Number of prior reports of neglect (None, One or Two, Three or more)
A2	0	Number of prior placements outside of family residence (None, One or more)		0	Number of other placements outside of family residence (None, One or Two, Three or more)
A3	0	Number of substance abuse problems in current report (None, One or more)		2	Other caretaker designated as a child (Yes/No)
A4	2	Number of adults in home (18 yrs. or age of death) (One, Two or three, Four or more)		3	Long caretaker home at time of report (Yes/No)
A5	0	Number of adults in home (18 yrs. or age of death) (One or two, Three or more)		0	Caretaker history of drug/alcohol abuse (None, One or two, Three or more)
A6	2	Number of children in home (One or two, Three or more)		0	Age of youngest caretaker at time of report (18 or older, 17 or younger)
A7	1	Other caretaker designated as a child (Yes/No)		0	Number of children in home (One or two, Three or four, Four or more)
A8	0	Caretaker history of drug/alcohol abuse (None, One or two, Three or more)		2	Caretaker's primary alcohol in negative home (Yes/No)
A9	0	One or more caretakers providing discipline of a physical nature (Yes/No)		2	Caretaker's primary alcohol in negative home (Yes/No)
A10	2	Caretaker's primary alcohol in negative home (Yes/No)		2	Substance use change demonstrated by perpetrator (Yes/No)
A11	0	Caretaker's history of depression (None, Significant, long-term episode by other, Significant, long-term episode by other, Significant, long-term episode by other, Significant, long-term episode by other)		9	Substance use change demonstrated by perpetrator (Yes/No)
A12	1	Cooperation with agency assessment by perpetrator (Cooperation, Not cooperative, Cooperation, Not cooperative, Cooperation, Not cooperative)			
A13	0	View of abuse by non-perpetrator (Yes/No)			
TOTAL ABUSE RISK SCORE			TOTAL NEGLECT RISK SCORE		

GENERAL INSTRUCTIONS

- 1) Complete both risk scales (abuse & neglect) on the family during the intake process for all intakes.
- 2) Calculate the total score for each scale.
- 3) Assign the family's service level based on the total score in either scales use the following chart:

Social Worker Judgement. Although not intended to be used in place of social worker judgement, the RAT guides the social worker in evaluating the level of child protective services that should be provided. The agency's Child Protective Services manual instructs social worker Jones that when assessing factor A9 to judge "the degree to which the social relationships detracts from the strength of the family. An example would be a parent who has a substance abuse problem yet continues to socialize with others who use alcohol or drugs."

SPECIAL INSTRUCTIONS

- 1) Complete both risk scales (above & right) on the family during the intake process for all intakes.
- 2) Calculate the total score for each scale.
- 3) Assign the family's service level based on the highest score in either scales use the following charts

OVERSIGHT: Notes Override to High. Circle appropriate reason.

1) Substantiated sex abuse.

2) Child required medical treatment subsequent to abuse or neglect.

3) At least one sibling is in DFPS placement.

4) Suspected death of sibling.

5) Others _____

FINAL ASSIGNMENT

(Approval) Sara Grant

FINAL ASSIGNMENT LEVEL

High
on 4/14/88

06-9703 CFS 4/89

Service Level Contact Standards. Service levels are assigned for cases based on the highest score on either scale. The Miller case would be assigned a high service level because of the total of the neglect factors. Based on the service level assigned, DFYS has established minimum contact service standards for casework. If this high risk case was in a community served by a local DFYS office, the assigned social worker would be required to make 4 face-to-face contacts per month, 2 of which must be in the home. If the case was in a community served on an itinerant basis, the worker would be required to make 1 face-to-face contact and 5 phone calls per month. Lower risk cases require fewer social worker contacts.

Case Load Measures. Service levels and casework standards are used to measure each social worker's case load. For each service level and its associated casework standards, DFYS has estimated how many hours should be involved to provide the minimum amount of service to each case. For a high service level case, requiring 4 face-to-face monthly contacts and other services, 8.1 hours are allotted. In order to meet minimum casework standards for the same case, DFYS allots 0.5 hours (for the 5 phone calls and 1 face-to-face monthly contact). The lower the service level assigned to a case, the less time is allotted to provide minimum services.

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STATE OF ALASKA

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

THEODORE A. MALA, COMMISSIONER

P.O. BOX 110601
JUNEAU, ALASKA 99811-0601
PHONE: (907) 465-3030

March 31, 1992

Randy S. Welker, Legislative Auditor
Division of Legislative Audit
Legislative Budget and Audit Committee
P.O. Box W
Juneau, Alaska 99811-3300

MAR 31 1992

LEGISLATIVE AUDIT

Re: Preliminary Audit Report
Division of Family and Youth Services
Audit Control Number 06-4407-92

Dear Mr. Welker:

Thank you for the opportunity to review and respond to the preliminary audit report on the Division of Family and Youth Services. We do not dispute many of your findings. They reflect a widely shared opinion that the Division of Family and Youth Services has had its share of problems. We are working hard to address those problems and to earn a more positive public perception.

However, we feel compelled to respond to two basic issues which we believe result from incomplete information. First, we are concerned about the sample size of foster care records upon which some of your findings were based. Second, we continue to disagree with the report's conclusions on the DFYS reorganization.

Foster Care Record Sample Size

We are concerned about the sample size of foster care records upon which some of the findings are based. A review of 2% sample (only 29 of approximately 1,400 foster parent files and only 6 Anchorage custody files) may not provide an adequate base. In certain instances, the report may not include enough information to assure the accuracy of some of the findings. More detailed comments follow in response to Recommendations 3 and 4.

DFYS Management Changes

The bulk of your report offers comments critical of the recent management restructuring accomplished by the Division of Family

and Youth Services. Last November, the Division consolidated eight regions with two separate lines of authority (Family Services and Youth Corrections) into three regions, each under a single Regional Administrator and a single line of authority. In the process, we eliminated eight former regional manager/administrator positions and the three field administrator positions through whom they and central administrative staff reported. They were replaced by the three Regional Administrative positions reporting directly to the Division Director. We thus eliminated one layer of management (eleven positions) and further unified the Division's two main functions.

The savings realized by eliminating these eleven positions totaled \$688,700. Additionally, Governor Hickel vetoed \$229,800 in the FY92 operating budget in anticipation of the reorganization, also contributing to savings. Additional detail is shown in the memorandum dated January 3, 1992, from Fred E. Schmitz which accompanies this letter. Mr. Schmitz's memorandum and its attachments also identify how this money was spent.

All of the savings are being spent on personnel who either deal directly with clients or who have supervisory responsibility for those who have direct contacts with clients. See in particular the second page of Mr. Schmitz's memorandum and the two-page attachment to his memorandum. Also attached is a copy for your information of Mr. Schmitz's earlier memorandum dated December 13, 1991. The reorganization has not resulted in any "net reduction" of line social workers. Our records show that the budgeted V&T would have caused forced vacancies of over 45 positions. Reorganization savings have reduced that number by 10 positions to a forced V&T of 35 positions.

The report stated that there was no planning for or evaluation of the need for agency reorganization. We disagree. There is extensive support and preparation for the management streamlining which predates the actual organizational re-alignment. Over the course of several years, the Division of Family and Youth Services came to be perceived as an agency which was not doing very well. This perception is reinforced by numerous recent studies, audits and analyses, both internal and external. These examinations included a Legislative Audit Report dated February 27, 1990, entitled: "A Special Report on the Department of Health and Social Services Division of Family and Youth Services." Also included is a 1987 internal review and report. The Division also received prominent attention in the 1991 report by the Senate Family Law Review Task Force.

It is generally agreed within the Division that the time for a more cooperative effort between Youth Corrections and Family Services functions was long overdue. We believe the structural changes we

have made will assist the shift to the "Family Centered" approach in both parts of the agency. The consolidation ensures a consistent family centered approach by both sections logically leads to a reduction in placements.

We concur with your comment that the "Reorganization's impact on family preservation service delivery remains to be seen". Whether the structural changes which have been made are effective will only be seen over the course of time. At present, the Division is only a few months beyond the time the reorganization plan went into effect. It will be at least another year before the effectiveness of these changes can be judged. The results of any such change are not 100% predictable, but failure to change in this instance certainly had all the appearance of continuing problems.

We must, therefore, reject each of the major criticisms of the organizational changes made regarding the Division of Family and Youth Services. Given all the circumstances, certain organizational changes were warranted. The changes made did in fact result in a savings of personnel costs, calculated as \$688,700, and the entire savings is being spent on line personnel throughout the organization which is enhancing the delivery of services.

Recommendation No. 1

Division of Family and Youth Services (DFYS) should take measures to improve agency compliance with the Indian Child Welfare Act (ICWA).

We agree that DFYS should strive for a better level of ICWA compliance. It is agreed that more Native foster homes are always needed and that working with the tribal organizations usually results in successful recruitment efforts. The positive comments regarding the degree of improvement are appreciated, especially the comment that the files reviewed indicated that most non-preference placements occurred "only after all relative placement options had been exhausted." We question your statement that native children are "often" placed out-of-preference since the number of cases reviewed was so small. In addition, we believe that the statement that the Barrow receiving home is an out-of-preference placement is incorrect. While that facility may have difficulty recruiting Native staff, the facility is operated by the Native corporation in Barrow, is therefore approved by the tribe, and certainly falls within the order of preference.

We would like some clarification of your comments regarding what you term as "the State's standard ICWA agreement." We use a standardized ICWA agreement format for the beginning of a

collaborative planning process with tribes. The resultant State Tribal Agreement has formalized already existing coordinated planning and services with DFYS. For other tribes, the Agreement created the opportunity to develop joint working relationships. Although the Agreement is standard in format, several sections require the individualized completion of tribal-specific information, such as contact persons and expert witnesses. Cooperative efforts with Alaskan tribes in the placement of Native children is the only successful method of implementing the ICWA.

In response to concerns expressed regarding the approach of the Southcentral region to ICWA, the region has the majority of the caseload of children in out-of-home care, so it can be expected to have the majority of the problems and require the greatest effort to show improvement. The Southcentral Regional office must address problems with children from tribes across Alaska. This perplexing task makes an equitable and culturally sensitive implementation of the tribal specific ICWA provisions difficult. We acknowledge that there have been problems and that DFYS staff have not always reacted with sensitivity. Efforts are being made to improve our performance, and the current Regional Administrator is a strong advocate for cultural awareness and appropriate care for all children. The office has been in contact with Native organizations in the area to identify problems, develop solutions, and begin meeting on a regular basis. Further, negotiations continue toward additional State/Tribal agreements.

Finally, each of the DFYS core training sessions includes a segment on cultural issues. Recent adoption training included a full day of cultural child-rearing practices offered by respected Native elders. All adoption cases require full documentation of relative search and tribal participation.

Recommendation No. 2

When applying community standards in licensing foster homes, DFYS must not unduly compromise established safety standards.

The concerns expressed here present a dilemma. DFYS is criticized for having too few Native foster homes. There is also a perception that the application of community standards is leading to safety violations in rural areas and that homes in villages may not be appropriately licensed. While the letter cites only one example of a firearm safety violation and no other safety standards violations, we will conduct a more extensive internal review to get a better understanding of the extent of the problem.

To clarify, DFYS has no policy which allows a differential application of safety standards in rural areas than in urban areas.

Rather the Division utilizes a waiver process in both areas when a legitimate alternative for meeting a safety standard is present. This agency will be revisiting some of the safety regulations to address some of the concerns for increased sensitivity to local community standards, while at the same time ensuring the safety of our children in placement.

Recommendation No. 3

DFYS should ensure that all foster parents have satisfied the required 15 hour minimum of foster parent training before relicensure.

While DFYS appreciates this part of the audit report, including the number of files reviewed and the percentage of noncompliance findings for the training requirement, the Foster Parent Training Center Summary Sheets for last fiscal year give a comprehensive picture of foster parent training. The Training Center tracks all training provided by the center, as well as other training that a foster parent sends to them for documentation. Every new foster home is mailed introductory information on the training center. This training requirement was enacted by the Legislature in 1990. Of 1,777 homes in the training center's database, 496 homes had training recorded and 208 homes completed the 15 hours during the year.

Training was one of eight areas identified by the DFYS regulation implementation committee in the Spring of 1990 that would need special emphasis and support. DFYS knew that the requirement was ambitious and that it would be difficult to deliver training in both urban and rural settings over such a vast geography. Many foster parents resisted attending training due to the missing of work, and on-site training is very expensive. DFYS agrees that the continued training needs of foster parents should be addressed. It is satisfying to see that the new self-study courses are being well-received. Some foster parents have invited other foster parents to their homes to view foster care videos and follow the viewing with a discussion.

The training requirements must be balanced against the state's need for foster parents and continuity of care for children in foster homes. License revocation resulting from a lack of training should be viewed with extreme caution. Licensing workers receive copies of the training center reports for their foster homes. The licensing policy is for the licensing worker to note any noncompliance on the standard-by-standard evaluation and require a plan of corrective action by the foster parents.

Both the training center report and the findings would indicate that further training of licensing workers is necessary. DFYS intends to continue the emphasis on the foster parent training requirement within budgetary constraints.

Recommendation No. 4

DFYS should ensure that all foster homes receive the approved foster care orientation before children are placed in the home.

DFYS agrees that an "approved" orientation is desirable before children are placed in a foster home. DFYS regulations require that the orientation be provided in all but emergency licensure and placement situations. The regulations do not require the "approved" orientation be provided in emergency circumstances; however, a brief orientation has historically been provided, even in emergencies. DFYS believes the concern raised by auditors may be a licensing file documentation problem, rather than any pervasive lack of a foster parent orientation.

An "approved" orientation is provided in a variety of ways. As a practical matter, orientations are more sophisticated in urban areas than in rural ones. DFYS "approved" orientations range from several pre-licensing training meetings in Anchorage to a licensing worker's one-on-one discussion of regulations with an applicant during the licensing review in a rural community. In addition, every licensed foster home in the state has been mailed a copy of an "approved" self-instructional orientation. Each quarter the Foster Parent Training Center mails it to all new foster parents and to each foster parent who does not have training in their data base for that year. Not all foster parents are responding to the self-instructional questionnaire. Those who respond receive five hours of training credit. Finally, foster parents are commonly given the "Foster Parent Handbook", published by the Division. The handbook also serves as an "approved" orientation.

DFYS believes that foster care orientation is adequately addressed by the Division. Licensing staff will be informed of the variety of "approved" orientations that may be documented in the licensing file of a foster home.

Recommendation No. 5

DFYS should fully comply with all training standards established in the division's November 1989 policy statement.

There exists within this agency a continuing commitment to social worker training. Admittedly, given the high caseloads and vacancy

Randy S. Welker
March 31, 1992
Page 7

rate in some areas, new staff are not always given the protected time to complete the orientation packet. It is still the intent of the Division that all new social workers complete the Pre-Service Orientation before receiving any case assignments. A memo will be distributed to all Family Service supervisors reiterating that policy. The positive comments regarding improvements in the Division's training are appreciated.

The Department of Health and Social Services appreciates the opportunity to respond to your letter, and would welcome further discussion on any of these issues, should you wish.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ted Mala", with a long horizontal flourish extending to the right.

Theodore A. Mala, MD, MPH
Commissioner

Enclosures

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

DIVISION OF FAMILY AND YOUTH SERVICES

WALTER J. HICKEL, GOVERNOR

P.O. BOX H-05
JUNEAU, ALASKA 99811-0630
PHONE: (907) 465-3170

MEMORANDUM

DATE: January 3, 1992

TO: Gene Shaffer, Acting Director
Division of Family & Youth Services

FROM: Fred E. Schmitz, *Fred* Acting Accountant IV
Budget Section

SUBJECT: Management Restructuring Analysis

This memorandum and the attached worksheet is a further refinement of my analysis of December 13, 1991 memorandum regarding, among other things, the cost savings are a result of the recent management restructuring and how the cost savings is being spent. Please keep in mind that while the figures and the information have been further refined from several weeks ago, further refinements will still be made as I am relying on hurriedly prepared information from field offices. Based, however, upon the latest information, and the attached worksheet, there is a net administrative position savings of \$688,700, all of which and more is being spent on reclasses and filling previously vacant line positions throughout the state. This savings figure has a high degree of confidence and likely will not change. It appears that a total of eleven such positions will be filled from the savings. See page two of the attached spreadsheet under the section titled "Line Position V&T (Vacancy & Turnover) Costs".

Due to the length and complexity of the spreadsheet, I have decided to summarize the spreadsheet for clarity purposes as follows:

ADMINISTRATIVE POSITION SAVINGS

SAVINGS:

Deleted 11 Administrative Positions	\$ 893,000
2 Positions Held Vacant	<u>121,200</u>
Total	<u>\$1,014,200</u>

COSTS:

Reclassified -13 Administrative Positions	<u>\$ 325,500</u>
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NET ADMINISTRATIVE POSITION SAVINGS

\$688,700

NET ADMINISTRATIVE SAVINGS SPENT ON LINE STAFF

Line Supervision Position Costs:

Reclassified 7 Supervision Positions	<u>\$ 42,500</u>
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Line Position Costs:

Reclassified 9 Line Positions	<u>\$ 176,000</u>
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V&T Position Costs:

11 Vacant Positions to be filled	<u>\$ 470,800</u>
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NET ADMIN. SAVINGS SPENT ON LINE STAFF

\$689,300

DIFFERENCE

(\$ 800)

Due to the estimated amount that each filled V&T position would cost, the filling of these positions resulted in overspending of savings by \$800.

As part of the management restructuring, two revised programs (RP#0620091 and RP#0620189) were completed to reclassify the effected positions. As requested I have analyzed the effect of these RPs on the position count for Administrative, Line Supervisor and Line Staff. The results were as follows:

<u>Three Reclassed Administrator Positions</u>	<u># of Positions</u>
<u>Administrative to Administrative</u>	1
<u>Line to Administrative</u>	2
 <u>Twenty Six Reclassed Positions</u>	
<u>Line to Administrative</u>	3
<u>Administrative to Administrative</u>	7
<u>Line Supervisor to Line Supervisor</u>	3
<u>Line Staff to Line Supervisor</u>	4
<u>Administrative to Line Staff</u>	2
<u>Line Staff to Line Staff</u>	7
<u>TOTAL POSITIONS RECLASSED</u>	<u>29</u>

If you have any questions or notice any discrepancies please notify me. I hope this is of assistance.

Attachments: December 13, 1991 Memo from Fred Schmitz
1/2/92 Management Restructuring Analysis Spreadsheet

ADMINISTRATIVE POSITIONS SAVINGS & COSTS**ADMINISTRATIVE POSITIONS SAVINGS****Eleven Deleted Administrative Positions**

PCN	Position Title	Component	Savings \$	Subtotal	TOTAL
06-3123	Regional Social Services Manager III	SCRO	\$69,700		
06-3124	Regional Social Services Manager II	NRO	\$78,400		
06-3017	Regional Social Services Manager I	NWRO	\$92,700		
06-3076	Regional Social Services Manager I	WRO	\$89,600		
06-3013	Regional Social Services Manager II	SERO	\$71,100		
06-3009	Social Services Field Administrator	Central Office	\$77,600		
06-3701	Social Services Field Administrator	Central Office	\$80,200		
06-3470	Juvenile Probation Officer V	Probation Services	\$81,000		
06-3602	Juvenile Probation Officer V	Probation Services	\$86,400		
06-3641	Juvenile Probation Officer V	Probation Services	\$75,600		
06-3467	Social Services Field Administrator	Probation Services	\$90,700		
Total Saved - Deleted Positions			\$893,000	\$893,000	

Two Positions Held Vacant as Part of Management Restructuring

* 06-3421	Social Worker IV	SCRO	\$84,600		
* 06-3954	Data Processing Clerk I	NRO	\$56,600		
Total Saved - Vacant Positions (12 months Funding)			\$121,200	\$121,200	

* PCN3421 \$ @ Pre-Manage. Restruct & PCN3954 @ Post-Manage. Restruct
both positions held vacant for 9 months savings, see below for 3 months costs

TOTAL ADMINISTRATIVE SAVINGS **\$1,014,200** **\$1,014,200**

ADMINISTRATIVE POSITIONS COSTS**Three Reclassified Regional Administrator Positions**

* 06-3215	Regional Administrator	SCRO	\$82,600		
* 06-3218	Regional Administrator	NRO	\$85,600		
* 06-3482	Regional Administrator	SERO	\$82,600		
Total Cost - Regional Administrators			\$250,800	\$250,800	

*Costs Before Reclassification, (\$154.6) plus Reclassification Costs (\$94.4)

Eleven Reclassified Positions**Reclassified Line to Administrative**

06-2243	Grants Administrator II	Central Office	(\$15,700)		
06-3871	Program Officer	Central Office	\$12,600		
06-3889	Program Officer	Central Office	\$10,800		
Total Line to Administrative			\$7,700		

Reclassified Administrative to Administrative

06-3881	Program Officer	Central Office	\$21,300		
06-3900	Social Worker IV	Central Office	\$20,000		
06-3063	Accounting Clerk III	SCRO	\$1,900		
06-3114	Administrative Assistant III	SCRO	\$1,600		
06-3925	Analyst Programmer I	SCRO	\$7,900		
06-3617	Youth Center Superintendent II	NRO	\$0		
* 06-3863	Clerk Typist III	SCRO	\$14,300		
Total Administrative to Administrative			\$67,000		

*Part Time to Full Time

Total Cost - Reclassified Administrative Positions

TOTAL ADMINISTRATIVE COSTS **\$325,500** **(\$325,500)**

NET ADMINISTRATIVE SAVINGS **\$688,700**

NET ADMINISTRATIVE SAVINGS SPENT ON LINE POSITIONS AS FOLLOWS:

Page #2

LINE SUPERVISION POSITION COSTS
Reclassified Supervision to Supervision

PCN	Position Title	Component	Cost \$	Subtotal	TOTAL
06-3089	Social Worker V	NRO	\$5,200		
06-3085	Social Worker V	SCRO	(\$8,400)		
06-3878	Social Worker V	SCRO	\$0		
Total Supervision to Supervision			(\$3,200)	(\$3,200)	

Reclassified Line to Supervision

06-3076	Social Worker IV	SCRO	\$3,700		
06-3713	Social Worker IV	SCRO	\$0		
06-3573	Juvenile Probation Officer IV	SCRO	\$30,900		
06-3866	Juvenile Probation Officer IV	SCRO	\$11,100		
Total Line to Supervision			\$45,700	\$45,700	

Total Line Supervision Position Costs **\$42,500**
LINE POSITION COSTS
Reclassified Administrative to Line

06-3770	Social Worker IV	NRO	\$24,000		
* 06-3954	Social Worker IV	SCRO	\$14,200		
Total Administrative to Line			\$38,200	\$38,200	
* Position Held Vacant - Three Months Costs					

Reclassified Line to Line

06-3014	Social Worker V	NRO	\$5,800		
06-3357	Juvenile Probation Officer IV	SERO	\$3,800		
06-3201	Social Worker V	NRO	\$39,800		
06-3633	Juvenile Probation Officer IV	NRO	\$8,800		
06-3789	Social Worker III	SCRO	\$0		
* 06-3034	Social Worker III	SCRO	\$26,900		
* 06-3874	Juvenile Probation Officer IV	SERO	\$52,700		
Total Line to Line			\$137,800	\$137,800	

*Part Time to Full Time

Total Line Position Costs **\$176,000**
LINE POSITION V&T (VACANCY & TURNOVER) COSTS

06-3014	Social Worker V	NRO	\$59,200		
06-3770	Social Worker IV	NRO	\$34,700		
06-3766	Social Worker III	NRO	\$51,600		
06-3034	Social Worker III	SCRO	\$24,800		
06-3789	Social Worker III	SCRO	\$56,600		
06-3644	Juvenile Probation Officer III	SCRO	\$59,900		
06-3204	Social Worker III	SCRO	\$54,700		
06-3048	Social Worker III	SERO	\$49,800		
06-3065	Social Worker III	SERO	\$49,800		
06-3084	Social Services Associate I	SERO	\$13,800		
* 06-3421	Social Worker IV	SCRO	\$16,100		
Total V&T Costs			\$470,800	\$470,800	

* Position Held Vacant - Three Months Costs

TOTAL LINE POSITION COSTS **\$689,300**
NET ADMINISTRATIVE SAVINGS LESS LINE POSITION COSTS DIFFERENCE **(\$800)**

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

DIVISION OF FAMILY AND YOUTH SERVICES

WALTER J. HICKEL, GOVERNOR

P.O. BOX H-05
JUNEAU, ALASKA 99811-0630
PHONE: (907) 465-3170

MEMORANDUM

DATE: December 13, 1991

TO: Michael L. Price, Director
Division of Family & Youth Services

FROM: *fd* Fred E. Schmitz, Acting Accountant IV
Budget Section

SUBJECT: Management Restructuring Analysis

Per your request I have completed an analysis to determine the impact of the Management Restructuring as it relates to funding and positions. The following is the results of that analysis.

COST SAVING AS THE RESULT OF MANAGEMENT RESTRUCTURING

A total of eleven administrative positions were deleted resulting in a savings of \$893,000. Three existing positions were reclassified to administrative positions, costing an additional \$94,400. The net savings of \$798,600 was used to pay for reclassifying twenty nine line positions and fund six vacant line positions throughout the Division.

DFYS ADMINISTRATION				TOTAL
11 DELETED ADMINISTRATION POSITIONS COST SAVINGS				\$893,000
06-3123	RSSMIII	SCRO	(\$89,700)	
06-3124	RSSMII	NRO	(\$78,400)	
06-3017	RSSMI	NWRO	(\$92,700)	
06-3078	RSSMI	WRO	(\$89,600)	
06-3013	RSSMII	SERO	(\$71,100)	
06-3009	SSFA	CENTRAL OFFICE	(\$77,600)	
06-3701	SSFA	CENTRAL OFFICE	(\$80,200)	
06-3470	JPOV	PROBATION SVCS	(\$81,000)	
06-3602	JPOV	PROBATION SVCS	(\$88,400)	
06-3641	JPOV	PROBATION SVCS	(\$75,600)	
06-3487	SSFA	PROBATION SVCS	(\$80,700)	
TOTAL			(\$893,000)	
3 RECLASSIFIED REGIONAL ADMINISTRATOR POSITIONS - ADDITIONAL COST				(\$94,400)
06-3215	REGIONAL ADMINISTRATOR - SCRO		\$28,600	
06-3218	REGIONAL ADMINISTRATOR - NRO		\$24,900	
06-3482	REGIONAL ADMINISTRATOR - SERO		\$39,900	
TOTAL			\$94,400	
NET ADMINISTRATIVE SAVINGS AS THE RESULT OF REORGANIZATION				\$798,600
DFYS LINE STAFF				
29 RECLASSIFIED LINE STAFF POSITIONS			\$488,200	
6 LINE STAFF POSITIONS			\$340,400	
TOTAL			\$798,600	
TOTAL SAVINGS SPENT				(\$798,600)
DIFFERENCE				\$0

Prior to management restructuring, the Divisions FY92 vacancy and turnover (V&T) was at 6.9%. This V&T is the result of a \$2,204,000 authorization shortfall requiring that the Division leave approximately forty line positions vacant for entire year. \$440,000 of this authorization shortfall is due to IVE federal funds which will not be received. After management restructuring, the Divisions shortfall was reduced by \$340,400 resulting in a 5.8% V&T. This V&T requires that the Division only leave open thirty four line positions for entire year, a net savings of six line positions.

As mentioned above, twenty nine positions were reclassified. Below you will find listed each position reclassified as a result of management restructuring:

<u>PCN</u>	<u>Position Title</u>	<u>Location</u>
06-3666	Juvenile Probation Officer II	Kenai

Position was vacant since June of 1991 at the time of the reclassification and relocation. This position was reclassified to a Juvenile Probation Officer IV and relocated to Anchorage. Workload in Kenai did not support filling the position and thus the position was reclassified to provide line supervision of field positions.

06-3573	Youth Counselor II	Anchorage
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Position was vacant since August of 1991 at the time of the reclassification. This position remains in Anchorage and was reclassified to a Juvenile Probation Officer IV in order to create program audit capabilities.

06-3085	Social Worker IV	Anchorage
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Position was not vacant at the time of the reclassification. This position remains in Anchorage and was reclassified to a Social Worker V due to incumbent working out of job class.

06-3034	Social Worker III (Part Time)	Homer
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Position was not vacant when time status classification was changed to full time. The incumbent position remains in Homer and was changed to full time to reflect actual workload.

06-3713	Social Worker III	Anchorage
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Position was vacant since December of 1990 at the time of the reclassification. This position remains in Anchorage and was reclassified to a Social Worker IV in order to create program audit capabilities.