



Oregon

Kate Brown, Governor

Department of Human Services

Office of the Director

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December 9, 2019

The Honorable Senator Elizabeth Steiner Hayward, Co-Chair
The Honorable Senator Betsy Johnson, Co-Chair
The Honorable Representative Dan Rayfield, Co-Chair
Interim Joint Committee on Ways and Means on Human Services
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048



Re: Request for funding and position authority to improve the functionality of the child welfare system, as a result of Governor Brown's Executive Order 19-03

Dear Co-Chairpersons:

Nature of the Request

DHS requests that the Committee acknowledge receipt of this report and recommend an increase of \$16,122,596 General Fund (GF), \$55,762 Other Funds (OF) expenditure limitation, \$8,350,571 Federal Funds expenditure limitation, establishment of 90 positions (68.15 FTE) for consideration in the February 2020 Legislative Session to fund position and infrastructure costs related to Executive Order 19-03. This is the second of three related requests.

Agency Action

Governor Brown issued Executive Order 19-03 in April 2019, to address immediate issues in child welfare, including out-of-state foster child placements, building system capacity, and addressing agency operational challenges, such as public records and communications, data and human resources.

As part of the Executive Order, the Governor established a Child Welfare Oversight Board to provide direction, and DHS contracted with a crisis management firm, Alvarez & Marsal (A&M), to implement changes. (See attached letter from A&M to the Governor for further details on their recommendations.)

Since the Executive Order, DHS has made significant progress, both in child welfare and overall agency operations. For example:

"Assisting People to Become Independent, Healthy and Safe"

- A new Public Records Team reduced the public records backlog requests of more than 500 to zero in four weeks.
- The number of foster children in out-of-state facilities has decreased from 88 in March 2019 to 31 as of Dec. 6, 2019. Extensive work has been done within the Oregon continuum of children's care to address service gaps and improve capacity and outcomes for children in the foster care system, so that more children can receive the services they need closer to home. In order to continue to decrease the use of out-of-state facilities, we must continue to prioritize capacity-building and grow available services such as those for children with intellectual or developmental disabilities, psychiatric residential treatment services (PRTS) and behavioral residential services (BRS). Additionally, we need to drive the development of specialized services that are not available in Oregon. This would include programs who have the flexibility to serve 1-5 youth at a given time, each year. A female sex offender treatment program would be one example, as there are currently only 3 youth in foster care receiving this type of residential treatment. Development of these types of programs would require pioneering new levels of care to include financial and multi-system support above and beyond the current service array in Oregon.

Other factors that impact this issue include:

- Geographical location – Eastern Oregon has no current residential treatment programs. Having access to out-of-state programs across the Idaho boarder allow youth to maintain community and family connections. Additionally, Oregon youth placed with family in other states benefit from accessing residential treatment in close proximity to those relatives.
- Crossover youth – Oregon's foster system struggles to find and maintain placement for youth who have committed serious crimes but are not adjudicated. We would need the support of the juvenile justice system to assist in the development and implementation of services to meet the needs of this demographic, which was further confirmed by A&M's assessment of capacity in order to return youth who are currently out of state.
- System efficiencies – A stronger sense of urgency is needed from child-serving systems to examine processes and build more efficient access to current services. Youth in crisis often encounter extensive delays in

accessing emergent and necessary services. There are significant wait times associated with accessing most levels of care.

- DHS successfully hired more than 300 new child welfare workers. These positions included hotline screeners, case workers, supervisors, and support staff that will help ease the caseloads of child welfare workers and enable them to better address safety issues and provide more support to foster families. New, more robust training programs were also created to both improve existing training and to facilitate training new child welfare employees.
- Data dashboards have been created to track key performance metrics associated with out-of-state placements, overdue child safety assessments, foster care licensing, Critical Incident Review Team (CIRT) reports, and the Oregon Child Abuse Hotline (ORCAH).
- There has been significant work to streamline, track, and organize the Critical Incident Review Team, which reviews child fatalities to identify systemic issues and develop prevention strategies. Child Welfare is developing a new organizational structure to increase transparency in reviewing child fatalities and to enhance programming to support fatality prevention.

This letter is part two of a three-part request to obtain funding and position authority to continue and build on this progress. DHS worked with Alvarez & Marsal to determine specific staffing needs included in this package.

Position recommendations

This package requests the establishment of 90 positions (68.12 FTE) to continue to improve outcomes for children and families and overall agency operations. This investment request includes funding and position authority related to infrastructure investment, training, foster family recruitment and retention, and funding for the A&M contract. New positions will allow the Child Welfare program to:

- Establish a training unit to improve child safety and staff retention.
- Improve foster caregiver training and retention.
- Establish a night shift and Continuous Quality Improvement (CQI) team at Oregon Child Abuse Hotline.
- Provide adequate staffing resources to use data and trends from CIRT reviews to influence fatality prevention programming.

- Bolster Child Welfare and DHS operations with positions to support continuous quality improvement, project management, implementing future goals and directives, and Federal policy interpretation and reporting.
- Coordinate tasks, responsibilities, and decision-making between Central Office and the field.
- Streamline human resource tasks and strengthening hiring capacity within DHS and Child Welfare.
- Create a Child Fatality Review and Prevention Team responsible for meeting the requirements of SB 832 and researching and developing evidence-based training and strategies to reduce and prevent child fatalities in the child welfare system.

Infrastructure recommendations:

A&M identified non-personnel, infrastructure recommendations required to address Executive Order 19-03 and improve Child Welfare operations. The investments for the infrastructure recommendations are based on the projected cost for the remainder of the biennium. The goal of these recommendations is to improve caseworker effectiveness, support foster family capacity, and increase access to mental health services through the following investments:

- \$2.5 million General Fund for Caseworker and Supervisor Training: To address significant gaps in training capacity and content, an additional investment is necessary to fund existing training programs that support caseworkers, case aides, mentors, and supervisors. This investment will allow DHS to consistently provide quality pre-service training to field staff at all levels. Without sufficient pre-service preparation, staff cannot ensure the safety of the children, or themselves. Consistent and quality pre-service training will not only improve child safety and placement stability, but also support staff retention by sending new employees into the field prepared to safely fulfill the complex duties of their role. These training dollars are eligible for a 50 percent federal funding match based on the percentage of Children in Foster Care who are eligible for IV-E.
- \$2.5 million General Fund for Funding of Foster Care Vendors: Currently, funding for key foster care vendors is carved out of the budget as grants. A&M recommends that these partnerships and services continue on a permanent basis, through formal contract agreements to allow DHS to build significant capacity statewide to recruit and retain foster caregivers and volunteers and connect with the communities DHS serves. These vendors

have allowed DHS to not only increase the number of interested foster parents, but also to diversify participating families. Without these contracted services, DHS would be unable to recruit enough diverse caregivers to meet their need. Since funding for these programs was carved out of Child Welfare's foster care program budget, this investment will also allow the existing budget to fund other crucial investments needed for foster family recruitment and retention, such as: improving the level of supportive and affirming care for LGBTQIA+ youth, 24/7 access to in-home and phone support when needed by foster family or relative caregiver, increasing the amount of monies allocated for flexible funds which branches can access to help support foster families or relative caregivers, expanding respite services, and improving caregiver training.

- \$0.78 million General Fund for Facilitated Rapid Access to Mental Health Services: By improving the timely access to mental health care and enhancing the continuity of care between behavioral residential services (BRS) and outpatient mental health services, DHS can reduce the number of youth who need more intensive residential services and/or out-of-state placement and improve outcomes of BRS services. This investment will allow clinicians to partner with BRS providers to be available onsite if the youth's behaviors require emergency intervention or onsite services. The model seeks to provide the level of services specified by Family First regulations, which require access to behavioral and other clinical services 24 hours per day. DHS Child Welfare is requesting additional GF to expand these services statewide and cover costs that are not billable to outpatient services under Medicaid. With this program, clinicians will be available to perform crisis prevention and intervention and provide training to staff in support of a treatment plan.

Further Recommendations related to package 1:

In addition to the new positions included in this package, A&M recommends or supports 167 "double-fill" positions included in Package 1. These are critical positions to DHS operations and were either established during A&M's engagement or created before A&M's arrival.

Combined Ask

The three packages are detailed below. This letter relates to **Package 2**.

Package 1: Clears current double-fills

| Positions | FTE | General Fund | Other Funds | Federal Funds | Total |
|-----------|--------|--------------|-------------|---------------|--------------|
| 331 | 312.50 | \$39,920,940 | \$735,607 | \$29,659,556 | \$70,316,103 |

Package 2: Creates new positions recommended or supported by Alvarez & Marsal

| | FTE | General Fund | Other Funds | Federal Funds | Total |
|-----------------------|--------------|---------------------|-----------------|--------------------|---------------------|
| 90 Positions | 68.15 | \$8,551,386 | \$55,762 | \$4,418,335 | \$13,025,483 |
| Infrastructure | 0 | \$5,780,000 | \$0 | \$2,738,096 | \$8,518,096 |
| TOTAL | 68.15 | \$14,331,386 | \$55,762 | \$7,156,431 | \$21,543,579 |

Package 3: Creates new positions (unrelated to Alvarez & Marsal work)

| Positions | FTE | General Fund | Other Funds | Federal Funds | Total |
|-----------|-------|--------------|-------------|---------------|-------------|
| 38 | 33.19 | \$3,138,271 | \$154,498 | \$2,519,456 | \$5,812,225 |

Total

| | FTE | General Fund | Other Funds | Federal Funds | Total |
|----------------|---------------|---------------------|------------------|---------------------|---------------------|
| 459 Positions | 413.84 | \$51,610,597 | \$945,867 | \$36,597,347 | \$89,153,811 |
| Infrastructure | 0 | \$5,780,000 | \$0 | \$2,738,096 | \$8,518,096 |
| TOTAL | 413.84 | \$57,390,598 | \$945,867 | \$39,335,444 | \$97,671,907 |

Other Related Costs

During the 2019-21 biennium DHS will incur the following two costs related to the Executive Order. First a need of \$123,210 GF and \$82,140 FF limitation for DAS charges related to the “surge hire” of position in Child Welfare. Second, \$1,668,000 GF and \$1,112,000 FF limitation in the Child Welfare budget for the 2019-21 costs of the A&M contract.

Action Requested:

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Legislation Affected:

| Program | Legislation impacted | Fund Type | Requested Funding |
|-----------------------|----------------------|-----------|-------------------|
| Central Services/SAEC | ch 668 1(1) | General | \$1,541,009 |
| Central Services/SAEC | ch 668 2(1) | Other | \$54,383 |
| Central Services/SAEC | ch 668 3(1) | Federal | \$1,345,620 |
| CW | ch 668 1(3) | General | \$14,581,587 |
| CW | ch 668 2(3) | Other | \$1,379 |
| CW | ch 668 3(3) | Federal | \$7,004,951 |

If you have questions, please contact Eric Moore at 503-884-4701.

Sincerely,



Eric Luther Moore
DHS Chief Financial Officer

cc: Laurie Byerly, Legislative Fiscal Office
Ken Rocco, Legislative Fiscal Office
George Naughton, Department of Administrative Services
Tamara Brickman, Department of Administrative Services
Ali Webb, Department of Administrative Services
Mike Streepey, Department of Administrative Services