

***New Jersey
Child Welfare
Reform:

Focusing
on the
Fundamentals***

***Office of Children's Services
Department of Human Services***

***Kevin M. Ryan
Commissioner***

June 28 2006

New Jersey Child Welfare Reform

Focusing on the Fundamentals

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New Jersey: Focusing on the Fundamentals

Safety

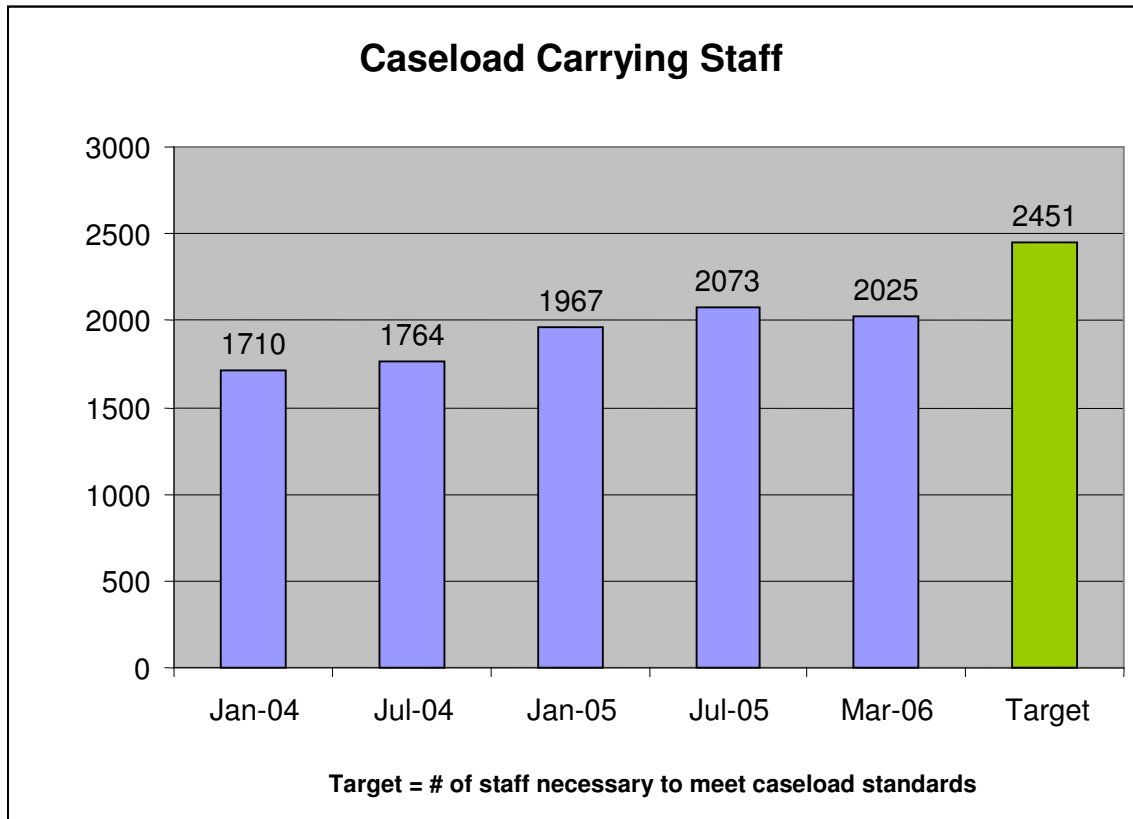
Summary: New Jersey is experiencing historically high numbers of child abuse and neglect investigations. Child safety is dependent on having enough frontline intake staff to investigate new allegations of maltreatment and enough permanency staff to monitor children at risk in their own homes and provide services to children in foster care.

Requested Additional Investments:

	<u>Annualization</u>	<u>New Priorities</u>	<u>Other</u>
Staff			
<i>Annualization of FY 06 Positions</i>	\$6,941,000	\$ 5,400,000	
<i>Conversion Brisbane to Direct Care</i>		\$14,000,000	
<i>Operational Support to Direct Care Staff</i>		\$ 2,850,000	
<i>Additional Caseload Positions FY 07¹</i>			\$15,600,000

Training

<i>Advanced Social Work Degree Tuition Incentives</i>	\$ 650,000
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¹ A budget item we will need to cover with existing funds in our base budget.

Staffing Analysis (for underlying data see charts on p 7-11, 17 below)

Existing Available Caseload Carrying Staff	2025
Trainees (hired, in training, not yet eligible for cases)	138
<u>Additional Caseload Carrying Staff to Meet Standards</u>	<u>288</u>
TOTAL REQUIRED AVAILABLE CASELOAD STAFF	2451 (Budget)

Replacement Rate Existing Caseload Staff (inc exist trainees - .34)	735
Coverage for Staff on Leave (Unavailable to Carry Caseload)	50
<u>Additional Caseload Carrying Staff to Meet Standards</u>	<u>288</u>
REQUIRED HIRING	1073 (Ops.)

Hiring Rate (60 per month)(hire 68, discount .14 new trainee replacement rate)

X	Required Hiring (1073)	
18 months =	October 1 2007	(complete base hiring)
	October 1 2008	(all new hires at full caseload capacity)
	December 31 2008	(achieve caseload standards)

Benchmarks FY 07 (dependent on funding)

July 2006

- *Continue to produce accurate quarterly caseload reports and publish on the web*
- *Continue to track monthly referrals and publish on the web*
- *Institute three new cycles of pre-service training per month*
- *Add investigations training to the pre-service training and implement pre-service training of 160 hours with competency exams*

September 2006

- *100% of new caseworkers will be enrolled in pre-service training within two weeks of their start date*
- *Enroll existing investigations staff in new investigations training*
- *Implement 40 hour supervisory training with competency exams*

December 2006

- *60% of offices shall have average caseloads for permanency staff of 15 families or less and 10 or fewer children in out of home placement*
- *42% of offices shall have average caseloads for intake staff at an interim standard of 15 families or less and 10 or fewer new referrals per month*
- *80% of offices shall have sufficient supervisory staff to maintain a 5 worker to 1 supervisor ratio*

January 2007

- *Begin training of existing staff on concurrent planning*

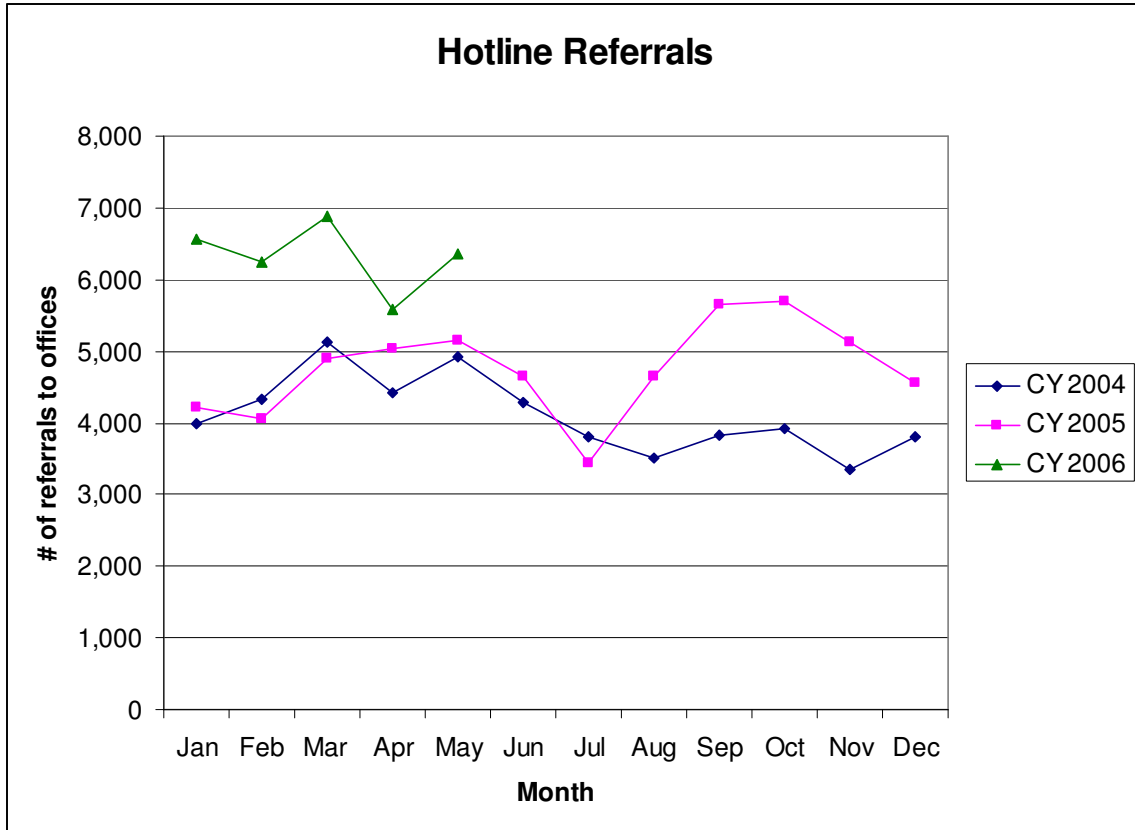
June 2007

- *79% of offices shall have average caseloads for permanency staff of 15 families or less and 10 or fewer children in out of home placement*
- *58% of offices shall have average caseloads for intake staff at an interim standard of 15 families or less and 10 or fewer new referrals per month*
- *85% of offices shall have sufficient supervisory staff to maintain a 5 worker to 1 supervisor ratio*
- *Publish updated safety outcomes on the web*
- *Implement in-service training for existing staff*
- *Finish training all existing intake staff on investigations*
- *100% of all supervisory staff shall have completed 40 hours of supervisory training*

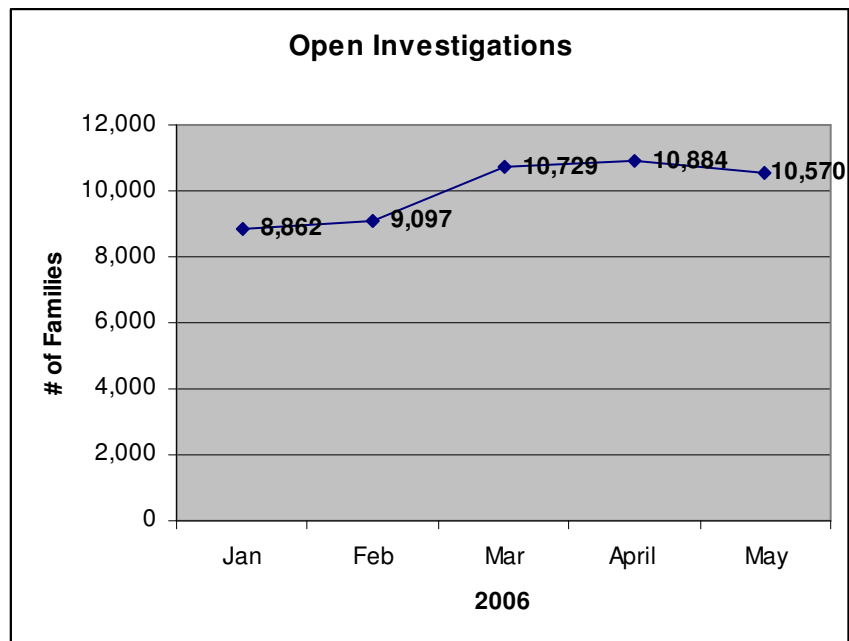
Analysis: New Jersey has begun to make improvements in its ability to deliver on the promise of child safety as measured by both the Chapin Hall Center at the University of Chicago and the federal government, and as recently reported by Association for Children of New Jersey. The centralized screening unit – the hotline, created as part of the reform - is well-utilized, receiving ever increasing numbers of calls. Over the past several months, that unit has refined its criteria and more clearly delineated the differences between referrals which involve potential safety risks to children and those where there is not a safety risk but rather a request for services.

In order to truly improve our child welfare system, we need manageable caseloads. Vulnerable children cannot receive the necessary attention to their safety from a staff person over-burdened by too many cases. And because safety is necessarily the first and foremost concern of our staff, a caseworker with too many cases, will have little left over for the additional critical needs of well-being and permanency. In short, manageable caseloads in the child welfare field are a necessity of the work.

Caseloads are predominantly a function of two large forces – requests for investigations and the availability of frontline staff. As for the first, our job is to be responsive whenever we are asked. The cornerstone of a well-functioning child welfare system is safety – and we must respond to all allegations of maltreatment to children. As illustrated in the chart below, over the past three years, those requests for assistance have only increased. In particular, requests surged to historic proportions beginning in August 2005 and continuing through the present. January 2006 brought an even larger wave of referrals in wake of the raised awareness after the tragic death of Nixzmary Brown in New York City.

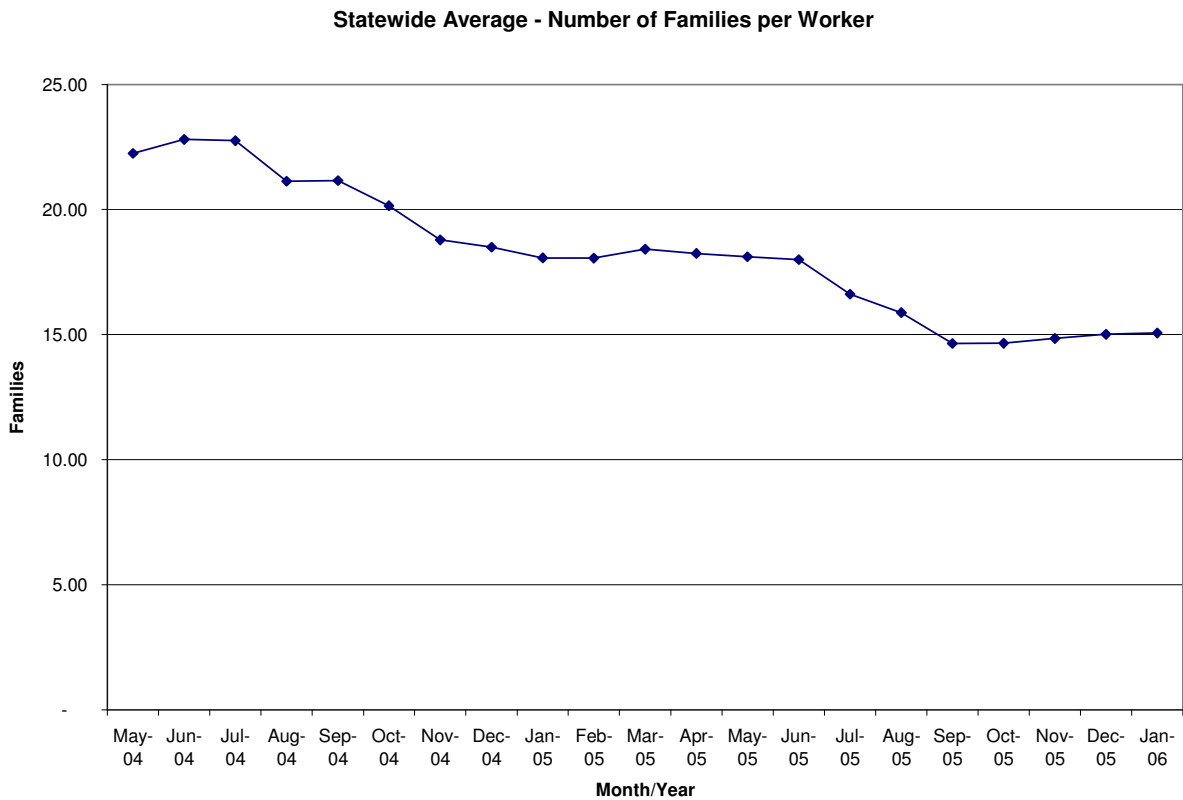


As we have analyzed this data over the past several months, we have noticed that we are receiving more and more referrals from schools and from healthcare professionals asking for our assistance. We believe it is a good sign that these professionals are asking for our help in identifying potential safety risks to



children. But these trends challenge earlier caseload analyses which assumed such requests would either remain stable or drop substantially.² We do not know if this trend will continue – but we have to assume that it will and respond accordingly. Because we are in the business of the unexpected, we must be constantly prepared. We cannot always predict when the need will come, but we can focus on having the right resources in place to respond when the need arises.

That brings us to the second major force affecting caseloads – the availability of frontline staff. While we cannot control many of the outside forces which produce a surge in referrals, we can control how we respond. Timely and thorough responses to such referrals require staff. New Jersey has made substantial investments in hiring frontline staff – and those investments have made a considerable impact. As illustrated in the chart below, the average caseload size per staff member has dropped considerably since this reform began from 23 families per worker in 2004 down to 15 families per worker at the start of 2006.



² One earlier caseload analysis assumed a 10% drop in referrals upon the initiation of the centralized screening unit. But this analysis failed to account for the increase in accessibility of a centralized screening unit. One of the prior criticisms of New Jersey’s system was that it was difficult to determine where to report an allegation of maltreatment. That is no longer true and schools, hospitals, etc. are reaching out in great numbers.

While we have made considerable progress, we are still far from where we need to be. In part, that is a function of the surge in referrals which have placed considerable strain on our frontline intake staff and offset some of the gains we made in caseloads with that group of staff.

To better analyze caseload size and needs, we have developed a new management tool: a detailed analysis, office-by-office, which tracks where staff remain under considerable caseload strain – and where those earlier investments have paid off.³ This analysis utilizes caseload standards for intake staff of 12 or fewer families with no more than 8 new assignments per month⁴, and for permanency staff, caseloads of 15 or fewer families with no more than 10 of the children on in out of home placement. The analysis is broken down into two parts – intake and permanency. Each chart is color coded – those cells colored green are where we are meeting our targets; cells colored yellow denote areas where we need improvement; and cells colored red indicate where we need investment. The original timelines set forth in the enforceables set a target of 95% of staff meeting standards by March 2006. But by March 2006, only 21% of intake staff and 49% of permanency staff had caseloads achieving the full standard; a third of each had caseloads which met one prong of the standard; leaving 47% of intake staff and 16% of permanency staff with caseloads which meet neither prong of the relevant standard. In short, we have made considerable progress in achieving caseload standards for our permanency staff – but have a long way to go to achieve similar gains for our intake staff.

³ Note that this analysis took considerable investment of staff resources. The existing legacy data system (which will be supplanted by NJ SPIRIT, our new SACWIS database system described in Chapter 4) does not have the capacity to collect all of the necessary data. We had to assemble the data from several different databases, with considerable support from our local offices. That data then required several layers of analysis. We note this analysis was not available at the time the earlier timelines were established for achieving caseload standards.

⁴ Note that the benchmarks include a target referencing an interim intake caseload standard of 15 families and 10 new referrals. That is an interim standard, a first step towards achieving the intended standard of 12 families and 8 new referrals.

Intake Staffing Analysis (Based on March 2006 data)

County		Intake - Fail to meet 2 std	# Intake Staff with More Than 30 Families	# Intake Staff with 10 or Fewer Families	# Families	# Referrals	Add'l Intake Staff*
Atlantic	11	71%	0	0	309	242	18
Cape May	9	22%	0	3	150	78	4
Bergen Central	11	73%	2	1	233	142	8
Bergen South	16	76%	3	2	334	222	11
Burlington West	22	95%	7	0	587	359	26
Camden Central	16	0%	0	14	105	127	-1
Camden East	13	85%	8	1	384	169	20
Camden North	13	0%	0	10	90	138	4
Camden South	12	67%	0	1	227	143	7
Cumberland West	18	56%	3	4	362	204	12
Gloucester East	8	57%	1	0	156	80	5
Gloucester West	11	91%	0	1	227	141	8
Salem	7	86%	3	0	182	94	8
Newark Center City	12	25%	0	5	154	167	9
Newark Northeast	14	14%	0	8	150	96	-1
Newark South	9	56%	2	3	156	107	4
Newark West	14	0%	0	4	164	89	0
Western Essex Central	18	0%	0	5	241	128	2
Western Essex South	15	0%	0	6	155	79	-2
Western Essex North	14	18%	0	6	109	92	-3

Hudson Central	11	58%	2	0	273	131	11
Hudson North	11	73%	0	1	199	146	7
Hudson South	13	50%	3	0	270	142	9
Hudson West	11	27%	0	6	124	108	2
Hunterdon	5	80%	0	0	115	38	5
Somerset	10	80%	4	0	301	124	16
Warren	9	62%	0	0	166	119	5
Mercer North	15	53%	7	1	406	139	19
Mercer South	18	6%	0	11	130	129	-2
Middlesex Central	0	0%	0	0	0	2	0
Middlesex Coastal	18	72%	2	2	380	238	14
Middlesex West	24	25%	7	2	596	180	24
Monmouth North	18	56%	0	2	285	192	6
Monmouth South	16	31%	0	6	166	179	5
Morris	21	54%	2	1	443	240	17
Sussex	10	60%	0	3	130	136	7
Ocean North	16	60%	2	4	245	184	6
Ocean South	13	100%	8	0	459	199	26
Passaic Central	19	42%	1	5	259	211	6
Passaic North	24	41%	1	5	394	273	9
Union East	10	69%	7	0	407	166	24
Union West	13	38%	6	1	372	147	18
Union Central	8	43%	2	3	134	56	3
TOTALS	576		83		10729	6376	376

Permanency Staffing Analysis (Based on March 2006 data)

Local Office	# of Avail Perm Staff	Perm - Fail to meet 2 std	# Perm Staff with More Than 30 Families	# Perm Staff with 10 or Fewer Families	# Families	# Children in OHP	Add'l Perm Staff*	Add'l Adoption Hire
Atlantic	38	5%	0	8	519	332	-6	3
Cape May	22	9%	0	2	335	161	-1	2
Bergen Central	25	4%	0	10	311	166	-6	1
Bergen South	27	18%	0	4	474	278	2	1
Burlington West	51	14%	5	14	939	387	8	3
Camden Central	48	2%	0	29	519	281	-16	1
Camden East	34	3%	1	6	574	195	2	0
Camden North	56	2%	0	23	647	283	-14	1
Camden South	37	0%	0	28	336	138	-17	1
Cumberland West	44	14%	0	9	694	376	1	1
Gloucester East	18	0%	0	8	226	86	-5	1
Gloucester West	22	17%	0	7	383	156	3	1
Salem	24	40%	0	7	415	257	1	5
Newark Center City	37	41%	1	5	669	478	2	3
Newark Northeast	46	21%	0	20	655	487	-3	3
Newark South	33	52%	6	9	761	505	13	6
Newark West	36	25%	3	17	602	310	-2	0
Western Essex Central	49	31%	2	22	717	523	-1	2
Western Essex South	24	0%	1	4	457	163	6	1
Western Essex North	36	18%	3	11	659	228	6	1

Hudson Central	17	12%	3	4	406	186	8	1
Hudson North	10	17%	0	7	327	165	10	1
Hudson South	13	33%	4	3	412	210	14	1
Hudson West	16	0%	0	8	198	93	-3	0
Hunterdon	8	0%	0	5	94	52	-2	0
Somerset	13	43%	0	2	251	156	3	1
Warren	12	43%	2	3	238	109	3	2
Mercer North	28	17%	0	4	467	226	1	1
Mercer South	35	10%	0	6	540	249	-1	0
Middlesex Central	27	0%	0	27	139	164	-17	2
Middlesex Coastal	57	10%	2	20	798	317	-5	0
Middlesex West	45	6%	0	22	564	241	-10	0
Monmouth North	36	25%	0	13	476	388	-1	1
Monmouth South	34	3%	0	18	379	273	-7	0
Morris	30	9%	2	14	503	232	1	2
Sussex	12	0%	0	3	176	94	-2	1
Ocean North	40	23%	2	14	705	357	4	2
Ocean South	29	21%	2	11	464	282	0	1
Passaic Central	38	11%	0	10	435	328	-9	1
Passaic North	14	21%	0	6	298	150	5	2
Union East	35	16%	3	5	708	315	6	5
Union West	30	31%	1	17	561	417	7	1
Union Central	25	31%	5	2	595	221	15	4
TOTALS	1,449		48		20626	11015	-7	66

While the influx of new staff to our frontlines is positive, it also means those on the frontlines are inexperienced. More than a third (35%) of our caseload carrying staff are trainees – meaning they have been with the agency for less than a year. An office by office look reveals that in 22 of our 42 offices, the majority of our permanency staff are new, reaching over 80% in a few offices. In order to support staff on the frontlines, the agency has had to expand the supervisor corps considerably over the past several years. The good news is that the state has largely succeeded in maintaining supervisory caseload standards of five staff to every one supervisor, but this requires constant tracking and vigilance.⁵

Supervisor Ratios	CY 2005	CY 2006
Jan	5.61	5.48
Feb	5.55	5.51
Mar	5.47	5.55
April	5.45	
May	5.42	
June	5.37	
July	5.37	
August	5.45	
Sept	5.52	
Oct	5.51	
Nov	5.46	
Dec	5.45	

⁵ Note that the overwhelming majority of supervisors were placed provisionally in their titles over the last two years as the state personnel system redesigned and administered the supervisory exams. Those sets of exams were finally offered in December of 2005, and the civil service lists have only recently been certified. While the opportunity to achieve job stability and permanency is a welcome one for our supervisory staff, the system's failure to move over the past two years created a tremendous backlog. It has taken considerable effort on our part to interview and process all of these positions (more than 700). We have been offered and will need a robust partnership with other parts of state government in order to complete this process. These supervisors play a critical role in helping manage caseloads.

Hiring

Looking at the data from the past two years, there are almost identical hiring patterns for both calendar years 2004 and 2005 – the agency hired just over 800 people into the designated civil service title, FSS2/Trainee, a year, which averages 67 per month. Most, but not all, of these positions were filled by caseload carrying employees. Our analysis indicates that between 742 to 573 employees total, entered these titles and assumed caseload carrying work. Our review indicates the agency does have the capacity to hire more staff per month as illustrated by months in which the hiring rate was higher than the average. But the ability to hire is constrained by budget – we must have funded vacancies to fill in order to hire.

HIRES	CY 2003	CY 2004	CY 2005	CY 2006
Jan		16	37	59
Feb		27	29	49
Mar		16	67	41
April		89	113	51
May		50	60	
June		35	83	
July		142	39	
August		91	80	
Sept		35	109	
Oct		130	75	
Nov	250	49	65	
Dec	30	124	50	
TOTAL	280	804	807	200
Avg		67	67	50

Separations

With regard to separations, the agency improved from calendar year 2004 to calendar year 2005, dropping from an average loss in the FSS2/Trainee title from 22 per month down to 20 per month. Our analysis indicates the agency is losing between 14 and 18 caseload carrying staff per month. Consequently, it seems safe to assume a replacement rate of 17 staff per month. Staff report that high caseloads contribute substantially to their decision to leave the agency. Salary comparisons suggest that New Jersey pays competitively for these positions but it is primarily the strain of the workload which compromises our ability to retain staff.

SEPARATIONS	CY 2003	CY 2004	CY 2005	CY 2006
Jan		23	23	21
Feb		18	19	
Mar		20	18	
April		28	25	
May		19	17	
June		30	13	
July		27	27	
August		27	15	
Sept		22	40	
Oct		19	14	
Nov	18	13	14	
Dec	25	22	16	
TOTAL	43	268	241	
Avg		22	20	

We also analyzed the percentage of these staff who left during the trainee period. The agency loses 14% of hires in their first year – half in the first six months, before they are generally eligible to carry cases.

Trainees (April 2004 through Dec 2005)

	Separations	Base	Loss Rate
1 to 6 months	106	1552	7%
6 months to 1 year	96	1473	7%

We would expect to lose some staff who either determine themselves – or whom we determine – are not suited to the work. And we would not want inordinate retention pressures to discourage supervisors from moving out staff who are not suited to the work – the work is simply too important. But we do need to do some further analysis to understand more about these first year separations. We need to learn whether we can improve whom we hire and/or the job experience in the first year.

Training

New Jersey has made substantial investments in training for new staff and additional training for existing staff, investments which are just beginning to realize a return. The previous plan required offering seventeen different types of training but lacked sequencing and any focus on the fundamentals. We have analyzed the training offerings and propose concentrating on the basics. To that end, we are pursuing a two-prong strategy, utilizing the Training Academy and a partnership with New Jersey's colleges and universities.

The Training Academy will focus on delivering the critical basics – pre-service training for new recruits, investigator training for our intake staff, and supervisory training for new supervisors. Each represents a formidable undertaking, in total providing training to more than two thousand staff per year.

We begin with a focus on new recruits. We now have a state of the art pre-service training which balances classroom training, practicum, and use of training units in the field. We are in the process of further adding to the pre-service curriculum additional training on investigations, which increases the training hours to 160 class hours, followed by competency exams. That curriculum change is currently being tested and by September 2006, every new recruit will undergo this revised, intensive training curriculum.

We have also revised the investigator training and are finishing up the pilot tests on that new training. We will begin roll out to our existing investigator staff (new staff will receive the training as part of pre-service) in September 2006 and then will continue to train until we reach our entire corps of investigators. We will be carefully staggering and coordinating the scheduling of this training in order to balance the substantial demands of intake with the need to raise the training level of our staff.

Finally, we have a substantial new wave of supervisors entering the system and have a revised supervisory curriculum to offer to them. By September 2006, we will have completed the civil service process to convert our corps of supervisors from provisional status and can begin staggering training for this group of staff, offering 40 hours of supervisory training followed by competency exams.

With the resources of the Training Academy focused on these three critical areas, we are pooling all of our existing training dollars in order to with a plan to work with a consortium of New Jersey's colleges and universities to begin delivery of other critical training needs. We have already met with potential partners to assess the best training delivery systems and to seek to design a training system which maximizes use of federal training dollars. We need to engage in an intensive period of curriculum design and testing and will focus first on concurrent planning (to support improved permanency practice) and on the reform case practice model. We anticipate signing a contract with the consortium and beginning service delivery in April 2007, offering 20 hours of in-service training for our staff for 2007 but ramping up capacity so as to offer 40 hours of training for 2008.

Proposal: Continue to Recruit, Hire and Train New Staff

We believe the existing investment in hiring new staff will continue to pay off. As of March 2006, there were 138 trainees already hired and on-board but not yet ready to carry a caseload. Those trainees will gradually enter the workforce and help relieve some pressure on the frontlines. We need to continue to hire at least 68 staff per month – of whom 60 will survive the trainee period. We need to hire in order to replace existing caseload carrying staff, to cover staff who are out on leave, and to increase the net number of staff available to carry cases. At a rate of 60 per month, it will take us until October 2007 to hire all of the staff we need to achieve caseload targets. We have increased our capacity to train new staff – we now have three training cycles starting per month. It takes six months for staff to finish training and begin to build a caseload – and a year before most are able to handle a full caseload. Therefore, it takes at least a year to realize the return on staff hired now. Consequently, it will be October 2008 before all of the staff hired through October 2007 reach full caseload carrying capacity. Utilizing March 2006 referral rates as our baseline, it will take until December 2008 to achieve the caseload targets.

The budget proposal for FY2007 includes funding for our existing staff, additional caseload carrying staff, and funding for training. We proposed increasing current funding for caseload carrying staff at \$13.6 million which involves reallocating 200 positions previously utilized at the recently closed Arthur Brisbane Child Treatment Center to DYFS frontline positions. We will need an additional \$15.6 million to hire the additional required caseload-carrying staff, a budget item we will need to cover with existing funds in our base budget. A further \$5.4 million in our proposed budget supports the annualization of the cost of existing positions from FY 2006. The budget proposal includes funding in the amount of \$650,000 to underwrite graduate social work tuition and require a commitment to stay with the agency following graduation. Such an investment will allow us to recruit staff with the right set of skills. Our ability to hire the required additional staff going forward is completely dependent on the decisions made by the legislature. We would expect improvement towards caseload standards to stall absent the requested investment.

Chart of Progression from Hiring through Training to Full Caseload (at hiring rate of 68 per month)

	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07
Jul-06	68					64						60		
Aug-06		68					64							
Sep-06			68					64						
Oct-06				68					64					
Nov-06					68					64				
Dec-06						68					64			
Jan-07							68					64		
Feb-07								68						
Mar-07									68					
Apr-07										68				
May-07											68			
Jun-07												68		

Key

Training (no caseload)	
Caseload Carrying Trainee	
Full Caseload	

New Jersey ***Focusing on the Fundamentals***

Well-Being

Summary: Reform requires preventive services to keep families from harm, services to keep families together, mental health services for children in crisis, healthcare for children in out of home placement, treatment homes and residential treatment slots for our neediest children in out of home placement, and services to find and support families for children who need homes. The costs of failure to provide services will force families and children into crisis, generating expensive reliance on hospitals, institutions, and foster care.

Benchmarks:

Child Welfare

September 2006

- *Institute impact teams to bridge gap between applications and licensing*
- *Finish database audit and establish baseline of existing RF homes*

December 2006

- *Establish a methodology to analyze resource family needs that includes improved ability to place sibling groups intact, place children in their home communities, and target reductions in reliance on institutional placement*
- *Establish licensing targets for CY 2007*

January 2007

- *Increase the board rate for resource families to further close the gap between the existing rates and the USDA rate by 25% (dependent on funding)*

June 2007

- *License 1030 non-kin resource family homes in FY 2007(dependent on funding)*
- *Set licensing target for FY 2008*

Preventive Services (dependent on funding)

July 2006

- *Continue existing investments in school based and domestic violence services*

January 2006

- *Finish county based needs assessments for first four counties*

- *Identify potential partners & issue requests for proposals (RFPs)*
- *Identify and commit to continuum of evidence based preventive services (area prevention and support, family support, home visitation)*

April 2007

- *Begin awards and evidence based program implementation in target sites*

Behavioral Health

September 2006

- *Develop methodology for identifying children in out-of-state congregate placement who are ready to step down to a lower level of care*

October 2006 (dependent on funding)

- *Begin implementation of methodology*

December 2006

- *Institute “real time” bed tracking system to manage behavioral health beds and match those beds with children who need them*
- *Complete assessment of service continuum*

March 2006 (dependent on funding)

- *Issue RFPs for services realignment*
- *Begin process of identifying Medicaid rate structure for evidence based programs*

Healthcare

October 2006 (dependent on funding)

- *Issue RFP for expanded healthcare services*

December 2006

- *Maintain 70% pre-placement assessment rate in non-emergency room settings*
- *Finish health services data collection*

January 2007

- *Begin awards for healthcare expansion (dependent on funding)*

March 2007

- *Based on healthcare analysis, set targets for healthcare service delivery for 2007*

June 2007

- *Achieve a 90% rate of pre-placement exams in non-emergency room settings*
- *Identify a statewide coordinated system of health care for children in out of home placement (implementation dependent on funding)*

Analysis: The promise of delivering well-being for New Jersey's most vulnerable children is the work of the current Office of Children's Services. The reformulated Division of Prevention and Community Partnerships will work in partnership with local communities to deliver critical services from birth through adolescence. The Division of Children's Behavioral Health delivers mental health supports to children and families throughout the state. And the Division of Youth and Family Services provides services to intact families with maltreatment issues, to children who have been removed from their homes due to maltreatment, and to families who have been reunified or adopted.

The FY 2007 budget concentrates on several critical areas of well being – the fundamental building blocks of sound reform:

- Investments in child welfare services to improve our timeliness to reunification and to increase our resource family base so most of our children in out-of-home care:
 - Can reside with a family, rather than living in an institution
 - Can live with their siblings, rather than being split up
 - Can live as close as possible to home, so they can stay in contact with their family and friends
- Investments in proven preventive services
- Investments in proven mental health services
- Investments in delivering healthcare to children in out of home placement

Child Welfare Services

General

In order to maintain service delivery at the FY 2006 rate, our proposed budget requires funding for treatment homes (\$732,000); residential placements (\$439,000); and family support services (\$5.9 million) which includes the costs critical services for our children and families including home-maker services for families at risk, psychiatric exams, etc. In FY 2005, these family support service investments allowed us to lower our placement rate to 6774, down from 8,172 in CY 2003. They also helped us lower our median length of stay in care, down to 10.4 months from 11.5 months in CY 2003. These services also played in role in reducing our rate of re-entry into care – down to 24% from 30% in CY 2003. All of those gains through the use of service dollars reduced reliance on residential care – and so were a wise investment warding off the higher expenses associated with residential care.

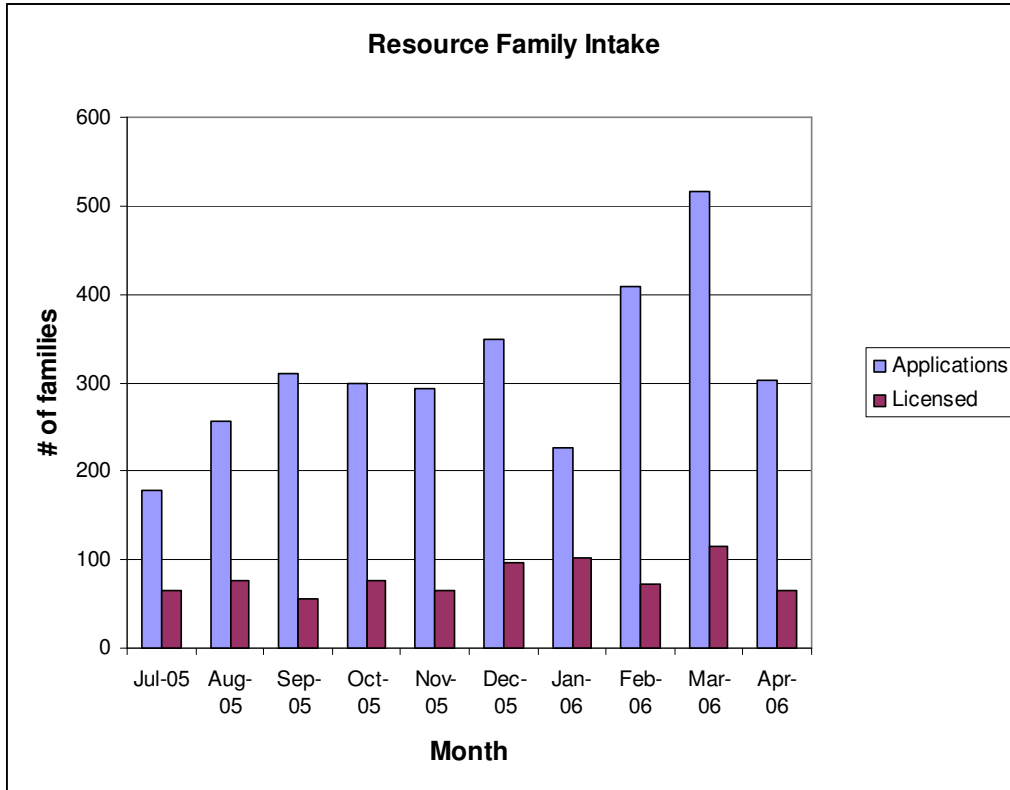
Note that our current budget also contains a modest additional investment (\$150,000) in mentor services for our adolescent population. Several national studies have documented the efficacy of mentor services and as documented in the recent Association for the Children of New Jersey report, outcomes for our adolescent population in care need substantial improvement.

Resource Families

In order to achieve reform, one of the critical areas of additional investment is in resource families. We need additional resource family capacity to house our children entering out of home placement in order to ensure they have a stable home while they are in care; in order to house siblings together; in order to keep them in their home communities; and in order to avoid more expensive, and less appropriate institutional placements. On all of these measures, New Jersey must improve – and that requires additional investment in resource family homes.

To that end, we must continue to bring up our resource family board rates. The goal is to match USDA rates. We propose annual increases of the existing board rates by closing the gap by 25% annually between now and 2008. Our current budget includes a proposed increase to annualize the increase in board rates which took place in January 2006, at a cost of \$1.599 million. In order to continue to close that gap by a further 25% in January 2007, we need an additional increase of \$1.989 million.

We have the potential to recruit the necessary additional resource families. The trendline in the chart below indicates that we have been growing our capacity to identify potential new resource families. We are getting better at supporting families to the threshold of committing – the application point – and our task for 2007 will be to concentrate on increasing our licensing rate.



Proposal: Improve our licensing rate

The short-term challenge for us is to tackle the gap between the number of applications received and the number of families licensed per month. In order to tackle this challenge, we want to begin by creating an impact team who will report directly to senior management. We will utilize data to target areas with the largest group of applications awaiting processing. We will form the team together from the existing resource family licensing group to focus solely on licensing of new homes. We will pair this licensing group with local resource family support staff. We will select the local offices based on the important combination of leadership, capacity, and need. We will arm them with data to help them problem solve. We will then set aggressive targets to work with resource families to identify and solve the challenges associated with the application process. We will experiment with different partnership models – for example, pairing up the licensing and field staff at different stages in the process to see which is most efficient. We will use this team not only to yield critically needed results but also as a learning group to identify system barriers and assist us in problem-solving. We will conduct flow analysis to identify systemic clogs. This group will also help us identify critical training and support needs for our resource family staff.

Proposal: Refine the Tracking System and Establish Targets

Each level of the organization needs to measure resource family recruitment, application processing and retention, and we need to set targets. We need easy to use tracking systems which differentiate between kin and non-kin homes.

Our staff need to know how many resource families we expect them to bring on line and how they are doing. The power of information is remarkable. As the chart below illustrates, recent efforts by the field to set targets are paying off. In March 2006, we met or exceeded our goals in licensing families in 14 of our 21 counties. Targets help staff identify expectations and celebrate achievements – and push when they do not experience success. What we want to do is to support these efforts more robustly and give our staff the tools they need to set targets and track their progress.

Resource Family Targets (March 2006)

County	Target	Actual	Outcome
<i>Atlantic</i>	4	4	Met
<i>Bergen</i>	4	12	Exceeded
<i>Burlington</i>	6	5	Short
<i>Camden</i>	7	4	Short
<i>Cape May</i>	1	2	Exceeded
<i>Cumberland</i>	3	2	Short
<i>Essex</i>	23	17	Short
<i>Gloucester</i>	3	5	Exceeded
<i>Hudson</i>	6	5	Short
<i>Hunterdon</i>	1	2	Exceeded
<i>Mercer</i>	4	4	Met
<i>Middlesex</i>	4	6	Exceeded
<i>Monmouth</i>	4	5	Exceeded
<i>Morris</i>	4	6	Exceeded
<i>Ocean</i>	5	9	Exceeded
<i>Passaic</i>	5	7	Exceeded
<i>Salem</i>	1	3	Exceeded
<i>Somerset</i>	3	1	Short
<i>Sussex</i>	2	8	Exceeded
<i>Union</i>	7	5	Short
<i>Warren</i>	2	4	Exceeded

A review of the list of registered licensed homes indicates that a number of the homes listed in our licensing database were not actually available. Some had been one time only resources – a grandmother raising a grandchild, now grown, and the grandmother had no interest in serving as a foster parent for other children. Some families had moved out of state or the key family member had

died. And some families were no longer interested in serving as foster families. In short, the total in the database overstates availability. We are currently in the process of officially closing homes which are no longer available. Once this review and closure process is complete, we will know our baseline.

In the meantime, the tracking process utilized by licensing in closing those homes currently obscures important information. The backlog effort was incorporated into the same database utilized to track the standard home closure process. The failure to differentiate means that homes that have not been active for years are included in the same closure statistics as homes that have recently been closed. So it is not surprising that for 10 out of 12 months in 2005, the net number of resource homes was negative. This tracking system makes it difficult to sort out what our “standard” closure rate is and understand what our real yield is month to month and what our real challenges are with retention. The incorporation of licensing into the potential Department of Children and Families will help underline the importance of utilizing licensing information to inform practice in the field – but we have work to refine the tracking system and make it useful for all purposes.

Proposal: Increase the Board Rate

Given that New Jersey is struggling with a huge deficit and so faces difficult budget times, we want to continue our commitment to increase board rates but propose delaying the next increase to January 2007. That increase will close the gap between the current board rate and the USDA rate by 25% for Urban Northeast, Middle Income. The estimated cost of the increase is \$3,588,000.

Proposal: Employ Strategic Contracting Partnerships

We need to redirect our contracting away from recruitment and move towards home studies and support. Over the past two years, we have not realized the return we had hoped through various contracts with private providers and entities to recruit new resource families. Those providers have found it difficult to gain the skills necessary to engage in robust recruitment efforts – and we have had limited capacity to support them. It is also the case that they are recruiting in an extremely competitive climate which includes our own staff in DYFS and efforts in Behavioral Health.

Given the identified gap between applications and licensing, we believe our contracting resources would be better spent addressing needs to bridge the gap. To that end, we want to engage in a contract analysis to determine where we have existing dollars that can be redirected from low yield recruitment efforts into higher yield support efforts. We will modify existing contracts where possible and RFP otherwise. We need partners to conduct home studies, a critical identified need which is slowing down our ability to license our resource families. Our own staff cannot address the backlog of home studies, particularly for kin. We also

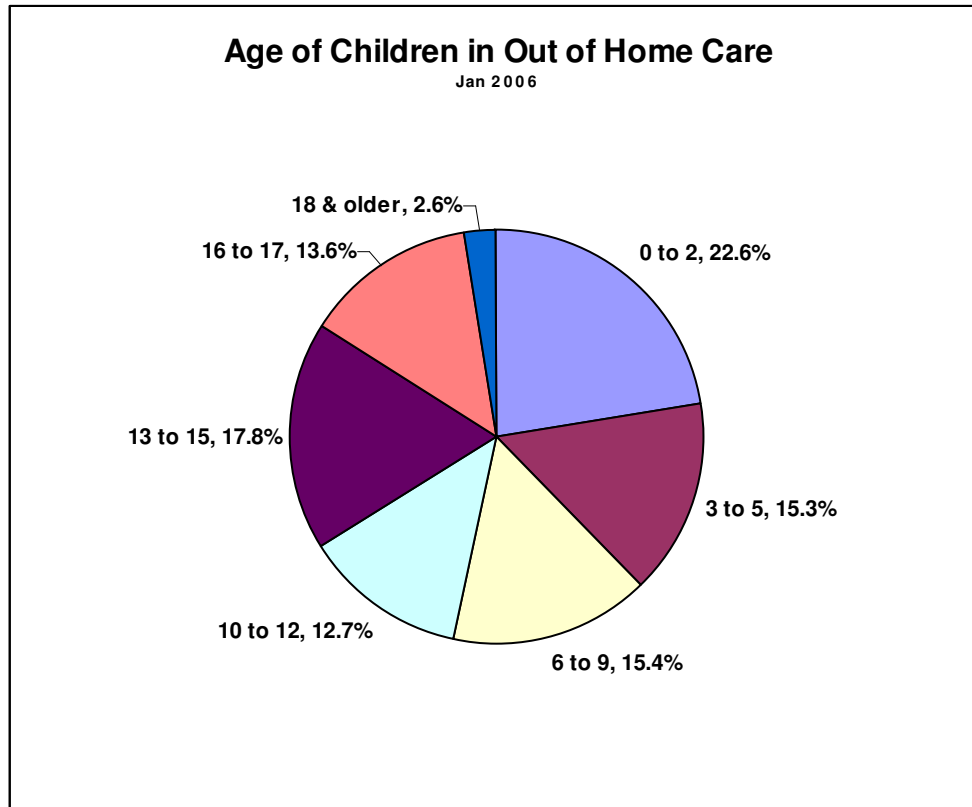
believe that some provider agencies may be better poised than our own staff to conduct home studies in target neighborhoods, particularly with kin, and then in turn, provide support to those kinship families. We will redeploy existing dollars in our base budget to meet this need.

Preventive Services

One of the most under-delivered components of reform in New Jersey has been in the arena of preventive services. Sound preventive services can reduce rates of maltreatment and improve well-being and life outcomes for thousands of children. We have spent the last several months meeting with abuse prevention experts, reviewing the preventive services research literature, and talking with a wide variety of potential partners in New Jersey. New investment in this arena is critical.

Widely unrecognized are the investments already made in school-based youth services which leverage federal funding streams. Those services work with at-risk youth and youth in need in their schools. We receive referrals for these services from teachers and counselors, and parents also ask for our assistance. We believe investments in these school based services have paid off in the past and should be continued into the future. We have also made investments in domestic violence services, primarily through the PALS (“Peace: A Learned Solution”) program, a model program first developed in Burlington County. We believe investments in such domestic violence services should not only be continued, but expanded. But the greatest area of need is in supporting evidence-based, proven approaches to prevention, including home visitation, where we have proposed an investment of \$2.2 million – a critical set of services where New Jersey is severely under-resourced. We also need to invest in family support and strengthening programs, such the programs that exist in Allegheny County (the Pittsburgh area) Pennsylvania, at a cost of \$2.65 million (the combined total of area prevention and support and family support services).

We also need to expand on investments made in the early days of reform. The demand for child care slots for our youngest children in care and to support families at risk of maltreatment remains high. This demand has grown as work requirements have grown for the DFD population, and as more and more of our families and foster parents participate in the workforce. For example, as the chart below illustrates, fully a third of our children in out of home care are pre-school age – and we can no longer assume foster parents can stay home full-time.



And on-going analysis of our population indicates continued demand for substance abuse services – for women with children and for adolescents.

Studies in Washington State prove that preventive services dollars are a wise investment – they ward off more expensive healthcare, maltreatment, and residential care costs. In the Division of Prevention and Community Partnerships, we have now divested much of the previous investment in infrastructure by redeploying former preventive services staff, most of whom had skills more suited to other areas of the organization, to other critical needs, including the frontlines of DYFS. We want to utilize our funding to deliver services and deliver on the original promises of the reform. We will follow sound planning and contracting processes, establishing first the areas of need and then soliciting proposals. We will stretch the state’s dollar by partnering wisely and making investments only in proven service models. This part of our practice has the longest way to go and so investments in this arena will take some time to mature – but failure to invest will mean expensive costs to other parts of the system, and even more importantly, it will mean failure to support vulnerable children and families in need.

Behavioral Health

Over the past several years, New Jersey has made substantial investments in meeting the mental health needs of its children. That investment has been

leveraged to draw down tens of millions of federal Medicaid dollars. But to continue reform we need to improve our continuum of services. To that end, we proposed funding for critically needed treatment homes in the amount of \$10 million dollars, with a similar amount for community based mental health services. We need to grow our capacity to deliver evidence based services to children with behavioral health needs, in order to reduce reliance on expensive residential care. To that end, our budget proposed investments in Multi-Systemic Therapy and Family Functional Therapy, two well proven interventions which reduce expensive hospital and institutional costs, while delivering much better outcomes for children and families.

We are also working hard to ensure the best use of our existing residential placement and service dollars. Between now and December 2006, we are engaged in an intensive assessment process to understand the needs of the children in our behavioral health system and assess the existing continuum of care. Stakeholders – children, families, providers, our own staff – report that we need more services and that children are staying in deep end placements in the absence of adequate and appropriate step down services. We have already put into place several new interventions to ensure we better identify the children who could return home, and we are working with our staff and providers to aggressively plan for those children.

Healthcare for DYFS Children in Out-of-Home Placement

One of the greatest areas of need for reform is in the healthcare for children in out-of-home placement. Some investments on this front have had early returns. The expansion of our provider network, for example, has allowed us to provide more than twice as many children with a pre-placement assessment in an environment less traumatizing than an emergency room – a doctor's office or clinic – achieving a rate of 70%. But we have much more work to do. Only 20-25% of our children receive a comprehensive initial medical exam. We must provide medical and dental exams to all of our children in care; achieve a pre-placement assessment non-emergent rate of 90%; and we must also improve our tracking of provision of medical services. To accomplish those necessary reforms, we need to ensure we have nurses in our local offices, requiring additional funding of \$900,000. We have to invest additional dollars to pay for medical and dental exams (in the amount of \$1.17 million dollars). We also need to continue to utilize the services of the Regional Diagnostic Treatment Centers (RDTCs) which provide specialized assessment and treatment services for our most severely maltreated – sexually abused, physically abused, and traumatized – children. Maintaining RDTC services requires an additional investment of \$1.7 million dollars.

Wellbeing

Requested Additional Investment:

	<u>Annualization</u>	<u>New Priorities</u>	<u>Other</u>
Prevention Services			
Area Prevention and Support	\$ 150,000		
Family Support Services	\$ 2,500,000		
Domestic Violence Services	\$ 3,225,000		
Home Visitation		\$ 2,200,000	
School Based Youth Services	\$ 4,000,000		
Behavioral Health Services			
Treatment Homes	\$13,862,000	\$10,000,000	
Behavioral Assistance	\$ 7,005,000		
Family Support Organizations	\$ 1,355,000		
Case Management Organizations	\$ 1,193,000		
Youth Incentive Program	\$ 473,000		
Youth Case Management		\$10,750,000	
Annualized Cost – CSA	\$ 346,000		
Dually Diagnosed (DD/MH)		\$ 2,450,000	
Healthcare			
Nurses for Local Offices	\$ 900,000		
Health Exams	\$ 1,170,000		
RDTC Rate Increase		\$ 1,700,000	
Child Welfare Services			
Treatment Homes	\$ 732,000		
Residential Placements	\$ 439,000		
Family Support Services	\$ 5,941,000		
Mentor Services	\$ 150,000		
Resource Family Board Rates			
Annualize FY 06	\$ 1,599,000		
FY 07 Increase			\$ 1,989,000

New Jersey Focusing on the Fundamentals

Permanency

Summary: New Jersey has made small improvements on some measures in achieving permanency for children – but we still have a long way to go to achieve reform. The state must continue to invest in services, including flex funds, addiction treatment and reunification counseling, which can allow for the safe reunification of children with their families. In focusing on the fundamentals, we must invest substantially to assist the children with the greatest need, those who cannot be reunified with their families. We must rebuild a strong adoption program to deliver permanency for children who need homes and to avoid potential federal financial penalties if federal adoption targets are not met by September 2007. We are moving forward with a plan to establish specialized adoption practice units in all DYFS offices. In Newark, where the greatest number of children await adoption, we plan to convert the business of one of our four DYFS offices exclusively to adoption work. To meet these goals, we intend to invest in services to address the pressing backlog of children awaiting adoption. Those services include home studies, paralegals, and child summary writers. We also plan to invest in 66 additional staff (just under 1.5 on average per office) in order to achieve adoption worker to child caseload standards of 15 to 1. Staff must have reasonable workloads in order to concentrate on providing the right degree of service to this vulnerable group of children. We need a high degree of accountability for achieving adoption targets, and we need clarity and stability in our adoption practice.

Requested Investment:

	<u>Annualization</u>	<u>New Priorities</u>	<u>Other</u>
<i>Reunification Services</i>			
<i>Flex Funds for Family Supports⁶</i>			\$ 2,700,000
<i>Adoption</i>			
<i>Paralegals⁷</i>		\$ 2,900,000	
<i>Subsidized Adoption⁸</i>	\$ 5,377,000		
<i>Legal Services</i>			
<i>Office of the Public Defender</i>	\$ 4,700,000		

⁶ Requires reallocation from existing funds in our base budget.

⁷ Funds 55 additional paralegal positions.

⁸ Children receiving subsidy supports have increased 27% since the start of the reform – from 10,009 to 12,680. There was an 8% increase in 2005 compared to 2004, and we would anticipate a further 8% increase against the base in 2006.

Benchmarks (achievement dependent on proposed level of investment)

By July 2006

- Increase access to flex funds for families targeted for reunification

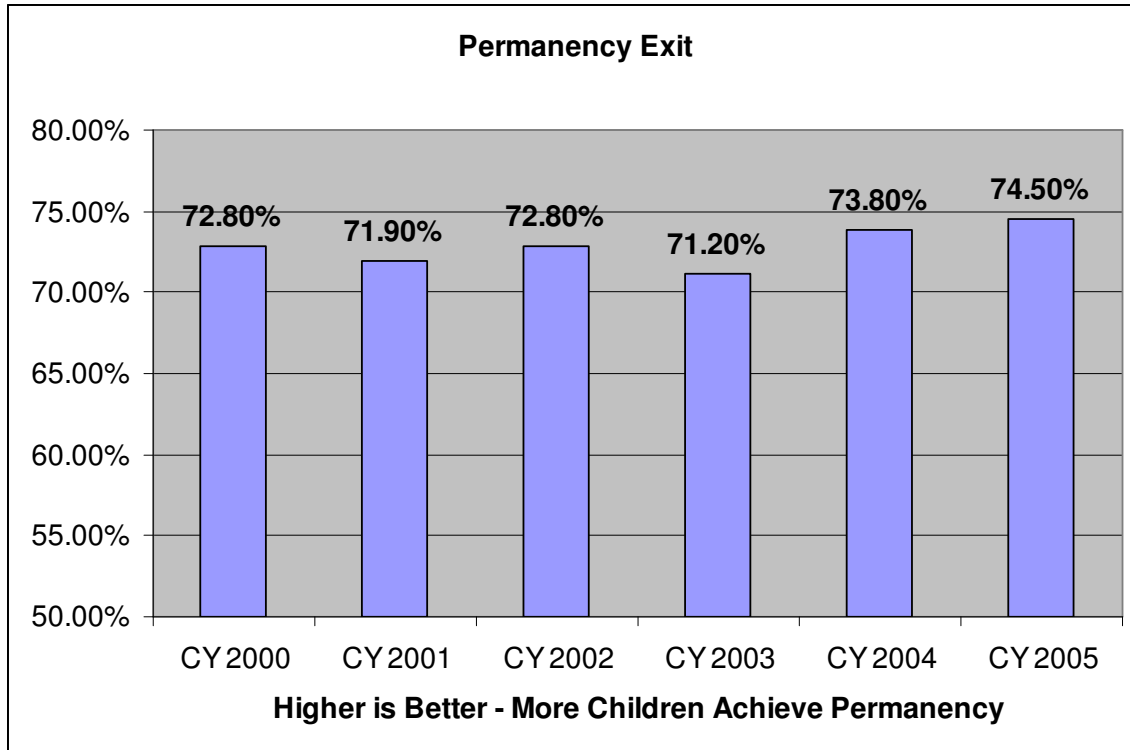
By December 2006

- Implement adoption plans for each local office including targets based on milestones and finalizations for each office
- Identify existing contracts which can be redeployed to support paralegal, home study, child summary writer and other critical adoption support services
- Assemble and deploy SWAT team from central office to concentrate on offices of greatest need
- Assemble impact team from among resource family recruiters to concentrate on recruiting adoptive homes for 100 longest waiting children
- Hire, redeploy, and train sufficient staff so that 35% of offices have average caseloads for adoption staff consisting of 18 or fewer children
- Finalize 1100 adoptions during calendar year 2006

By June 2007

- Hire, redeploy, and train sufficient staff so that 60% of offices have average caseloads for adoption staff consisting of 18 or fewer children with a subset of 35% of offices achieving average caseloads for adoption staff of 15 or fewer children.
- Issue RFPs and have awarded contracts for critical adoption services
- Be on track to finalize 1400 adoption by the end of calendar year 2007

Analysis: There are signs that New Jersey's considerable investments in new permanency staff (see section on Safety) are beginning to deliver returns. Last year, a higher percentage of children left care for a positive permanency outcome – reunification, adoption, guardianship – than in the previous five years. (Small rates of change on this measure are significant.) And although we have a considerable way to go, we are improving our rate of safe reunification – a historic source of struggle for New Jersey. In 2003, 30% of our children who exited care to reunification, re-entered in within 12 months, a rate that dropped last year to 24%. We also reduced our median length of stay last year to 10 months, almost a 10% improvement from 2003.



All of these positive signs can be attributed to the many considerable investments made to date – but we still have a long way to go to achieve reform. We are far below the federal standards for timeliness of permanency for both reunification and adoption. But it is around adoption that we have lost the most ground.

Previously, New Jersey utilized separate, specialized offices, the Adoption Resource Centers (ARCs) to handle adoption cases. The benefit of the ARCs were that they concentrated adoption expertise and allowed it to grow. They sheltered adoption practice from the press of the work in the local offices, where permanency can be drowned out by crisis. And the ARCs helped New Jersey to become a national leader in the number of finalized adoptions. The downside of the ARC model related to the disconnect from the local office, which created delays that undermined the achievement of swift permanency for children and left New Jersey behind in meeting federal targets. It created a gap into which some children fell, with cases lost and needs unaddressed. It meant local offices did not have the benefit of adoption expertise and so were less likely to understand the benefits of sound concurrent planning. And there were concerns – hotly debated – about the ability of the ARCs to concentrate on issues of safety.

As part of the reform plan, New Jersey committed to closing the ARCs and embraced what was referred to as the “one worker, one child” (OWOC) style of practice. On paper, the OWOC model may have seemed ideal. A child who could not return home would have one staff person to shepherd her through the out-of-home placement process to adoption. But in practice, the OWOC model

proved difficult to institute. During the first two years of the reform, New Jersey local offices were in turmoil. Large numbers of new staff were being brought on in order to lower caseloads. Experience in the supervisory ranks declined as the need for more and more supervisors grew. Frontline turnover rates were high with staff leaving the agency, transferring offices, moving into new positions, and promotions. There was not the type of stability on the frontlines envisioned by the OWOC model. Instead, children had new caseworker after new caseworker. The system struggled to train those caseworkers in the basics and sound adoption practice required far more than knowledge of the basics.

In the meantime, the ARCs were closed precipitously, before local offices developed the expertise (which would have been a long process), and the closure disappointed many senior adoption staff, who left the agency. Those adoption experts who stayed were scattered thinly among the local offices. Civil service and union rules and the need to relocate staff as humanely as possible left many local offices without any adoption expertise at all. The centralized Adoption Exchange was also dismantled on the theory that the development of the resource family infrastructure in the local offices could take over. But many of those resource family staff were also new and knew little of adoption practice and received little guidance or training. And along the way, important management practices around adoption were lost – for example, adoption data tracking and target setting were abandoned.

The end result is that by the end of 2005, New Jersey's permanency practice had slipped with adoption practice in an alarming decline. While the agency finalized almost exactly 100 fewer adoptions in 2005 than in 2004 (1315 v. 1418), if trends continue, we may finalize 400 fewer adoption cases in 2006 than 2005. While the numbers of children with a goal of adoption are roughly comparable – 3357 in December 2005 versus 3571 in November 2004, those children are farther away from permanency. An audit of our adoption cases revealed that we had moved almost 300 fewer children into the final stages – (243 v. 477) were in foster homes with signed consents and (165 v. 217) in select homes. We had 1870 children waiting – waiting for their consents (809); waiting for a select home placement (433); waiting for a kin adoption (519); with a last group waiting without an identified type of adoptive home (109). Most critically, we have slipped in time to permanency – in the federal fiscal year (FFY) of 2003, 25% of our children achieved permanency within 24 months. For FFY 2005, that figure dropped to 17%. The federal government set a target of 25.3% for New Jersey which must be achieved by September 2007 or New Jersey risks financial penalties. We need to have enough staff and staff concentrated solely on adoption if we are going to achieve this target.

We cannot tolerate failing to deliver for our children who need this permanency. We must improve adoption practice, reconstruct our expertise and aggressively tackle our backlog.

Proposals:

- **Improve accountability**
 - Incorporate adoption data into key management indicators at every level of organization and establish adoption targets
 - Ensure regular permanency reviews
- **Adopt operational structure and stabilize**
 - Keep in local office
 - Addresses hand-off issue that inspired OWOC
 - Helps embed concurrent planning at front end
 - Every office has adoption staff with supervisors or case practice specialists devoted to adoption
 - Large – could have several units
 - Medium – one unit
 - Small – staff person or two
 - In Essex, focus one of four local offices in building on adoption practice
 - Requires adding 66 additional staff (avg. 1.5 per local office) to achieve caseload standards
 - Each Area Office has adoption point person, the concurrent planning specialist, and that expertise is both focused and protected
 - Central adoption staff have mapped existing adoption expertise
 - Leverage existing expertise to cover under-served areas
- **Employ aggressive and targeted backlog strategy**
 - Use local office profiles which map staffing levels, case composition, and identified barriers (from Adoption Case Audit) and target cases for swift intervention and support
 - Deploy administrative SWAT team to address difficult decisions and create impact team to handle 100 longest waiting children
 - Add contract staff to handle non-field work
 - Gathering medicals
 - Writing court reports
 - Scheduling with Surrogates Office
 - Add private partners (e.g. retired, experienced from outside)
 - Expedite adoption tasks
 - Mentor practice
 - Home studies (where demand exceeds local staff capacity)

Proposal: Localize, Operationalize, Protect and Stabilize Adoption Practice

“One worker, one child” is not a model that will work for New Jersey. We want to adopt a model which preserves the virtues of embedding adoption practice in the local offices and which addresses the safety and timeliness concerns which led to the dismantling of the ARCs. Every office will have an adoption unit or units. In small offices, that unit might be a single staff member. Large offices could

have several units. And in Newark, where the bulk of the backlog is concentrated and adoption practice grown particularly weak, we propose turning one of the four offices, all located in the same building, into one that concentrates solely on adoption practice. As Chart 1 below illustrates, our offices have already moved in that direction. We now need to move aggressively to realign caseloads – to move adoption cases with permanency staff to adoption staff and to move non-adoption cases currently carried by adoption staff to permanency staff. We will make an exception for cases close to closure or where there is a strong established relationship between the child and the worker. But our target is to have no more than twenty (ten/ten) cases exempted by exception per office. One third of our offices have currently met that target but almost half need to do considerable realignment work.

We want to make it clear that this local operational model is our model – with no more interim plans or structural changes of direction. Constant change confuses our staff and our community partners. We need to settle on an approach, including a structure, and commit to it and build it to capacity.

We will also root adoption expertise in our area office. We will utilize the concurrent planning specialist or her equivalent as the point person for adoption practice for an area. That specialist will train and support the adoption units and staff in her area. She will also help support concurrent planning in the rest of the office. While we do have existing concurrent planning specialists in most of our areas, many have been diverted to address other pressing needs and so are not concentrating on adoption practice. The area directors agree with the need to focus and support adoption practice on the frontlines and so will protect this position to ensure it remains focused. That concurrent planning specialist will serve as a point person with central office to champion frontline need and will serve as a conduit for support from central office back to the local offices.

Keeping the adoption practice in the local office will help support sound concurrent planning. At the same time, the concentration of the practice in an individual, unit or units, or in Essex, in an office, helps focus and leverage the existing expertise while growing new necessary expertise more rapidly. It protects the adoption practice from the hurly-burly of intake and from the majority practice of the office, where crisis and initial safety concerns can drown out sound adoption practice. Adoption staff will focus and will not be redeployed to meet other immediate pressing needs.

We will set the adoption caseload standard at 15 children per staff person. In order to support our staff at caseloads of 15 children, we will need to provide additional supports – paralegals, child summary writers, schedulers, and adoption experts. Some of those supports already exist but as demonstrated by our backlog, which is substantial, we will need to make substantial additional investments in both staff and in contracts if we are to lower adoption caseloads and begin to achieve timely permanency for our children awaiting adoption. Our

ability to meet these critical caseload standards will only be possible if the necessary funding is available to support further investments in adoption services and staff for FY 2007.

Proposal: Improve Accountability

In no arena is management by data more necessary. Because sound adoption practice requires execution of a succession of inter-locking tasks at identified stages of a child's stay in care, good practice requires data at each milestone in order to help staff understand how near or far they are from achieving the goal of delivering timely permanency through adoption for the children in care. The ARCs had a strong set of measures and set targets – by region, by office, and by staff member. We have staff who know how to do this well – and we are going to reinstitute this practice. Everyone – from frontlines through supervisor, local office manager, concurrent planning specialist, area office director, through senior leadership will track adoption data. Adoption measures will become a part of our core indicators.

We will have outcome data but we will also keep process data. We have already begun to build an interim system utilizing existing resources while we incorporate the necessary measures into NJ SPIRIT. We will hold regular permanency conferences in each case – at the five and ten month marks. At the ten month mark, if the child's goal appears to need to change to adoption, we will prepare for the twelve month permanency hearing in advance. We will have a checklist of tasks to be completed by the permanency staff person in advance of the hearing. An adoption worker will be designated to the case, to meet the child and to be prepared to take over smoothly after the permanency hearing if the judge changes the goal. We will track these conferences and permanency hearings to ensure they are happening timely.

We will also make our adoption practice more transparent and accountable by publishing adoption data on our website. We have already posted our first adoption measure and will add more as the data becomes available.

Proposal: Employ a Backlog Strategy

We have a large number of children awaiting adoption – commonly referred to as the backlog. As you can see in the backlog chart below (Chart 3), many children need adoptive homes. To that end, we will pull together an administrative SWAT team to work side-by-side in identified local offices to tackle well-defined challenges in the practice. We know some cases present knotty issues that are difficult to sort out for our relatively inexperienced staff. When a staff person hits one of those issues, the case is likely to be placed on a back-burner and permanency slips farther away. The SWAT team can tackle these cases and has the expertise to help make a complex decision or identify the resource to problem-solve where the case is stuck. But we want to be careful to do this in

partnership with the local office staff – not to takeover, which would mean that while a case might get resolved, we leave no expertise behind. We want to be strategic and use the SWAT team as a tool for continuous quality improvement in our adoption practice. We will pull together the SWAT team utilizing central office, area office, and local expertise. We propose beginning this process within the last six months of 2006 after adoption staff are added to the central office. We are also going to redeploy a group of existing resource family recruiters to assemble an adoption impact team to concentrate on doing child specific recruitment for the 100 longest waiting children.

We also want to use private partners strategically where the partners' strengths match our need. We believe some private agencies may be better poised to complete home studies and support pre-adoptive and adoptive families in some areas where we have great need. We can also utilize outside assistance in drafting child summaries, gathering documents, and scheduling. Given the existing paucity of internal expertise, we also need to invest in adoption experts to mentor our local staff.

Our first step on the road to partnership is going to be an analysis of our existing contracts, which is part of a much larger contract analysis effort under the leadership of our newly identified chief financial officer for the projected DCF. This experienced fiscal professional is teaming up with our senior leadership to diagnose our existing business practice and improve it. One of the priorities for the analysis will be a review of our existing contracts related to adoption to identify which of those have yielded positive results and which might need to be redirected. We are also going to analyze the range of how we use our resources and consider redirecting other contracts to meet the pressing needs in this area. We are committed to utilizing sound contracting processes – which will require not only redeployment of existing resources but additional work to issue requests for proposals and awards on a timely basis. We have extremely limited contractual and proposal development capacity and will need to grow it. We are committed to growing that capacity and to utilizing competitive processes. We understand that waivers must be the exception, not the rule. We also are committed to moving towards performance based contracting which delivers on outcomes that best serve our children and families.

As pressing as our need is on this front, we must first do our contract analysis and build our infrastructure in order to ensure the best use of the existing dollars. To that end, we anticipate that we will issue our first RFP in this arena in November 2006 and would hope to complete the awards by February 2007. We will get faster at this process as our capacity grows but we must be realistic at the start. These investments will only be possible if the legislature supports our requests for additional resources in the FY 2007 budget.

***Adoption
Charts***

Chart 1: Analysis of Adoption Caseloads By Local Office

Local Office	Adoption Staff	Cases Adoption with Staff (May 2006)		Adoption Cases with Non-Adoption Staff (May 2006)	Current Adoption Caseload	Projected Adoption Caseload	Adopt Staff Needs
		Adoption	Others	Remaining Adoption Cases			
Atlantic	5	103	9	11	21	23	3
Cape May	2	37	1	18	19	28	2
Bergen Central	4	73	0	2	18	19	1
Bergen South	3	47	7	7	16	18	1
Burlington West	6	101	5	33	17	22	3
Camden Central	5	59	0	27	12	17	1
Camden East	5	50	3	0	10	10	0
Camden North	5	60	2	19	12	16	1
Camden South	4	55	2	10	14	16	1
Cumberland West	6	69	19	6	12	13	1
Gloucester East	1	20	0	4	20	24	1
Gloucester West	2	16	0	15	8	16	1
Salem	2	32	0	63	16	48	5
Newark Center City	9	157	57	19	17	20	3
Newark Northeast	4	68	14	40	17	27	3
Newark South	8	124	84	80	16	26	6
Newark West	12	128	161	55	11	15	0
Western Essex Central	6	62	27	56	10	20	2
Western Essex South	4	39	36	13	10	13	1
Western Essex North	4	55	19	20	14	19	1
Hudson Central	4	69	43	0	17	17	1
Hudson North	2	27	9	6	14	17	1

Hudson South	1	7	8	16	7	23	1
Hudson West	2	11	15	0	6	6	0
Hunterdon	1	8	0	1	8	9	0
Somerset	2	40	2	0	20	20	1
Warren	1	25	0	7	25	32	2
Mercer North	4	60	15	10	15	18	1
Mercer South	5	67	28	3	13	14	0
Middlesex Central	5	99	38	3	20	20	2
Middlesex Coastal	5	70	6	0	14	14	0
Middlesex West	6	68	8	5	11	12	0
Monmouth North	5	86	8	0	17	17	1
Monmouth South	5	57	4	8	11	13	0
Morris	5	90	27	10	18	20	2
Sussex	3	50	21	0	17	17	1
Ocean North	5	96	7	7	19	21	2
Ocean South	4	77	4	0	19	19	1
Passaic Central	5	74	0	16	15	18	1
Passaic North	1	0	0	26	0	26	2
Union East	7	123	12	45	18	24	5
Union West	8	110	37	15	14	16	1
Union Central	0	0	0	50	na	na	4
	206	2512	962	750			66

Chart 2: Adoption Case
 Realignment Analysis (Based
 on Chart 1)

Achieving Caseloads Status (% of offices)	Pure	Adoption
	For Adoption Staff	
58%	No more than 10 non adoption cases on office's adoption staff caseload	
14%	11-20 non adoption cases on office's adoption staff caseload	
28%	21 or more non adoption cases on office's adoption staff caseload	
	For Non Adoption Staff	
53%	No more than 10 adoption cases on office's non-adoption staff caseload	
23%	11-20 adoption cases on office's non-adoption staff caseload	
23%	21 or more adoption cases on office's non-adoption staff caseload	
	Met Both Criteria	
33%	Met both criteria completely	
21%	Met criteria on one and close on other or close on both	
47%	Not close on one or the other criteria	

Chart 3: Backlog Analysis by Local Office

		Legally Free (April 2006)			
		Placed		Waiting Backlog =	
Area Office	Local Office	#	%	#	%
Atlantic/ Cape May	Atlantic	17	27%	45	73%
	Cape May	5	16%	27	84%
Bergen	Bergen Central	10	19%	42	81%
	Bergen South	8	22%	28	78%
Burlington	Burlington West	16	17%	76	83%
Camden	Camden Central	33	49%	35	51%
	Camden East	7	19%	29	81%
	Camden North	15	37%	26	63%
	Camden South	15	28%	36	72%
Cumb/ Glouc/ Salem	Cumberland West	9	25%	27	75%
	Gloucester East	2	15%	11	85%
	Gloucester West	6	67%	3	33%
	Salem	17	23%	56	77%
Essex East	Newark Center City	10	8%	113	92%
	Newark Northeast	12	17%	60	83%
	Newark South	11	9%	115	91%
	Newark West	33	24%	103	76%
Western Essex	Western Essex Central	4	6%	58	94%
	Western Essex South	6	29%	13	71%
	Western Essex North	9	17%	43	83%
Hudson	Hudson Central	8	18%	37	82%
	Hudson North	4	17%	19	83%
	Hudson South	2	10%	19	90%
	Hudson West	0	0%	5	100%
Hunterdon/ Somerset/ Warren	Hunterdon	2	40%	3	60%
	Somerset	5	26%	14	74%
	Warren	4	40%	6	60%
Mercer	Mercer North	17	28%	43	72%

	Mercer South	17	30%	40	70%
Middlesex	Middlesex Central	24	20%	95	80%
	Middlesex Coastal	0	0%	1	50%
	Middlesex West	17	40%	25	60%
Monmouth	Monmouth North	11	17%	55	83%
	Monmouth South	6	16%	32	84%
Morris/ Sussex	Morris	17	23%	58	77%
	Sussex	9	38%	15	62%
Ocean	Ocean North	18	26%	51	74%
	Ocean South	8	19%	34	81%
Passaic	Passaic Central	26	32%	56	68%
	Passaic North	8	62%	5	38%
Union	Union East	19	16%	99	84%
	Union West	17	20%	69	80%
	Union Central	9	31%	20	69%
State Totals		493	22%	1747	77%

New Jersey Focusing on the Fundamentals

NJ SPIRIT

Summary: Improve the quality and accountability of DYFS direct service and administrative operations in order to improve safety, permanency, and well-being outcomes for children and families by developing a comprehensive, automated child welfare case management.

Requested Additional Investments:

<i>NJ SPIRIT Implementation</i>	<i>\$ 10,000,000</i>
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Benchmarks FY 07

<i>July 2006</i>	<i>Release 2: Phase 1 operational, providing automation of legal forms, letters and other court related documents</i>
<i>March 2007</i>	<i>Release 2: Phase 2 implementation begins, providing case management, fiscal functionality, federally required interfaces to Title IV-E and Medicaid, automating federal eligibility determinations for children in out of home placement</i>

Analysis:

New Jersey currently operates with one of the oldest and most arcane legacy database systems in the country. This database does not provide support to our frontline staff, who must continue to rely predominantly on paper-based systems, and it inhibits other critical functions, not the least of which is our ability to execute federal reimbursements. To address this need, New Jersey made substantial investments with matching funding from the Federal Administration for Children (ACF) to implement NJ SPIRIT, a SACWIS system. That system has been implemented in stages, called releases:

- **Release 1 – Intake functionality for the hotline**, the centralized call center for reporting child abuse and neglect. Cases can now be electronically assigned to specific local offices and investigators. Response time to these reports could be tracked on a real-time basis, improving the ability of DYFS to track the response to abuse and neglect (November 2004)

- **Release 1.4 – Enhancements to Intake functionality** (November 2005).

- **Release 2 – Phase 1** – Access to the NJ SPIRIT system for **all** (approximately 6,000) DYFS staff and other associated users (e.g., Deputy Attorneys General) providing automation of legal forms, letters and other documents (June 2006).
- **Release 2 – Phase 2** - Case management, fiscal functionality, federally required interfaces to other Federal programs such as Title IV-E and Medicaid, automation of eligibility determination for Federal funding of out-of-home placement (March 2007)
- **Release 3** – Additional interfaces to the court system and other agencies, additional fiscal functionality and other fixes and enhancements (December 2007).

To support NJ SPIRIT, the agency had to upgrade the existing DHS/DYFS computer network to allow the NJ SPIRIT application to meet its standards for response time for users. The approved network upgrades addressed deficiencies in specific local offices as well as providing a T-1 based “express lane” to and from local offices and the centralized enterprise servers that the NJ SPIRIT application resides on. The agency also purchased and installed enterprise level servers and other information processing technology to provide the centralized SACWIS computer environments that constitute the heart of the hardware required to operate the NJ SPIRIT application.

Release 1.4 was implemented on schedule in November 2005. This release enhanced the functionality for the staff of the hotline by streamlining the process for recoding allegations of abuse and neglect and the reporting of child welfare issues affecting families in New Jersey. Change orders to allow for the redesign of screens and functionality of Release 2 to meet the requirements of the court-mandated Child Welfare Reform Panel were completed and approved by the state and ACF by December 2005.

We are currently in the midst of implementing Release 2 – Phase 1 (R2P1). This release increases the functionality beyond the current intake functions and increases access to NJ SPIRIT. The primary enhancements are:

- All staff will have access to NJ SPIRIT with capability to view intake information collected by the hotline;
- Litigation documents will be completed and saved with the family case within NJ SPIRIT. Through NJ SPIRIT, there will be two types of access to forms and documents used within the Agency:

- Litigation staff will have access to 44 legal documents. The documents will be saved with the family case in NJ SPIRIT; thus, becoming part of the electronic case folder.
- Litigation staff and court staff (e.g., DAGs) can revise documents together within NJ SPIRIT; thus, streamlining the process of preparing and reviewing documents while improving version control and security.
- Other staff can access the case folder for a specific family and view the litigation documents associated with that case. NJ SPIRIT will maintain a history of all legal documents completed within the system and they will be linked to a family case.
- Resource recruitment events (e.g., recruitment for family resource homes) will be recorded, including contact information of families that expressed interest.
- All staff will have the ability to search statewide for people and cases that already exist in NJ SPIRIT. Staff will be able to see Intakes associated with these cases. With read-only access, staff can read Intake information previously entered into NJ SPIRIT. R2P1 will streamline the current processes by allowing the staff to view all the information without having to print the intake summary.

Release 2 – Phase 2 (R2P2) is on schedule for implementation in March 2007. Using the methods outlined above, R2P2 will implement the core of the NJ SPIRIT system including:

Case Management	Common Management	Resource Management	Reporting
Investigation	Manage Worker (P1)	Recruitment (P1)	Management Reports
Safety Assessment	Security (P1)	Resources	Ad hoc Reports
Maintain Case	Forms - Legal (P1)	Resource Address	Required Federal reports:
Close Case	Forms - Other	Licensing	AFCARS, NCANDS, IV-A
Education	Person Management		
Court & Legal	Assignments	Interfaces:	
Appeals	Ticklers	Licensing	

Case Management	Common Management	Resource Management	Reporting
Medical/Mental Health	Email	Address Normalization	
Assets & Employment	Notes	Central Database	
Document Plans	Meetings	Contracting	
Placements	Search		
Adoption Planning	Manage Documents		
Special/Unmet Needs	Merge Person		
Close Adoption	Approvals		
Adoption Search	Help		
Desktops			

Release 3 – is on schedule for implementation in December 2007. Using the methods outlined above, Release 3 will complete the NJ SPIRIT application.

