

PRIVATIZING FOSTER CARE SERVICES IN MILWAUKEE COUNTY:

An Analysis and Comparison of Public and Private Service Delivery Systems



April, 1996

Prepared for The Institute for Wisconsin's Future by:

Frank Emspak

School for Workers
University of Wisconsin Extension

Roland Zullo

Industrial Relations Research Institute
University of Wisconsin-Madison

Susan J. Rose, Ph.D.

School of Social Welfare
University of Wisconsin - Milwaukee

PRIVATIZING FOSTER CARE SERVICES IN MILWAUKEE COUNTY:

An Analysis and Comparison of Public and Private Delivery Systems

Prepared for:

The Institute for Wisconsin's Future

Prepared by:

Frank Emspak

Associate Professor

School for Workers

University of Wisconsin Extension

Roland Zullo

Doctoral Candidate

Industrial Relations Research Institute

University of Wisconsin - Madison

Susan J. Rose, Ph.D.

Assistant Professor

School of Social Welfare

University of Wisconsin - Milwaukee

■ ■ ■ ■ ■ ■ ■ ■ ■ ■
**THE INSTITUTE FOR
WISCONSIN'S FUTURE**

4065 North Richards Street
Milwaukee, WI 53212
414/963-7501

TABLE OF CONTENTS

| | |
|---|----|
| Executive Summary | |
| Introduction | 1 |
| Part I. Current Crisis in Child Protection Service | 2 |
| Part II. Milwaukee County Child Protection Process | 4 |
| Part III. Profile of the Private Foster Care Structure in Milwaukee | 8 |
| Part IV. Public/Private Comparison: Aggregate Analysis | 11 |
| Part V. Public/Private Comparison: Case Level Analysis | 15 |
| Part VI. Findings and Conclusions | 22 |
| Sources | 25 |
| Appendices | 26 |
| Endnotes | 29 |

Cover Photo: Mary Ann Onorato

INTRODUCTION

The federal Child Abuse Prevention and Treatment Act of 1974 (P.L. 93-247) requires states to protect the health and safety of children who are abused or neglected. The 1980 federal Adoption Assistance and Child Welfare Act (P.L. 96-272) added to the legislative mandate for states responsibility by emphasizing the importance of a permanent home for children. Specific goals of this most recent act include reducing the unnecessary placement of children outside their homes, meeting the physical, social and emotional needs of children, fostering the timely reunification of families and ensuring that a permanent living arrangement is secured for children who are unable to remain living with their families. The responsibility for meeting these goals in Wisconsin was assigned to county governments.

Milwaukee County is the most densely populated urban region in the state, home to approximately 20% of Wisconsin's citizens.¹ Recently, serious questions have been raised concerning the capacity of Milwaukee County to meet the requirements set forth in the Federal Child Abuse Prevention and Treatment Act. Such questions have driven efforts to develop a plan for improving the delivery of child protective services in Milwaukee County. One proposed solution is to move away from the *public* provision of services toward publicly-administered *private* provision of services. Contracting with private non-profit agencies for the provision of foster care services is one specific recommendation under consideration. The purpose of this report is to analyze the feasibility of this particular option.

The report is divided into six sections:

- **Part I** describes the county-wide crisis in child protection and the factors contributing to the significant stress under which the Milwaukee County Child Protective Services system operates.
- **Part II** describes the public child protective services delivery system in Milwaukee County and the role played by the human service professional. This section outlines the current process of delivering these services and highlights the skills required by front-line workers in providing quality care for children and families.
- **Part III** describes the current private foster care services system and its structure within Milwaukee County.
- **Part IV** examines differences between the public and private delivery of foster care services through an aggregate analysis.
- **Part V** examines differences between the public and private delivery of foster care services through a case level analysis.
- **Part VI** summarizes the findings and discusses the implications for increased levels of privatization of foster care services in Milwaukee County.

PART I. The Current Crisis in Child Protection Service

The Milwaukee County Department of Human Services (DHS) suffers from the dual pressures of increasingly high caseloads and decreasing, constricted funding. The demand for child protective services has grown significantly in the last decade. Between 1986 and 1991 the number of reports of child abuse and neglect increased by 67% in Milwaukee County. From 1990 to 1993, the number of children in foster care increased by 55%.

While the numbers of reports of child maltreatment has risen nationally and in the state, growth in Milwaukee County has been greater than in the rest of Wisconsin. In 1987, the County was responsible for 35% of all child abuse and neglect cases, but by 1994, Milwaukee County was handling 50% of all cases statewide (Courtney and Park, p. 7). While many complex economic and social factors may be involved, a stagnant local economy and an increase in the use of illicit drugs have been cited by DHS administrators and staff as fundamental causes.²

The growing incidence of child abuse and neglect has increased demand for services at the Milwaukee County DHS. In addition, recent research suggests that children are staying in the protective service system longer. From 1989 to 1992 the number of children entering out-of-home care actually declined, yet the number of open cases continued to grow during this period because the number of exits from out-of-home care did not keep pace (Courtney and Park, p. 8). For Milwaukee County, entries into out-of-home care have consistently exceeded exits, causing an accumulation of active cases.

Seventy percent (70%) of Milwaukee County children in out-of-home care are under 12 years old, and well over 90% of all placements are in foster care (Courtney and Park, p. 18-19). Not unexpectedly, the majority of children who remain in out-of-home care for a relatively short period of time experience just one placement; and, as the length of out-of-home care increases, so does the number of placements. On the positive side, Milwaukee County has fewer placements per child than the rest of the state (Courtney and Park, p. 54).

As indicated by prior research, the accumulation of active cases has increased DHS caseloads to as much as three times the recommended levels³ for many staff (Center, p. 77). The combination of high caseloads and disproportionate work assignments are considered factors which have contributed to a 19.6 percent staff turnover rate in 1993, and a 28.3 percent staff turnover rate in 1994 (Center, p. 83).

Scarcity of resources to handle the rising child welfare caseloads exacerbates the already significant pressure on the county child protection system. The State of Wisconsin funds Milwaukee County through an annual Community Aids Grant, which is a combination of Federal and State general

revenue funds. Federal funds, which are provided through Title IV-E of the Social Security Act, cover the costs of foster care, adoption assistance, child welfare training and administrative costs in the operation of foster care and adoption programs (Center, p. 99). Over the past eight years, Title IV-E revenue flowing into the State of Wisconsin has doubled, while Community Aids Grant monies allocated to Milwaukee County have increased only 18% during this period (Center, p. 100).

Through Title IV-E, the state is reimbursed from the federal government \$0.60 for every \$1.00 spent on children. As the number of Title IV-E children on caseloads increases statewide, the level of federal dollars received by the state also increases. Even though approximately 95% of Milwaukee County cases are eligible for Title IV-E reimbursement, the state is not passing through the fund increases to Milwaukee County in proportion to the increase in Title IV-E eligible cases. The result is a core funding problem of lower levels of federal dollars per case.

To make up for the resulting shortfall, local tax levies have increased over the past ten years. In 1986, approximately \$3 million in DHS revenue was from local taxes, increasing to \$37 million in 1995.⁴ These tax increases have been necessary for Milwaukee County to meet state statutory requirements for child protection.⁵

Insufficient funding from the state has both direct and indirect effects on child protection. One direct impact is the increased difficulty in hiring and training staff to handle rising caseloads. A major indirect effect is that resources tend to be allocated toward crisis intervention activities, such as the detention of abused and neglected children, and away from preventive services, such as parent education, daycare, and other supportive services to families at risk. Thus, lower funding levels may exacerbate the demand for child protection because there is less emphasis in providing community support services which address issues of child health and safety on the front-end.

A solution to this crisis has been proposed by State Senator Alberta Darling.⁶ The plan essentially involves transferring responsibility for administering child protective services to the state, allowing the state to open up child protective services to bid by the private sector. By April 1, 1996, all counties in the State of Wisconsin with a population over 500,000 (i.e. Milwaukee County) must submit a plan for the transfer of child welfare services from the county to the State Department of Health and Social Services. The plan must also "...provide an implementation plan for the Department of Health and Social Services in the county or to contract for the provision of child welfare services in that county, or both, beginning on January 1, 1998..."⁷

PART II. The Milwaukee County Child Protection Process

There are fifteen service units at Milwaukee County DHS that are responsible for investigating referrals, placing children in out-of-home care and reunifying families. Other services provided by DHS, such as family preservation and adoptions, tend to be more specialized, and are organized as singular units. Below is an outline of the primary functions of the Milwaukee County Child Protective Service system.

Intake:

Child abuse and neglect referrals are usually received by telephone. Calls come into a central office and are prioritized based on an over-the-phone risk assessment. At this point a decision is made whether to proceed with an investigation, or close the case. For each risk assessment performed, cases are categorized on levels I, II or III, with level I receiving priority. A level I case is investigated by intake staff within 24 hours, but when a case is labeled an emergency it receives an immediate response. Intake is available on a 24-hour, seven-day-a-week basis. The majority of investigations are handled by staff between 8:00 A.M. and 4:30 P.M. weekdays, with designated staff workers remaining on-call during off hours.

Investigations of child neglect or abuse generally begin with an interview with the child and may include the person who initiated the referral. This involves leaving DHS offices and driving out to the location of the child. Additional investigatory duties include a visit to the child's home for a parent interview, and may involve interviewing neighbors and relatives. At some point in this process the staff worker must judge whether the referral allegations are substantiated or not. The case is closed if allegations are unsubstantiated.

To make this determination, the child may be examined for evidence of physical or sexual abuse, such as open cuts, body marks and internal injuries. If physical abuse is apparent, an attempt is made to determine how the abuse occurred and how frequently it has occurred. In cases of severe abuse, the intake worker obtains immediate medical consultation, including transporting the child directly to a childrens hospital. If the allegations of neglect or abuse are substantiated, the intake worker must make a recommendation about removing the child from his/her home. This decision often turns on the behavior of the parent and the physical appearance of living conditions. During this process the intake worker looks for evidence of drug and/or alcohol abuse.

If the child must be detained, the intake worker is authorized to take temporary custody of child, and obtains a court order for immediate removal of child, preparing all legal documentation. The first consideration for out-of-home placement is with a child's relatives or kin. If that is not a viable option, the child is placed in a temporary shelter.

In cases involving more serious abuse, the intake worker will work with the juvenile officers of local police departments to consider whether formal charges against the parent should be pressed. This requires documentation, filing legal forms, and gathering evidence for court appearances. The intake worker collects notes, testimony and other evidence, such as photographs of the child's physical injuries, for each case. While the police formally determine charges, the intake worker is consulted and often serves as a witness for the District Attorney's office.

Ongoing Services:

For cases in which there is a substantiated allegation of child abuse or neglect but the child remains with the family, or when a child is first returned to a family after being detained, workers from ongoing services provide a range of family services with the intent of reducing those conditions which pose a risk to the child. The primary function of ongoing services is to develop and implement a plan with the parent or guardian that creates a safe environment for children, stabilizes the family, and fosters independent living. This service begins after the initial investigation, and one of the first responsibilities of the ongoing worker is to become familiar with facts of the case, by accessing file documents and consultation with intake staff.

The ongoing worker arranges meetings with the parent(s) and travels out to home settings. They work with parents to establish a treatment plan, which includes measurable goals, and assist the parents in accessing specific resources to meet those goals. Consultation is provided to the parent on a regular basis, and progress is evaluated in relation to the treatment plan goals.

Monitoring the safety and well-being of the children is also the responsibility of the ongoing services worker. Observing the child and family in both announced and unannounced home visits and in other settings is one method used to achieve this goal. While always monitoring the child's safety, the ongoing worker must conduct periodic formal risk assessments, identifying those factors which may pose a threat to the safety of the child. When conditions that might guarantee safety of the child deteriorate, the ongoing worker must consider the necessity of out-of-home placement. When there is no safety risk to the children the ongoing worker recommends closure of a case.

Family preservation services are a specialized area in ongoing services. Family preservation services provide frequent contact with families, sometimes daily, with a small number of cases. Service provision is intense and focuses on avoiding costly out-of-home placement.

Court study:

The purpose of a court study is to aid in obtaining legal detention status for children that enter out-of-home care. The court study process begins after a child has been temporarily detained, and a determination has been made to place the child either in foster care, with a relative, in a receiving home or in a group home, or when parents request the removal of their children from their custody.

Court study workers must follow all legal guidelines for placing children outside the home. They and the agency are responsible for the continuing safety of the child while the case is under court study and are subject to civil and criminal liability for failing to properly file legal documentation. Court studies are often prepared on short notice due to strict statutory guidelines.

Court study workers must be acquainted with the facts of the case and the process of and family risk assessment. They represent DHS at emergency detention hearings, i.e. dispositional hearings which determine the appropriate plan of the case.

Foster care:

Once detained, a child is placed in some type of out-of-home care (such as foster care), placement with a relative or group home care. The task of the foster care worker is to provide counseling and support services to family members in order to meet the goals of the permanency plan, which is most often family reunification. The foster care worker must assist the parent in meeting stipulated court requirements for reunification. Through parent and child consultations, the worker seeks to identify the issues precipitating the removal of the child, as well as the conditions necessary for the early return of the child to the home. Despite these efforts, a considerable number of cases require adoption, placement with relatives or long-term foster care. In order to accomplish the required tasks, the foster care worker meets with the child, the parents or targeted guardians and the foster care family. The chief task of the foster care worker is to ensure the safety of the child while working to either reunite families or place the child in a permanent setting.

Specific tasks of the foster care worker include arranging foster care placements, conducting rate reviews for foster care family payments, scheduling visits, conducting AODA evaluations, monitoring treatment progress of the parents, coordinating therapy and/or counseling sessions for clients, providing transportation and ongoing monitoring of client compliance. Foster care workers must provide case management services and maintain case files. They are responsible for assessing the likelihood of reunification and initiating the process of terminating parental rights when necessary.

Foster care workers must draft letters to the court when recommending any change in status for the child, requiring the professional handling of legal documents and case notes. They also seek extensions of court-ordered placements, refer cases to the District Attorney's office for termination of parental rights (TPR), and testify at all relevant court hearings.

Finally, foster care workers are ultimately responsible for supervising the child while in placement. They monitor all aspects of the child's safety and well-being while in out-of-home settings, arrange any necessary health or medical care and investigate complaints made about foster care homes. They must frequently conduct risk assessments of children, and meet with the child away from the foster home setting.

Child Protection Worker: Functions and Skills

The primary function of child protective service workers is to conduct investigations and monitor childrens' safety with parents and guardians suspected of child abuse or neglect. Protective service workers must also monitor the placement and well-being of children, process related court documents for the detention and placement of children, consult with parents, children and guardians on a variety of safety and health issues, and appear in court for conferences, pre-trials and criminal proceedings. The focus of protective service activities is the child. Protective service workers must ensure that a child is safe from abuse or neglect, while at the same time recognize the integrity of that child's family unit and work with the family on tasks that lead to reunification. The desired outcome is to reunite families; however, the goal remains maintaining or placing children in safe, stable homes.

The workers' critical role in deciding whether children should remain with or return to a parent places considerable responsibility on the human service worker and a reliance on their professional judgement. Such decisions involve a careful consideration of whether the child's safety is better served in the custody of the parent or some type of alternative placement. The ability to make such decisions improves with knowledge and experience. Knowledge forms the base from which experience can be utilized in often less than clear cut situations. In addition to specific knowledge of child development, risk factors, probability of improvement and assessment techniques, factors such as parents' behavior, emotional state, body language and gestures all come into play in deciding whether parents are capable of caring for a child and protecting their safety. This ongoing risk assessment bears significantly on the judgement, investigative skills, training, community sensitivity, cross-cultural awareness, experience and professionalism of human service workers.

A typical work day often begins by prioritizing cases in relation to the perceived level of risk to children. Morning hours are generally spent working on tasks attendant to open cases. Late morning and afternoon hours are dedicated to fieldwork, including visiting clients, conducting investigations or attending court. Job activities are primarily with and in support of the child, the biological parent and/or the foster parent. The functions, duties and work environment for the human service professional involved in child protection are outlined in appendix A.

PART III. Profile of the Private Foster Care Structure in Milwaukee County

Milwaukee County DHS currently contracts with five private, non-profit agencies to provide foster care services for approximately 10% of the county caseload. These agencies are private, non-profit organizations linked to community or religious organizations. The agencies are responsible for locating children in safe, suitable foster homes as well as providing services directed at family reunification. For these organizations, the maximum case load requirement for foster care is 35 cases per worker, with even lower case loads for specialized programs. Table 1 presents a summary of the cases, staff and costs of these contracts.

Table 1
Summary of Characteristics of Private Foster Care Contract Agencies

| Agency | Number of Cases | Number of Staff | Cost of Contract in 1995 |
|--|-----------------|--------------------------------------|--------------------------|
| <i>Children's Service Society of Wisconsin, Inc.</i> E. Lamar Cosby, Dir. | 229 | 7.5 FTE 2 Managers 1 Case Aide | \$439,210 |
| <i>Lutheran Social Services of WI & Upper MI, Inc.</i> Robert Duea, Dir. | 133 | 3.5 FTE 1 Manager | \$172,516 |
| <i>Institute for Child and Family Development</i> (jointly managed by Children's Service Society and Institute Board) | 190 | 5 FTE 1 Manager | \$348,400 |
| <i>LaCausa, Inc.</i> David Espinoza, Dir. | 105 | 3 Case Mgrs. 1 Case Aide | \$211,400 |
| <i>Harambee Ombudsman Project, Inc.</i> Sherman Hill, Dir. | 105 | 3 FTE 1 Supervisor | \$156,000 |

The largest agency contracting with DHS is *Children's Service Society of Wisconsin, Inc.*, directed by E. Lamar Cosby. Children's Service allocates approximately 7.5 full time equivalent (FTE) staff to foster care, two (2) managers and one (1) case aide. In 1995, Children's Service was responsible for providing service to 229 cases in Milwaukee County, at an annual contract cost of \$439,210.

In 1995, *Lutheran Social Services of WI & Upper MI, Inc.* managed by Robert Duea, contracted with Milwaukee County for foster care services to provide foster care services 133 cases, with 3.5 foster care staff and one (1) manager, at an annual cost of \$172,516.

The Institute for Child and Family Development is jointly managed by the Children's Service Society and the Institute Board, and specializes in the placement of African-American children. There are five (5) foster care staff who are responsible for providing services to 190 foster care cases annually, and their work is overseen by one (1) manager. The 1995 contract for foster care was for \$348,400.

LaCausa Inc. managed by David Espinoza, specializes in the placement of Hispanic children. In 1995, LaCausa's provided foster care services to 105 cases with a foster care service staff of three (3) case managers, one (1) case aide and a program coordinator. The amount of this contract is \$211,400.

The Harambee Ombudsman Project, Inc., managed by Sherman Hill, specializes in African-American placements. In 1995, this agency contracted to provide foster care for a maximum of 105 foster care cases. This workload is handled by three (3) foster care staff and one (1) supervisor, at an annual contract cost of \$156,000.

Contract Bidding Process

Milwaukee County issues a Request for Proposals (RFP) every summer, usually in mid-July. Completed applications are received by DHS in early September.⁸ A panel of five persons then reviews the applications. The review panel consists of 4 community members, considered experts in the field with no conflict of interest and a DHS administrator who acts as Chair. Individuals rank each proposal, and then the rankings are compared.

In early December, the selection recommendations from that committee are presented to the Human Needs Committee of the Milwaukee County Board of Supervisors. One of three outcomes is possible: (1) the board can accept the recommendations (this is the usual outcome⁹); (2) the board can send the applications back for review; or (3) the board can revise the contract. Proposals that are approved by the Human Needs Committee are presented to the full County Board, which generally accepts the recommendations, and sends them to the County Executive for final authorization. Vendors are reevaluated on an annual basis and the involvement of community members in the selection process provides some level of assurance of community input.

Case Allocation Process

Private agencies all contract to handle a specific maximum caseload amount. As cases are closed by the private agencies and slots become open, cases are selected or "pulled" by the DHS Purchase Unit and directed to private agencies. This process is termed "loading on". There is an attempt to match cases with unique service characteristics of an agency, yet this process is largely informal.

The cases pulled by the Purchase Unit come directly from intake, from “vacant zones” (cases which are currently assigned to a vacant position within DHS), and from open cases which are currently being provided services by DHS workers. If a private agency has a vacancy, and the case is pulled from intake or from an internal vacant zone, the private agency is required to accept the case. If the case has been previously served by DHS and is being referred for special resources, the private agency does have the right to refuse it. For those cases which are difficult to handle in-house, or those which require resources beyond the capacity of the contract with the private agency, special conditions and price arrangements are negotiated.

With some exceptions, private agencies generally do not take cases where the child has been placed with a relative receiving AFDC. The courts can assign a specific case to a private agency, usually a case that requires close attention, which the private agencies can provide due to their lower case load level. When the court directs a case to a private agency, the private agency will negotiate specific terms of service for the case.

Private agencies have a preference for cases which are eligible for Medicaid reimbursement, as agencies can bill the federal government for additional dollars through Medicaid because they satisfy Title 19 Medicaid requirements.

A child case and a parent case are often split between the DHS and a private agency. This most often occurs when the child is placed in a private agency foster home, yet DHS retains responsibility for the remaining members of the family.

The Monitoring Process

Each case referred to a private agency is reviewed every six months. DHS purchase liaisons contact the child and foster parent to conduct interviews and complete a case summary sheet either over the phone or face-to-face. Court letters and documents are also reviewed by DHS staff to ensure proper quality and timeliness. DHS staff also follow-up on referrals and questions from private foster care parents. There is approximately one DHS purchase liaison for every seven private agency foster care human service workers.

DHS purchase liaisons work directly with private agencies, often assuming some traditional supervisory duties, such as training and consulting. DHS staff assist private agency personnel to develop permanency plans for children. In addition, DHS staff monitor the progress toward meeting those plans, and make recommendations for serving clients. DHS liaisons can draft memos regarding the performance of particular private agency staff to influence the quality and management of private agency services.

PART IV. Public/Private Comparison: Aggregate Analysis

Direct Costs

A primary factor in the effort to privatize public services is the belief that service costs will be lower. Advocates of privatization focus on the dynamics of market competition which lead contractors to reduce their costs to win or retain contracts. Private agencies seek savings by reducing wages and benefits (Smith and Lipsky, p. 237), as they are not bound by civil service hiring requirements and public employee pay scales.¹⁰ As Table 2 demonstrates, this appears to be the case for the private agencies that contract with Milwaukee County. All of the private agencies compensate their foster care field staff at lower levels than Milwaukee County. It is also important to note that all the private agencies employ non-union staff, while DHS staff benefit from collective representation.¹¹ Lower salaries do not mean the total cost is lower in the private sector. Other factors, such as caseload size and administrative overhead, must be taken into account.

Table 2
Public/Private Compensation Comparison for Foster Care

| Agency | Average Salary ¹² | Average Benefits ¹³ | Total Cost Per Staff |
|--|------------------------------|--------------------------------|----------------------|
| Department of Human Services | \$33,074 | \$9,755 | \$42,829 |
| Children's Service Society | \$25,637 | \$4,564 | \$30,201 |
| Lutheran Social Services | \$26,348 | \$5,910 | \$32,258 |
| Institute for Child and Family Development ¹⁴ | n/a | n/a | n/a |
| La Causa, Inc. | \$26,000 ¹⁵ | \$3,270 | \$29,270 |
| Harambee Ombudsman Project, Inc. | \$25,000 | \$4,258 | \$29,258 |
| Average Private Agencies | \$25,746 | \$4,501 | \$30,247 |

Case Workloads and Productivity

There is a significant disparity between the caseload size of DHS staff and those of private agency staff. The private agencies contract to carry a maximum of 35 foster care cases per human service worker at any one time. The actual average number of cases that private providers carry during a year can be lower than this amount for three reasons. First, some family or client support programs require a lower caseload. The Community Based Alternative Care (CBA) program for emotionally disturbed children, and the Community Based Developmentally Delayed (CBDD) program for mentally and physically handicapped children are administered through the Children's Service Society of Wisconsin. Both CBA and CBDD cases are considered more time intensive due to the additional training and oversight provided to foster care families. These programs maintain a lower caseload size per human service worker.

Second, employee turnover is a factor. DHS responds to employee turnover in a private agency by temporarily closing intakes for that agency, resulting in a caseload which is below the contracted amount. When workers are replaced, new cases are loaded onto the agency. This process causes agency caseloads to fluctuate, making it difficult to maintain contracted levels of service.

Third, as cases close there is a delay in transferring new cases to the private agency. There may also be a delay in loading cases onto private agencies when a case is transferred back to DHS due to the service needs of the clients. Transferring cases is not an instantaneous process, and tends to reduce caseloads below the contracted level.

In DHS, average caseloads for foster care workers are considerably higher. According to figures for August and September of 1995, the average number cases per foster care worker was just under 80.¹⁶

If productivity is defined as the average number of cases per worker, then public sector foster care workers are more than twice as productive as their private agency counterparts. These caseload figures, which were conservatively estimated, clearly reveal that the direct labor cost per case is lower in the public sector.

The private agency compensation (including wages and benefits) average for foster care workers is \$30,247, while the average compensation for DHS foster care workers is \$42,829 (see table 2 above). When caseload levels are factored into the wage scale, this translates into an annual average direct labor cost per case at approximately \$865 for the private sector, compared to an average annual direct labor cost of approximately \$535 in the public sector.¹⁷

Contracting with private agencies to provide foster care services has an ongoing negative impact on the Milwaukee County system. Because caseloads in the private agencies are considerably lower than in DHS and per case expenditures are higher, a disproportionate amount of dollars are funnelled

into the private system on each case. Given the limited overall budget for foster care, this diverts funds from the public system. It exacerbates the shortage in dollars, resulting in staff shortages which necessitate a further increase in caseloads.

Turnover within foster care is considerably higher than other child protection functions. Almost universally within DHS, foster care is perceived as a less desirable position due to the high caseloads, and generally persons transfer out at the first opportunity. For foster care, 69 workers carried caseloads January 1995.¹⁸ As of November 1995, 59 workers were in foster care, and between that time 35 new workers were hired into foster care slots. This provides an approximate turnover rate of 65% during the 11 month time period. This number is a bit lower when permanency planning workers are included in the calculations. Permanency planning workers conduct a broader range of intensive services, and therefore carry a lighter caseload. When the 15 permanency plan positions are considered in the analysis, the revised turnover estimate is 54%.

Indirect Overhead

The ratio of human service field workers to supervisors is a crude indicator of the level of administrative overhead. This ratio is termed “span of control”, the level of autonomy of a work force, as it is expected that a more self-directed group of workers would require fewer managers. Within each of the fifteen DHS units that provide foster care services, there are approximately 4 to 5 foster care workers. This number is increased to 5 to 6 workers if permanency planning employees are counted as foster care workers. Since these units all have one direct supervisor, the span of control for DHS foster care is about five to one.

In contrast, the span of control for the five private agency foster care providers ranges from three to one to five to one. Moreover, these ratios decreased when the DHS purchase liaisons are considered as direct supervisors. As described above, DHS liaisons are required to adequately monitor the management of foster care cases, often performing direct supervisory functions, such as training and reviewing work quality. There are approximately three DHS liaisons devoted to foster care, or about one liaison for every seven private agency foster care caseworkers. When these DHS liaisons are counted as supervisors, the average span of control for private agencies is less than three to one.

While a “head count” is a rough measure of indirect supervisory overhead, these findings do suggest that the public delivery of foster care is leaner than in the private sector. It also suggests that public sector foster care workers are more autonomous in handling their daily work tasks, perhaps to the extent that they are able to offset their higher salaries by reducing supervisory costs.

While a detailed audit of the differences between the administrative costs of the public versus private sectors is beyond the scope of this report, several observations are noteworthy. First, many of the costs associated with managing private contracts are folded into general DHS administrative overhead. As stated above, DHS managers both monitor private agency caseloads and work with

providers to supervise difficult cases. A number of DHS administrators perform functions which are attributable to both in-house and contracted services. Currently, all these costs are billed to DHS. Therefore, any audit of reasonable quality would have to partition the functions of these administrators into in-house and contract categories to appropriately allocate costs. Second, a proper overhead comparison is further confounded due to the considerable interaction between in-house and contract functions. In particular, cases frequently move between sectors, making it difficult to allocate costs associated with the transfer of case information. For example, there is a cost whenever a DHS worker spends time describing case details to a private agency staff person. Such expenses should appropriately be attributed to privatization if they are generally absent from in-house case management. Finally, any precise account of overhead would have to include private agency administrative costs. In short, the contract amounts outlined above tend to understate the true costs of privatization, and any direct account of costs is obfuscated by the integrated nature of operations.

PART V. Public/Private Comparison: Case Level Analysis

After reporting in the previous section that direct labor costs and supervisory staffing levels were lower in the public sector than in private agencies for the delivery of foster care services, two questions must be considered.

- Do cases differ between the sectors? Specifically, are more difficult cases being systematically allocated to private agencies, justifying the higher cost? and;
- Is there a difference in the service quality, or outcome, between the private and the public sectors? Higher costs might be justified if there is a measurable difference in service quality between the sectors.

To answer each of the foregoing questions, a case level analysis was used. To draw a fair comparison between the sectors, it was important to use measures that reflect the complexity of the cases. Conceptually, case complexity was broken down to three dimensions: (1) the characteristics, needs and behavior of the child; (2) the needs and behavior of the primary parent (which was generally the mother); (3) the structure of the family. The operational measures for these three dimensions are described below.

It was also necessary to determine the appropriate unit of analysis. Case files are maintained for both children and parents, making it possible for the unit of analysis to be the child or the family. The child was chosen for several reasons. First, children have unique conditions, characteristics and needs that may influence the complexity of the case, and it appeared possible to gather measures which captured these factors. Second, children within the same family may experience different case outcomes, and this intra-family variation would be difficult to quantify. Third, given the variation in household composition due to the movement of persons in and out of a home, there was ambiguity in defining “family” as a unit. Finally, defining the child as the unit of analysis is consistent with the child-focused mission of this service.

Sampling

Child cases were randomly selected from a computerized data list from both sectors. The computerized database system, called "Simple", began in 1987 and was largely used as a system to record child abuse referrals and case progress. This system was expanded in 1991 to include "Scripts", a record of the payments made to foster care homes and treatment centers, effectively linking payments to cases. In 1994 the dataset was updated, and currently includes a pool of foster care cases which meet one of four criteria.

1. Foster care service opened between January 1, 1994 and present.
2. Foster care service closed between January 1, 1994 and present.
3. A case which was opened before January 1, 1994 and was still open after that date.
4. Any case where foster care service opened after January 1, 1994.

From this pool, the population of private cases was approximately 750 children, while the population of cases in the public sector was about 4,900. Cases for this analysis were randomly sampled from the computer generated list. To ensure adequate representation from the private agencies, the sample was stratified according to sector. Several cases were unobtainable because they were currently being stored off premises. Others lacked pertinent information, and were therefore unusable. Finally, a few of the cases could not be located. There is no reason to suspect that the unused cases were systematically related to the measures in this analysis.¹⁹ The final sample size for this study was 180 private, and 280 public cases for a total of 460.

One issue that complicated the identification of the agency handling a particular case was the frequent transfer of cases between agencies. In recent years, the use of private agencies for foster care has expanded, resulting in more cases pulled from DHS and loaded onto these agencies. Thus, we note a significant number of cases in the private sector sample that were formerly served by DHS. There were a few instances where cases were serviced by private agencies, yet transferred back to DHS. The chief concern for all the transferred cases was to accurately assign a case outcome to the agency responsible. This was especially critical for cases of recidivism,²⁰ since many of the transfers occur after a failed family reunification attempt. The sample sizes and case transfers for each agency are provided in table 3 below.

Table 3
Sample Sizes and Transfers for Foster Care Cases

| Agency Name | Sample Size | Transfers In | Transfers Out |
|--|-------------|--------------|---------------|
| Department of Human Services | 280 | n/a | n/a |
| Children’s Social Services | 106 | 75 | 4 |
| Lutheran Social Services | 20 | 9 | 3 |
| Institute for Child and Family Development | 24 | 15 | 0 |
| La Causa | 17 | 10 | 0 |
| Harambee | 13 | 12 | 1 |
| Total Private Agencies | 180 | 121 | 8 |
| Total Public and Private Agencies | 460 | n/a | n/a |

Measures

In order to compare case outcomes between the public and private sectors, data from three primary outcome measures were gathered and analyzed.

1. *Permanency plan*²¹ success: If foster care service ended and the case was closed²² because it met the initial permanency plan it was coded as a first level success. For example, if the original permanency plan was for family reunification, and the child was returned to the parent, this was coded as a first level success. If services ended and the case was closed due to a long-term placement of the child that did not match the initial permanency plan, it was coded as a second level success.²³

2. *Recidivism*: If foster care service ended and the case was closed but reopened at a later date, this was coded as recidivism. Recidivism implies that the child was returned to the family (or to a relative) prematurely. Instances where the case was closed because the child was transferred to another treatment facility or agency were excluded.

3. *Duration of out-of-home care*: This is the amount of time the child lives apart from their natural family (or relative). This excludes cases where the child “aged out” (became older than 18 years of age and therefore ineligible for child protection services) or cases where the child died.

To adjust these outcomes by the complexity of each case, it was necessary to gather measures which estimate the child, parent and family structure dimensions discussed earlier. These three factors and their measures are described below:

1. Child

Three attributes of the child were obtained from the computerized output: age, gender and ethnicity. Age is the age of the child (in days) when they were first detained. Gender needs no elaboration, and ethnicity was collapsed into a single category: Non-Hispanic white or other. This was done to create a more parsimonious model.²⁴

2. Parent

The proxy for the behavior and service needs of the parent were found in the court ordered conditions for return. Whenever a child is detained and placed in foster care, the DHS must obtain temporary legal custody of the child. Part of this process requires the preparation of a court letter stipulating the conditions which must be met by the parent before the child can return home. The human service worker is primarily responsible for drafting these conditions, yet consultation occasionally occurs with their supervisor and/or a representative from the district attorney’s office. These conditions become part of the court order, directed to the primary parent, and form a basis by which to judge the progress of the parent. Unwillingness to comply with the court conditions is grounds for the termination of parental rights.

Two sets of measures were derived from the court conditions. The first was a simple count of the number of conditions, under the presumption that the greater the number of conditions - the more complex the parent case. The second was a search for specific conditions which may indicate certain behavioral issues that may complicate a case. These conditions, in no particular order, are: (1) to attend parenting classes; (2) to comply with a psychological examination; (3) to attend psychological therapy; (4) to obtain new housing; (5) that visits be supervised or suspended; (6) to comply with an alcohol and drug abuse (AODA) evaluation; (7) to submit to random urine screens (for drug abuse); and, (7) to follow the rules of probation.

3. Family structure

The number of adults and children serviced was provided by computer output, and forms the basic information for family structure. The structure of the family may affect the complexity of a case in that a single parent, for example, is likely to have a different set of needs than in a situation where more than one adult lives in the household. Similarly, an increase in the number of children can make a case more complex, because it is difficult to keep siblings together in foster care settings.

Child Comparison

This analysis begins with a description of the child variables. The average age of the children in this sample was approximately 10 years old, varying from 20 years to two months. About 77% of the children were minorities, and 47% female.

Parent Comparison

There were statistically significant differences between public and private sectors in the distribution of the individual court conditions. The average number of court conditions placed on a parent was 8.9, yet the range was from a low of 2 to a high of 20. Of the individual conditions, 55.6% of parents were directed to attend parenting classes, 57.4% were directed to undergo a psychological examination, 24.1% were required to attend psychological therapy, 4.1% had to find new housing, 50.8% had either supervised or suspended visitations, 65.8% had to undergo AODA evaluations, 50.6% had to submit to a urine analysis and 17.1% had to follow rules of probation as a condition of reunification.

In comparing public and private agencies, ANOVA results indicate no significant statistical difference in the number of court conditions. The average number of conditions for both sectors was 8.9. The frequencies and Chi2 results for the individual conditions are listed below in Table 4.

Table 4
Court Ordered Conditions, by Sector

| Court Condition | % of Private Sector Cases with Condition (n=177)²⁵ | % of Public Sector Cases with Condition (n=262) | Chi2 Test P (2 tailed) |
|------------------------|--|--|-------------------------------|
| Parenting Classes | 55.6 (83) | 61.0 (161) | 0.003 |
| Psychological Exam | 57.4 (97) | 59.1 (155) | 0.365 |
| Psychological Therapy | 24.1 (60) | 17.6 (46) | 0.000 |
| New Housing | 4.1 (9) | 3.4 (9) | 0.393 |
| Supervised Visitation | 50.8 (83) | 53.4 (140) | 0.212 |
| AODA Evaluation | 65.8 (89) | 76.3 (200) | 0.000 |
| Urine Screens | 50.6 (59) | 62.2 (163) | 0.000 |
| Follow Probation Rules | 17.1 (21) | 20.6 (54) | 0.017 |

P = <0.005

As the above results indicate, there were statistically significant differences between public and private sectors in the distribution of the individual court conditions. The frequency of a court order for parenting classes, AODA evaluations, urine screens and following the rules of probation was greater in public sector cases while only the frequency of psychological therapy was greater in private sector cases. Three court conditions did not differ significantly between the two sectors — psychological examinations, new housing and supervised visitation.

While it is difficult to conclude from these findings that a disparity exists between the sectors regarding the complexity of the parent condition, the greater frequency of court conditions relating to probable drug or alcohol abuse among public sector cases should be noted and is of concern.

Family Structure Comparison

There were statistically significant differences in the mean numbers of adults and siblings in cases served by the public and private sector. The mean number of adults in a household for the whole sample was 1.16, and the average number of siblings was 2.92. The average number of adults in the private sector was 1.283, while the average number of adults in the public sector was 1.086, and this difference was statistically significant (Pr<0.000). For siblings, the average number in the private sector was 2.6, and 3.13 in the public sector. This difference was also statistically significant (Pr<0.008). The public sector cases included more single parent families and households with larger numbers of children.

Permanency Plan Success Comparison

There were statistically significant differences in successful completion of a permanency plan between the public and private sectors. Of the cases in the total sample, 86 foster care cases (approximately 18.7%) met the goal of the permanency plan. Of these, 21 were served by private agencies and 65 by DHS. ANOVA results reveal that DHS had a success rate of 23.2% compared to the 11.7% of the private agencies, and this difference was statistically significant (Pr<0.0019). When case outcomes are expanded to include all instances where a child has been placed with a permanent guardian, the number of successes for the total sample increases to 95 (21%). Of these, 23 were handled by private agencies and 72 by DHS, resulting in a success rate for DHS of 25.7% compared to 12.8% for private agencies. ANOVA results indicate that this difference is statistically significant (Pr<0.0008).

Recidivism Comparison

There were no statistically significant differences in the level of recidivism between the public and private sectors. There were 59 cases of recidivism in the sample. Of these, private agencies were responsible for 19 and DHS 40. The rate of recidivism for the private sector was 10.6%, while the rate for DHS was 14.3%. ANOVA results indicate that this difference was not statistically significant (Pr<0.2439).

Out-of Home Duration Comparison

There were no statistically significant differences in the duration of out-of-home care between the public and private sectors. Duration was measured by the number of days that the child was separated from a parent or permanent guardian. For those children that did return to a parent or guardian, the mean number of days of out-of-home care for the total sample was 1015, or about 2.8 years. The mean for private agency cases was 1091 days (about 3.0 years), while the mean for DHS was 990 days (about 2.7 years). The ANOVA results indicate that this difference is statistically insignificant (Pr<0.6011). The results of these three outcome measures are summarized in Table 5 below.

Table 5
Sector Comparison for Case Outcomes

| OUTCOME MEASURE | % of Private Sector (N=180) | % of Public Sector (n=280) | ANOVA Test Results |
|--------------------------------------|------------------------------------|-----------------------------------|---------------------------|
| Achieved Permanency Plan | 11.7 (21) | 23.2 (65) | Pr<0.0019 |
| Permanent Placement or with Guardian | 12.8 (23) | 25.7 (72) | Pr<0.0008 |
| Recidivism | 10.6 (19) | 14.3 (40) | Pr<0.2439 |
| Duration | n/a [1090 days or 3.0 years] | n/a [990 days or 2.7 years] | Pr<0.6011 |

PART VI. Findings and Conclusions

The purpose of this report was to analyze the implications of proposals to privatize child protective services in Milwaukee County by comparing the private and public delivery of child protection services.

Findings.

1. ***Child protection service occupations are complex, demanding jobs that require high levels of employee judgement.*** As such, the quality of the service greatly depends on the experience and training of staff. The current Milwaukee County Child Protection requires workers to handle a wide range of duties including:

- crisis intervention
- expert judgement on removal of children from the home
- ongoing work to reunite the family
- sustained oversight of treatment and functional stability for all parties
- management and documentation of all legal action for all phases of intervention
- extensive documentation and record keeping for all case records
- coordination of family contact, health care and material support for all parties
- ongoing risk assessment
- termination of parental rights and child placement.

Retention of such skilled workers requires adequate wage levels and manageable caseloads.

2. ***Increased privatization of foster care will likely cost the state additional revenue to meet current demand.*** Foster care workers at DHS are paid higher levels of compensation than their private sector counterparts. However, due to the high caseload imposed on DHS workers, direct labor costs are \$330 lower per case per year than in the private sector.

3. ***Administration of DHS public foster care is leaner than in private agencies.*** The ratio of supervisors to field staff is approximately one to five at DHS, and at best one to four in private agencies. The private agency ratio drops below one to three if DHS purchase liaisons are counted as supervisors. Additional administrative staff are needed in the private sector because foster care funding is complex and costly to monitor. Currently, the overhead and transaction costs of private contracts are allocated to DHS, significantly understating the cost of privatized foster care.

4. ***While this study did not find significant differences in case complexity among children and families, some disturbing trends are present to suggest that DHS handles cases that involve more substance abuse and are often considered more complex.*** Isolated indicators suggest that for parents, private agencies tend to receive cases where parents are directed to attend psychological treatment, while DHS handles cases where parents need more serious drug and alcohol treatment. In addition, DHS handles cases with larger numbers of children and fewer adults while the private agencies tend to have cases with greater numbers of adults and fewer children in the household.

5. ***DHS workers in the public sector were more effective in reaching permanency plans for families than the private sector in spite of high caseload levels.*** Success rates for placing children with a permanent guardian were twice as high for DHS as the private agencies. The length of out-of-home placement was slightly higher in the private sector, but this was not statistically significant. There was no significant difference in the recidivism rates or recurrence of family problems in the public and private sector cases.

6. ***Currently Milwaukee County contracts with private agencies for about 10% of the foster care caseload which exacerbates problems at DHS.*** These agencies carry a caseload of less than 35 cases per caseworker compared to the approximately 80 cases per worker average for DHS employees. Given the current static level of funding for foster care, contracts with private agencies at a higher cost reduce the remaining funds for cases handled by DHS. This reduced funding, coupled with increasing demand, results in increased caseload size in the public sector. Without additional resources, larger caseloads will inevitably encourage and result in a focus on crisis intervention instead of prevention efforts. Due to caseload pressure and restricted funding for programs, staff turnover in the Milwaukee County Child Protective Services unit is high. This is particularly endemic among foster care staff, and has serious negative implications for service quality.

Conclusions

The crisis in the system of child protection in Milwaukee County is severe and in need of immediate attention. While it is positive that state policymakers are attempting to address the service needs of abused children and their families, the initial plan discussed by policymakers to improve services to children and families by increasing the level of privatization in foster care services will not accomplish this goal.

1. **This study shows that existing privatized foster care services are more expensive and less effective than foster care services provided directly through the Milwaukee County Department of Human Services.**

Given caseload size, direct labor costs for privatized foster care are approximately 60% higher than in the public sector. In addition, administrative costs are increased as private agencies require both internal supervision and monitoring services from DHS. Despite the significantly higher caseload sizes in the public sector, performance quality is generally higher at DHS. Private agencies, whose caseworkers carried caseloads less than half as large as public sector workers, were far less successful in reaching permanent placement. This problem is so serious that the ACLU initiated a lawsuit to protect the permanency rights of children who were spending up to 8 years in “temporary care”. If one element of the crisis in Milwaukee County DHS is defined as the length of time it takes to achieve a permanent placement for a child, privatization will not help.

2. A fundamental factor in the child protection crisis is lack of adequate funding.

The inability of Milwaukee County to maintain staffing levels and stability is largely a result of funding shortfalls generated by State fiscal policy. The State of Wisconsin funds Milwaukee County Child Protective Services through the Community Aids Grant which is a combination of Federal and State general revenue funds. Title IV-E Federal funds are earmarked to cover the cost of foster care services, adoption assistance, child welfare training and administrative costs in the operation of foster care and adoption programs (Center,p. 99). Over the past eight years, Title IV-E revenue flowing into the State of Wisconsin has doubled, while the Community Aids Grant monies allocated to Milwaukee County have increased only 18% during the same period (Center, p. 100). The funding shortfall in Milwaukee County is rooted in the failure to pass on Title IV-E fund increases to Milwaukee County in proportion to the increase in Title IV-E eligible cases. The resulting decrease in federal dollars has created a significant shortage in dollars on a per case basis.

3. While changes in the DHS delivery system are needed, this can be accomplished in a more cost-effective manner by providing adequate funds to the Milwaukee County Department of Child Protection to reorganize and strengthen service delivery than to privatize services.

Direct costs for foster care services by private agencies are 60% higher than DHS service costs. In addition, there are higher administrative costs required for the dual system of internal and necessary public monitoring of private agencies. Privatization attempts will require funding far higher than the amount of funds required to rebuild, re-organize and strengthen the existing structure with its experienced workforce in place. Moreover, privatization will not better serve the interests of the victimized children or the general community since private agencies are not able to provide improved services or reduce the length of out-of-home placements for abused children.

SOURCES

Courtney, Mark and Linda Park, 1995. "Out-of-Home Care in Wisconsin: 1988 through 1994." Draft report prepared for: Department of Health and Social Services, Division of Community Services, Bureau for Children, Youth and Families. July.

Center for the Study of Social Policy, 1995. "Children and Family Services in Milwaukee County." Report prepared for Jeanine B. Thompson. Washington, DC. May.

Rowthorn, Bob and Ha-Joon Chang, 1993. "Public Ownership and the Theory of the State." in T. Clarke and C. Piteus, eds., *The Political Economy of Privatization*. Routledge: London and NY, pp 54-69.

Smith, Steven Rathgeb and Michael Lipsky, 1992. "Privatization in Health and Human Services: a Critique." *Journal of Health Politics, Policy and Law*, Vol. 17, No. 2, Summer, p. 233-253.

Ivan, Harold J., 1987. "Privatization of Public Services: A Growing Threat to Constitutional Rights." *Public Administration Review*, November/December, pp. 461-467.

APPENDIX A. Child Protection Worker Job Description Overview

PRIMARY FUNCTION: To conduct investigations and follow-up monitoring of parents and guardians suspected of child abuse or neglect, monitor placement and well-being of children, develop court letters, process related court documents for the detention and placement of children, consult with parents, children and guardians on a variety of safety and health issues, appear in court for conferences, pre-trials and criminal proceedings.

SPECIFIC DUTIES: Investigative/Monitoring

1. Prioritize and investigate referrals of abuse and neglect.
2. Access and utilize files on active cases.
3. Evaluate the risk posed by a child's present family arrangement. Assess the nature and extent of abuse or neglect.
4. Conduct preliminary medical examinations on children, follow-up by transporting child to treatment if necessary.
5. Evaluate parents or guardians for signs of drug and/or alcohol abuse.
6. Contact neighbors and family members for case related information.
7. Visit and inspect home to ensure safe, sanitary living conditions.
8. Monitor the progress of the parent in meeting court conditions or treatment plan. Gather information through discussions with foster parents, counselors, therapists, teachers and relatives.
9. Contact agency personnel responsible for parental rehabilitation, education and therapy. This may include AODA treatment personnel, parenting classes and therapy counselors. Gather any documentation of the completion of coursework or therapy.
10. Contact the child both at the foster home and away, to consult on issues such as living arrangement and schooling.
11. Monitor the relationship between the child and the foster care parents or out-of-home living arrangement.
12. Investigate the history of abuse, and where possible, determine if abuse has occurred in other states.

SPECIFIC DUTIES: Consultative/Communicative

1. Interview children on sensitive abuse matters, interface with the police, health professionals and parents, communicate medical and health issues to law enforcement and medical professionals.
2. Educate clients on the court process, procedures and conditions for reunification, including legal information, such as parent rights. Review the terms and conditions for reunification with the parent, and make any necessary arrangements to meet those conditions. This may include AODA treatment, psychological evaluations, parenting education and counseling.
3. Work with a second parent, or significant other to ensure compliance with stated court conditions. Monitor relationship between the biological parent and former destructive partner when it is a condition for reunification.
4. Provide clients with access to resources, such as food, clothing, furniture and appliances. Arrange for access to appropriate local community and charitable resources.
5. Train parents or guardians on basic home maintenance duties, such as budgeting, cleaning and shopping.
6. Mediate disputes between the foster parent, the child and the biological parents.
7. Arrange visits between parents and children. Visitation sometimes occurs outside the home, as is the case for incarcerated parents. Visits range from 15 minutes to 2 hours, and workers are able to handle about four per day, maximum.
8. Transport children to visits with parents or guardians. Roughly 10-40% of the day is spent in transit between visits or transporting parents and children to each other. Arrange alternative forms of transportation for the parent, which generally involves providing bus tickets.
9. Train foster care parents on the special needs of child. Recruit foster parents for children with special needs.
10. Confer with co-workers and supervisors for permanency plan and treatment strategies.
11. Engage in crisis intervention instances, such as domestic violence cases, suicide prevention and mental health issues.
12. Assist with the training and orientation of new staff.

SPECIFIC DUTIES: Legal

1. Perform duties in compliance with Wisconsin Statutes, Chapter 48.
2. Notify parent or guardian of child detention.
3. File appropriate detention and transfer forms for children at risk including the accretion of the newborns.
4. Prepare annual case reviews and pre-dispositional court reports as per Wisconsin Statutes 48.33, and permanency plan reviews under Section 48.38. The court reports describe the history of the case, the mental and physical status of the persons involved in the case, and their progress in meeting the court ordered conditions for reunification. Modify court conditions based upon the behavior of the parent and child.
5. Obtain medical releases from parents in cases where the child requires surgery or treatment.
6. Conduct rate reviews to determine the level of pay to be allocated to foster parents. Rate reviews take 1-1.5 hours.
7. Maintain adequate notes and evidence for court processes.

WORKING CONDITIONS AND TOOLS:

Travel by automobile is required in all types of weather conditions. Office conditions, which might comprise 10-30% of work time, is usually spent sitting down, handling case paperwork, entering and retrieving information from the computer or making telephone calls. Fieldwork can be dangerous, depending on the community location and client characteristics. Human service workers often enter into neighborhood where drug abuse is high and engage parents in the sensitive and highly confrontational issue of separating them from their children.

Tools required include general office equipment, such as a phone, voice mail, fax machine and computer terminal. Human service workers must be familiar with word processing software and database applications. They need to have a valid drivers license and access to a vehicle. Finally, human service workers must become familiar with numerous legal forms for case processing.

ENDNOTES

1. Milwaukee County 1990 population was 959,275 compared to 4,891,769 for all of Wisconsin. Source: State of Wisconsin 1995-1996 Blue Book, Wisconsin Legislative Reference Bureau.
2. This is based on interviews with Department of Human Service administrators and staff.
3. Recommended child welfare caseload standards:
Child abuse/neglect investigations: 12 per month, per social worker
Ongoing protective services: 17 families per social worker
Foster Care: 12 to 15 children per social worker
Family preservation: 2 to 6 families per social worker

Source: "CLWA Recommended Caseload/Workload Standards" 1993. Child Welfare League of America Standards for Child Welfare Practice, June.
4. This estimate was provided by DHS administrators.
5. Wisconsin Statutes, Childrens Code, Chapter 48.
6. Wisconsin State Legislature representing the 8th Senate District.
7. 1995 Assembly Bill 150, Section 9126
8. Milwaukee County Department of Human Services, 1996 Guidelines for the Purchase of Services, Program Requirements. July 1995.
9. This is based on interviews with DHS administrators.
10. Human service workers in private agencies are required to meet the same minimum level of qualifications, including education, that are required by DHS. The minimum level of education is a BA degree, however, many DHS staff hold MSW degrees.
11. Specifically, AFSCME Council 48, Local 645.
12. Source: 1995 contract information. Benefits include health insurance, life insurance and pensions.
13. Source: 1995 contract information. Benefits include health insurance, life insurance, and pensions.
14. Information was unavailable for this agency.
15. This average includes the salary of the Program Coordinator.
16. Several notes here: (1) This figure includes permanency planning staff who typically carry a workload of 30 to 45 cases. (2) This average also includes several vacant positions. When a vacancy arises, cases are allocated to other workers within the unit, thus this figure probably understates the actual caseload average. (3) Actual caseload figures were unavailable from the two DHS outstations.
17. Calculations used 35 cases per worker in the private sector.

18. The number of allocated positions for foster care was 73, but four positions were vacant.
19. The majority of cases that lacked information opened recently, and therefore did not contain the court documents, letters and narrative necessary for this analysis.
20. Recidivism occurs when a foster care service closes, usually due to family reunification, yet is then activated at a later date.
21. The permanency plan represents the goal of the case. For our purposes, this was categorized as either: (1) Return to natural family; (2) Placement with a relative; or (3) Other. These plans can change on an annual basis depending upon the progress and conditions or the persons involved in the case. For this reason, what is considered here is the initial plan. The permanency plan distribution for the sample of cases is as follows:

| | | |
|---------------------------|-----|---------|
| Return to natural family: | 426 | (92.6%) |
| Placement with relative: | 9 | (1.9%) |
| Other: | 25 | (5.4%) |
22. It is important to distinguish between a foster care service closing and a case closing. Foster care service closing occurs when the child is removed from foster care and placed in another setting. Additional services may still be provided to the child and family even though foster care services have closed. A case closes when no additional services are provided to the child and family.
23. Closing reasons such as the death of the child, independent living and age of majority were excluded.
24. In addition, the goal of this analysis was not to provide a description of the clients, but to compare the public and private delivery of services. Non-Hispanic whites were controlled for based upon evidence that it is more difficult to place minorities in foster care homes. See Courtney and Park, 1995.
25. The total sample size is 439 due to missing case information.

EXECUTIVE SUMMARY

Children face a wide variety of dangers in today's world. Unfortunately many of these dangers are inside their own homes and the source may be their parents and caretakers. In Milwaukee County, there has been a significant jump (67%) in the number of children experiencing abuse and neglect since 1986, requiring a massive increase in child protection services. Between 1990-93, the number of children in foster care grew 55%. Milwaukee County Department of Human Services child protection workers currently handle up to 90 cases per worker, the highest caseload level in the United States. The resulting crisis in the provision of services led to a lawsuit brought by the ACLU against the State of Wisconsin and Milwaukee County. The County and State entered into an agreement with the Courts to improve the delivery of services to abused children and their families.

State policymakers have recommended that the State take over the management of child protection services and increase the use of private service providers for foster care services.

In order to assess the viability of the plan proposed by the State, the Institute for Wisconsin's Future has conducted a study of the cost and performance quality of the current private agencies providing foster care services in comparison to their public sector counterparts at the Milwaukee County Department of Human Services.

FINDINGS

According to this analysis, the cost of foster care services is higher when provided by private agencies than the cost of work performed by Milwaukee County staff. These higher costs have not produced a commensurate improvement in the quality of services. Despite caseload levels more than twice as high as those carried by private agencies, the quality of service provided by Milwaukee County workers is significantly better in terms of reaching permanent placement for children in a shorter period of time.

1) **Increased privatization will cost the state additional revenue to meet current demand.** While wages are lower in the private sector, public sector workers have caseload levels more than twice as high as their private counterparts. The estimated direct labor costs are \$865 in the private sector and \$535 in the public sector on a per case per year basis. This results in per case costs 60% higher in the private sector. In addition, administrative costs are higher in the private agencies. Supervisor-worker ratios are one to five at Milwaukee County, one to three at the private agencies when DHS purchase liaisons are included. Additional administrative staff required to monitor the complex contracts are also costly. Currently, these overhead and transaction costs are allocated to DHS understating the cost of privatized care.

2) **The outcome of services provided to children and families by the Milwaukee County workers is better than that of the private agencies.** Higher costs for private agency providers might be justified if case outcomes were clearly better, but this is not the case.

- Milwaukee County caseworkers secured permanent placement for children twice as frequently as private providers.
- Children served by the public sector were placed in permanent homes somewhat more quickly than children in private agencies.
- Family recidivism (failed family reunification) rates for the two systems were essentially the same.

3) **The current crisis in Milwaukee child protection services is not due to lack of capability among the public workforce but to a chronic shortfall in state funding to Milwaukee County to build capacity.** Economic and social disintegration in Milwaukee have contributed to the tremendous growth in child neglect and abuse cases. Federal funds directed to provide services to meet this increased need have not been passed along by the State in proportion to the increasing caseload. This has resulted in a threefold increase in caseload levels for child care workers to a level higher than New York, Chicago, Detroit and other urban crises areas. The impact of this shortfall has been reduced service to children and their families, a focus on emergencies not prevention, reduced training, cutbacks in supplementary services for clients to break the cycle of abuse and unmanageable workloads for staff leading to substantial turnover.

CONCLUSION

Given the results of this analysis, privatization will not result in either improved services or reduced cost for foster care services. At current funding levels, the workers at Milwaukee County Department of Human Services are providing as high a level of service to children as possible given overwhelming case loads. Privatization will not address the issue raised by the lawsuit mandating faster permanent placements. It would appear that the key issue in developing an improved system of child protection services is the State's policy on passing through the federal dollars allocated for child protection services in proportion to the caseload in Milwaukee County.

The appropriation of the federal dollars earmarked for foster care services into the Milwaukee County system would support a provider system that has a competent and experienced workforce in place, allow that system to hire more workers and bring caseload levels to a reasonable standard, increase resources for preventive services and ensure children the assistance needed to live in safe and stable homes.