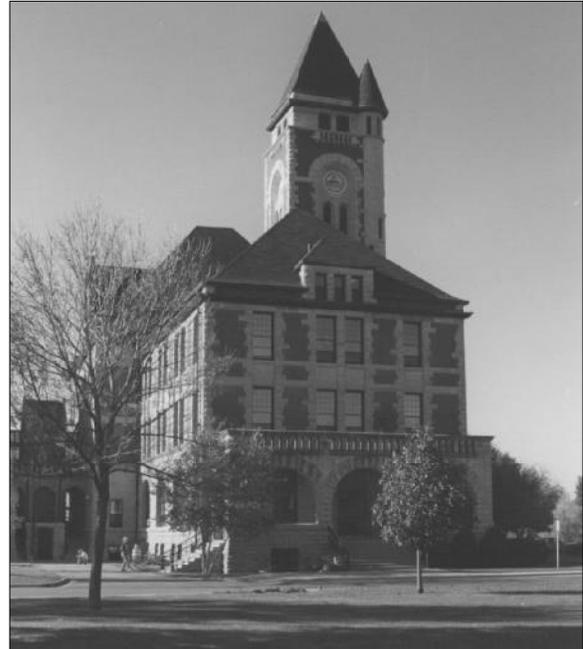

Juvenile Out-of-Home Placement

Report #99-02a

January 1999

A PROGRAM EVALUATION SUMMARY



**Office of the Legislative Auditor
State of Minnesota**

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Introduction

In April 1998, the Legislative Audit Commission directed us to study Minnesota's system of juvenile out-of-home placement. Legislators have questioned whether existing services are meeting juveniles' needs, and counties have been concerned about growing placement costs.

We found a greater need for additional non-residential rather than residential services, and county officials think that improved non-residential services could help to reduce the number of out-of-home placements. Although there is no significant shortage of residential beds in Minnesota (with the possible exception of foster care), the courts and counties perceive that existing residential facilities have not been able to adequately serve some of their most difficult cases. In addition, there is little information about program outcomes, limiting the ability of courts and counties to make informed placement decisions or evaluate their past placements.

This report was researched and written by Joel Alter (project manager), Dan Jacobson, and John Patterson. We received the full cooperation of the departments of Corrections and Human Services, counties, district court judges, residential facilities, and many others.

This report is a summary report. The full evaluation, entitled *Juvenile Out-of-Home Placement* (report 99-02), may be obtained from the Legislative Auditor, Centennial Office Building, 658 Cedar Street, St. Paul, MN 55155 (telephone 651/296-4708). The full report is also available at our Internet Web site--<http://www.auditor.leg.state.mn.us/pe9902.htm>.

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Juvenile Out-of-Home Placement

SUMMARY

Each year, thousands of Minnesota children are placed away from their homes for care and treatment. For example, victims of abuse or neglect might be placed with a foster family until they can safely return home or enter other “permanent” living arrangements. Some delinquent juveniles are sent to correctional facilities that aim to hold offenders accountable for their actions, protect the public, or provide therapeutic programs. Juveniles with emotional disturbances or serious drug or alcohol problems may be sent to residential programs that offer treatment.

In recent years, counties have worried about the impact of out-of-home placement costs on their budgets, and state legislators have questioned whether placement facilities adequately serve Minnesota juveniles. The 1998 Legislature placed a temporary moratorium on the development of large new facilities (and large expansions of existing facilities). The Legislature also requested this evaluation, and we asked the following questions:

- **How do counties and courts decide when to make placements? Is there adequate screening and assessment of children?**
- **What is the total public cost of out-of-home placements in Minnesota, and what trends in placements and spending have occurred? To what extent do counties vary in their placement spending, and what are the reasons for the variation? What strategies have counties used to control placement spending?**
- **What are the characteristics of the children served in out-of-home placements? In what types of facilities are they placed, for how long, and how far away from home? To what extent do children complete the programs they enter, and what are the reasons for non-completion?**
- **Does Minnesota need more beds to serve children placed out of home? If so, what types of beds (or supportive services) does the state need? Does Minnesota have sufficient non-residential alternatives to placement and aftercare services following residential placements?**
- **Is there sufficient information on the performance and operation of Minnesota’s out-of-home placement system?**

Minnesota has greater need for additional non-residential rather than residential services.

To answer these questions, we analyzed existing statewide information on child placements and their costs. We also surveyed county corrections supervisors, human services directors, and district court judges throughout the state. We visited seven counties, reviewed case information for more than 250 individual juveniles, and interviewed numerous state, local, and facility staff. We examined placements at various types of residential facilities licensed by the Department of Human Services or Department of Corrections, including family foster homes, “Rule 5” mental health treatment facilities, “Rule 8” group homes licensed to serve ten or fewer residents, chemical dependency treatment facilities, child shelters, detention facilities, and correctional facilities for delinquent juveniles.

Overall, we conclude that Minnesota generally has a more pressing need for additional non-residential services for its juveniles than additional residential services. Minnesota does not appear to face significant statewide shortages of beds (with the possible exception of foster care), although the services in existing residential facilities do not always adequately address the needs of juveniles in placement. Unfortunately, Minnesota has little information on the effectiveness of services for juveniles, and we think that the Legislature and state agencies should take steps to improve information on service outcomes.

PLACEMENT DECISIONS

There are several ways that Minnesota children can be placed in publicly-funded out-of-home care. First, peace officers may temporarily place a child in detention or shelter care. State law requires the court to hold hearings within 72 hours to determine whether the child should remain in custody. Second, the courts may order placement of a child who has been found by the court to be delinquent or in need of protection or services. Third, parents or guardians may enter an agreement with a local social services agency to “voluntarily” place a child—often when the agency is considering asking the court to remove the child from home. County social services and corrections agencies play key roles in selecting placement options, assessing child needs, and advising the juvenile courts.

Court-ordered placements are the most common type of out-of-home placements among Minnesota children. State law requires the courts to articulate in writing the reasons for child placement and for rejecting other possible options, but our review of individual cases suggests that the courts often have not explained their actions thoroughly or clearly. Furthermore, our surveys indicated that:

- **Sixty-two percent of county human services directors and 32 percent of county corrections supervisors told us that judges were not usually consistent in their decisions about which circumstances justify placement.**

There are a variety of possible reasons for inconsistency in the child placement process, both within the courts and within the county agencies that help make placement decisions. First, most counties and judicial districts do not have written

Screening and assessment practices could be improved.

criteria that identify specific circumstances that justify out-of-home placement.¹ This may reflect the lack of consensus about which types of children benefit from out-of-home placement. Second, some Minnesota counties involve few county staff in placement decisions. For example, only about half of Minnesota's county social services agencies have multi-disciplinary "juvenile treatment screening teams" authorized by state law (*Minn. Stat.* §260.152, subd. 3) to review cases recommended for placement. In addition, officials from only half of all county corrections agencies told us that their agencies typically involve at least one supervisor or manager in placement decisions.

In addition, we concluded that practices for assessing children prior to placement could be improved. A majority of county officials surveyed told us that judicial placement decisions are generally based on sufficient consideration of children's needs, but more than one-third of the human services directors said that children's needs are not considered sufficiently (see Table 1). In addition, state chemical dependency staff told us that many adolescents in residential corrections and mental health facilities have chemical abuse problems that have not been treated. Most judges we surveyed gave high marks to the timeliness and thoroughness of county chemical dependency assessments, and they gave somewhat lower ratings to counties' assessments of juveniles' mental health. We were unable to examine the outcomes of mental health screening in a systematic way because few counties have complied with state requirements for reporting this information annually. Finally, assessments of juvenile offenders' risk of committing new offenses can help the courts and counties determine what services should be provided, but nearly half of Minnesota counties do not formally do such assessments.

Table 1: County Officials' Perceptions About Whether Judicial Placement Decisions Adequately Consider Key Information

	Corrections Supervisors (N = 82)		Human Services Directors (N = 84)	
	Usually or <u>Always</u>	Sometimes, Rarely, or <u>Never</u>	Usually or <u>Always</u>	Sometimes, Rarely, or <u>Never</u>
Do judges make dispositions based on sufficient consideration of:				
Children's mental health needs?	83%	13%	62%	37%
Children's chemical dependency problems?	87	10	61	36
Children's cultural and ethnic backgrounds?	71	21	55	39
Facilities' ability to meet children's service needs?	87	10	54	45

NOTE: Percentages of officials who responded "don't know" are not shown.

SOURCE: Program Evaluation Division surveys, August 1998.

To make consistent, appropriate placement decisions, counties and courts not only need information about the child and family, but they also need to understand the strengths and weaknesses of service options available. In our surveys, a large

¹ For instance, the 1994 Legislature directed judicial districts to develop disposition criteria for delinquency cases, but seven of the ten districts identified factors to consider in the case disposition process rather than specific guidelines indicating when out-of-home placement might be appropriate.

majority of county staff told us that they have sufficient information describing the services offered by various programs. But less than half of the officials we surveyed said they have enough information about (1) recurrence of juveniles' problems following residential placement, (2) the extent to which children run away from placement facilities, and (3) the extent to which children "complete" the programs in which they are placed.

PLACEMENT SPENDING

Using information we collected from state data sources and surveys of local agencies, we estimate that:

**Placements
cost taxpayers
more than
\$200 million
annually.**

- **Public agencies spent \$225 million in 1997 for children placed out of home, not including education costs.**

Table 2 shows spending, placements, and days of service for major categories of residential settings. Foster homes have relatively low average costs per day (\$35), but they accounted for a third of all Minnesota placement spending because children tend to stay in foster homes for long periods. Correctional facilities accounted for 26 percent of all placement spending, ranging from numerous short-term placements in juvenile detention centers to longer-term placements intended to hold juvenile offenders accountable for their actions. On average, Rule 5 mental health treatment facilities had relatively long stays (168 days) and high costs per day (\$179), so they accounted for 21 percent of statewide placement spending despite having only 4 percent of the placements.

Table 2: Juvenile Placements and Spending, By Type of Facility, 1997

	Percent of Placements Made in 1997	Estimated Average Length of Stay (Days) ^a	Percent of Days of Care Occurring in 1997	Average Cost Per Day	Percent of Total 1997 Placement Spending
Shelters	21%	25	6%	\$89	7%
Family foster homes	21	285	66	35	34
Rule 8 group homes	4	119	5	99	8
Rule 5 facilities ^b	4	168	8	179	21
Correctional facilities	45	28	14	129	26
Chemical dependency facilities	4	40	2	135	3
Other ^c	1		1		
Total	100%		100%		100%

^a1997 days of care divided by 1997 placements.

^bIncludes placements at Brainerd and Willmar regional treatment centers paid by Medicaid.

^cIncludes placements and days of care that we could not allocate to the categories shown.

SOURCE: Program Evaluation Division analysis of data from the departments of Human Services and Corrections and June-July 1998 survey of counties.

Placement spending varies widely among counties.

In 1997, per capita spending for out-of-home placement varied widely among counties, ranging from \$25 per county resident under age 18 (Red Lake County) to \$322 (Hennepin County). Likewise, placement spending per child in poverty ranged from \$156 to \$1,954 among Minnesota counties. We found that the group of counties with the highest per capita spending placed more children, for much longer periods, and for slightly higher costs per day than the group of the lowest spending counties. In addition, we found that high spending counties (as a group) had substantially higher spending per capita in each of the six categories of facilities we examined.²

The widespread variation in placement spending appears to reflect county differences in underlying social conditions as well as placement policies and practices. For example, we found that counties with high poverty rates tended to have high levels of placement spending. But we also found that some counties with very low placement rates have (1) procedures for closely scrutinizing placement recommendations and children already in placement, and (2) strong preferences for using community-based services rather than out-of-home placement.

Counties have expressed concerns about recent growth in placement costs, and we found that:

- **Adjusted for inflation, statewide placement spending per Minnesota resident under age 18 increased 22 percent between 1992 and 1997.**

The highest rates of increase in inflation-adjusted spending were in correctional and chemical dependency facilities, which rose 39 and 37 percent, respectively. There were lower rates of increase in family foster homes (14 percent), Rule 8 group homes (21 percent), and Rule 5 mental health treatment facilities (26 percent).

Statewide, placement spending has grown faster than inflation.

Among 34 counties that spent more than \$1 million for placement in 1997, we found considerable variation in 1992-97 placement trends. At one extreme, Pine County's inflation-adjusted placement spending increased 126 percent during this period; on the other hand, St. Louis County's spending decreased 19 percent. As a group, counties with the largest overall spending increases between 1992 and 1997 had above-average increases in spending in all categories of juvenile residential facilities, not just some categories.

Seventy-six percent of local human services directors and 54 percent of corrections supervisors told us that they expect placement spending in their counties to increase faster than inflation during the next three years. However, about half of the local officials told us that there are additional steps that their counties could take to control placement costs without sacrificing service quality.

² The group of high spending counties included the 28 counties with the highest placement spending per county resident under 18; the low spending counties included the 28 counties with the lowest per capita spending.

FUNDING SOURCES

About three-fourths of Minnesota's 1997 placement costs were paid from the budgets of local social services agencies. For these expenditures, property taxes were the main county revenue source, although counties also received general purpose aid from the state. The main sources of federal funding were Title IV-E of the Social Security Act, which paid for a portion of placements at certain types of residential facilities, and a social services block grant funded under Title XX of the Social Security Act. The largest source of state funding was Minnesota's Community Social Services Act block grant. For all 1997 placements paid for by local social services agencies, we estimate that:

- **County revenues paid for 59 percent of 1997 placement costs, while federal revenues paid for 20 percent and state revenues paid for 12 percent.**

Counties pay for most placement costs, and many said that budget considerations have affected service decisions.

Compared with other states, Minnesota relies much more on local revenues and less on state revenues to pay for social services (including child placement costs).

Funding sources for out-of-home placement vary considerably among counties. For example, the percentage of 1997 spending paid for by county revenues varied from 33 percent (Clearwater County) to 79 percent (McLeod County). Such variation likely reflects differences in counties' (1) eligibility for (and possibly pursuit of) federal funds, (2) use of facilities eligible for federal reimbursement, and (3) overall levels of placement spending.

About half of the county corrections supervisors and human services directors told us that budget considerations have limited their ability to provide the care and services that children need. When asked whether counties would likely place more children out of home if state or federal funds paid for a larger proportion of placement costs, most human services directors (63 percent) said they would not, while county correctional supervisors were evenly split.

CHARACTERISTICS OF CHILDREN IN PLACEMENT

Children are placed away from home for a variety of reasons. Based on an analysis of all types of Minnesota child placements in 1997, we found that:

- **Children spent more time in out-of-home placement due to their parents' actions than their own conduct.**

As shown in Table 3, 46 percent of the time children spent in out-of-home care resulted from parents' conduct, and other parent-related reasons accounted for another 12 percent. A large majority of foster care placements resulted from

Table 3: Reasons for Out-of-Home Placements, 1997

Reason	Percentage of Days of Care
Parent misconduct (Child neglect/abuse, child abandonment, parental substance abuse, incarceration, other)	46.2%
Other parent-related reasons (Disability, temporary absence, other)	12.2
Child misconduct (Delinquency, status offenses, substance abuse, behavior problems)	30.3
Other child-related reasons (Disability, other)	5.9
Family interaction problems	5.4
TOTAL	100.0%

NOTE: For placements funded by social services agencies, counties regularly report reasons for placement. For correctional and chemical dependency placements not funded by social services, we assumed that the reason for placement was child conduct.

SOURCE: Program Evaluation Division analysis of DHS placement data, June and July surveys of counties, DHS Consolidated Chemical Dependency Treatment Fund data.

parent-related reasons, while most delinquency, chemical dependency, mental health treatment, and group home placements resulted from child-related reasons.

Children in out-of-home placement range in age from infants to adolescents. In 1997, nearly half of Minnesota children in family foster homes were under age 10, while correctional facilities, group homes, chemical dependency facilities, and Rule 5 mental health treatment facilities generally served older children. Boys outnumbered girls in all categories of residential facilities, but especially in correctional and Rule 5 facilities.

We found dramatic differences in rates of child placement among various racial and ethnic groups. In particular,

- **African American and American Indian children had disproportionately high rates of out-of-home placement, compared with children in other racial/ethnic groups.**

Only 4 percent of Minnesota children are African American, but African American children accounted for 22 percent of all Minnesota children in placement in 1997. Likewise, only 2 percent of Minnesota children are American Indian, but American Indians accounted for 12 percent of 1997 children in placement. About 8 percent of Minnesota's African American and American Indian children were in out-of-home placement at some time during 1997, compared with 1 percent of Minnesota's white, non-Hispanic children. In addition, African American and American Indian children had longer placements, on average, than white children. Also, African American and American Indian children had at least 12 times as

many days in placement per capita in 1997 due to parent-related reasons as did white, non-Hispanic children in placement.

Among children who were in a placement that lasted for more than three days during 1995-97, 45 percent had multiple placements of this length during this period. Of children who were in placement on January 1, 1995, 23 percent remained in placement continuously for at least the next three years.

LOCATION OF PLACEMENTS

By definition, children in out-of-home placement live apart from their immediate families. Legislators have questioned whether some children are placed too far from home, making it more difficult for service providers to work with the child's family and help children successfully return to their home communities. Table 4 shows the distance placed from home, by category of residential facility. We found that:

- **Statewide, 62 percent of days that children spent in placement during 1997 were at facilities in the children's home counties. Eight percent of days in placement were at Minnesota facilities more than 100 miles from home, and five percent of days in placement were in facilities in other states.**

Juveniles placed in shelters and foster care usually remained in their home counties, but those placed in mental health treatment facilities, group homes, and correctional facilities were more commonly in distant counties.

Table 4: Distance of Placements From Home, By Facility Type, 1997

Facility Type	Total Days in Care in 1997	Percentage of 1997 Days of Care Spent in Placements:					TOTAL
		Within Same County	In Border County	In State and Within 100 Miles, But Not in Same or Border County	In State, But More than 100 Miles Away	In Another State	
Shelters	183,143	79.8%	13.3%	4.7%	2.2%	0.0%	100%
Family foster homes	2,086,280	71.6	13.5	6.5	4.9	3.4	100
Rule 8 group homes	166,279	25.8	26.4	23.3	20.7	3.8	100
Rule 5 facilities	228,579	12.9	17.0	31.1	25.2	13.8	100
Correctional facilities	436,031	45.2	12.2	19.3	13.7	9.7	100
TOTAL	3,100,312	61.6%	14.3%	10.9%	8.3%	4.9%	100%

NOTE: For placements in correctional detention facilities that were not paid for by social services agencies, we assumed that the placements occurred in the juvenile's home county. This is usually true, but we did not have case-specific information on the location of these placements.

SOURCE: Program Evaluation Division analysis of Department of Human Services, county placement data June and July 1998 surveys of counties, and Department of Corrections data on Red Wing and Sauk Cent , Program Evaluation Division re placements.

Most cases of out-of-state placement have involved children placed in (1) foster homes, or (2) facilities certified by Minnesota's Department of Corrections (DOC) to serve delinquent juveniles.³ Among foster care cases, most out-of-state placements have involved Minnesota children who are living with relatives in other states. For delinquent juveniles, counties have used out-of-state facilities for a variety of reasons: for programs that are longer or address specialized needs better than those available in Minnesota; for lower costs; to discourage juveniles from running away; and because out-of-state facilities are closer than in-state facilities for some counties. Two counties (Ramsey and Hennepin) accounted for two-thirds of all 1996-97 out-of-state placements at DOC-certified facilities, and Ramsey County had far more children per capita in such out-of-state placement than other judicial districts in Minnesota. The states whose facilities were used most often for delinquent juveniles were South Dakota, Iowa, and Colorado.

NEED FOR ADDITIONAL SERVICES

It is difficult to assess the need for additional residential services without considering the availability of placement alternatives. In some cases, it might be possible to avoid (or shorten) residential placements if there are appropriate non-residential programs in the juvenile's home community. In our surveys of county officials, we found that:

- **Most counties reported that they have a greater need for additional non-residential services for juveniles than additional residential services.**

Seventy-one percent of county corrections supervisors and 64 percent of county human services directors said that non-residential services would be a higher spending priority than residential services if additional funds were available. In addition, we asked counties to assess their satisfaction with 25 categories of services, and most counties expressing dissatisfaction with particular services said that their most pressing need in these categories was for non-residential services. Human services directors and corrections officials both identified truancy services as the category of service with which they were least satisfied.

Judges, county human services directors, and county corrections supervisors told us that some out-of-home placements could be avoided with improved non-residential services. For example, more than one-third of judges said there is "significant potential" to reduce placements of truants, runaways, and misdemeanor-level offenders through non-residential services, and a majority of judges said that there is at least "some potential" for placement reductions in all

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³ Under state law, the commissioner of corrections must "certify" that out-of-state facilities meet Minnesota facility standards before delinquent juveniles (or preadjudicated delinquents) from Minnesota can be placed there. Many of the DOC-certified facilities are correctional facilities, but some are comparable to Minnesota's Rule 5 and Rule 8 facilities.

Some types of facilities have a considerable amount of unused capacity.

categories of juveniles except “extended jurisdiction juveniles ” and felony-level violent offenders.⁴

To help us assess the need for additional beds in residential facilities, we examined occupancy rates in selected categories of facilities. Although counties sometimes have difficulty finding available beds, we found a considerable amount of unused capacity in several categories of residential facilities. Statewide, we found that 88 percent of beds in secure correctional detention and residential facilities were occupied, compared with 77 percent of non-secure correctional beds (detention and residential), 67 percent of Rule 8 group home beds, and 65 percent of Rule 5 mental health treatment facility beds.⁵

We also surveyed county officials about service needs and, as shown in Table 5, we found that:

- **The greatest need for more beds is in foster care, according to county human services directors, and secure residential facilities, according to county corrections supervisors.**

Many counties perceive a need for additional foster care.

Table 5: Perceived Need for Additional Juvenile Facility Beds

	Percentage of Officials Who Said There Is:		
	No Need for New Beds	Some Need for New Beds	Significant Need for New Beds
Human services directors (N=84):			
Shelter care	25%	67%	6%
Treatment foster care	15	54	29
Regular foster care	5	46	48
Relative foster homes	14	40	40
Group homes	45	40	6
Rule 5 mental health facilities	52	38	6
Corrections supervisors (N=82):			
Secure detention facilities	33%	50%	15%
Secure residential facilities	28	45	26
Non-secure correctional facilities	35	51	10
Group homes	43	49	6

NOTE: Percentages of respondents who said "don't know/not applicable" are not shown.

SOURCE: Program Evaluation Division surveys, August 1998.

⁴ “Extended jurisdiction juveniles” are felony offenders for whom the court has executed a juvenile disposition, along with a stayed adult sentence. The court can maintain jurisdiction over these offenders until they reach age 21, and the adult sanctions may be executed if the offender commits a new offense or violates the conditions of the stayed sentence.

⁵ We estimated that 45 percent of Minnesota’s licensed family foster home beds were occupied in Fall 1998, but human services officials told us that it would be unrealistic for many foster homes to serve the maximum number of children allowed by their licenses.

The 1994 Legislature authorized construction grants for secure detention and secure residential beds in all of the state's judicial districts, and this has helped to address the need for more secure juvenile correctional facilities. Fifty-nine percent of corrections supervisors told us that the availability of secure detention beds in Minnesota improved in the past three years, and 45 percent said that the availability of secure residential (post-disposition) beds improved. Some judicial districts are still constructing or planning their new secure correctional facilities, so reductions in occupancy rates are likely.

Overall, given the relatively low occupancy rates of many facilities, the ongoing construction of additional juvenile corrections beds, and the preference of many counties for improved non-residential services, we concluded that:

- **There is not a serious statewide shortage of residential beds for juveniles, with the possible exception of foster care.**

Individual counties may have occasional difficulties finding specialized residential services, such as correctional services for juvenile offenders with low intelligence or secure correctional beds, and sometimes they cannot find an immediate vacancy in a preferred facility. For example, 50 percent of judges told us that there are not usually sufficient residential options for the “children with the most serious problems.” But, in general, we think that Minnesota's total number of residential beds is adequate (or nearly adequate), and the beds are distributed quite evenly throughout the state.

SERVICE ADEQUACY

Even if Minnesota has enough of most types of residential beds, it is important to consider whether existing facilities effectively serve children's needs. Our surveys of county officials revealed various concerns about the adequacy of existing services:

Counties identified various ways that residential and aftercare services could address children's needs more effectively.

- **Corrections and human services officials were less satisfied with the availability of short-term placement options (less than three months) than with the availability of longer-term options.**
- **Human services officials cited group homes and corrections officials cited correctional facilities as the types of residential facilities that least adequately tailor services to meet juveniles' needs.**
- **County corrections and human services officials said that residential corrections facilities have not worked with families of the children they serve as well as other types of juvenile facilities.**
- **In all categories of facilities, county corrections staff reported a need for improved “aftercare” services following residential placements; human services directors said that aftercare services are least**

adequate following placements in correctional and chemical dependency programs.

- **Among counties in which minority groups comprise at least 5 percent of the population, more than one-third of human services directors and correctional supervisors said that residential facilities are often insensitive to cultural and ethnic differences in the children they serve.**
- **Fifty-five percent of human services directors and 35 percent of corrections supervisors said that residential facilities discharge too many children for violating facility rules.**

Staff with the departments of Human Services and Corrections told us that improvements in facility and aftercare services are likely to result from proposed facility rules drafted jointly in 1998, at the direction of the Legislature. In addition, the departments have taken steps recently to foster development of more responsive services--for example, through the revision of programs at the Red Wing correctional facility and the encouragement of more community-based mental health programming.

Few counties have systematically tracked the outcomes of juvenile placements.

It would be useful to know more about the effectiveness of Minnesota's residential programs for juveniles. In recent years, some counties have reduced the length of time that children remain in placement, others have made fewer referrals to residential mental health treatment facilities, and some counties have diverted to non-residential services juveniles who previously might have been placed out of home. For the most part, the results of these changes are unclear. Only 7 percent of county human services directors and corrections supervisors told us that their agencies produced summary information during the past year on the success of children subsequent to out-of-home placements. The Department of Human Services worked with counties during 1998 to identify child welfare performance measures that could be tracked in the future, and this was an encouraging first step.

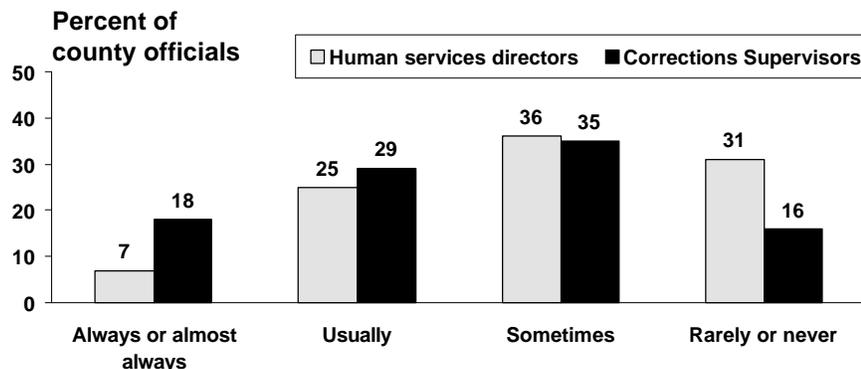
But, to properly measure service outcomes, it is necessary to consider the goals of each child placement. For example, depending on a child's circumstances, the desired outcomes of placements might include law-abiding behavior, sobriety, placement in a permanent home, protection from maltreatment, or other goals. Unfortunately, as shown in Figure 1,

- **Many county human services directors and corrections supervisors said that judges often do not clearly specify the intended purpose of the placements they make.**

STATEWIDE INFORMATION ON CHILD PLACEMENTS

Not only is there insufficient information on the outcomes of child placements, but there is also incomplete information about the placements, their costs, and the

Figure 1: Extent to Which Judges Clearly Specify Placement Goals, According to County Officials



NOTE: The survey question was: "In court dispositions that involve child placements, do judges clearly specify the intended purpose of each placement?"

SOURCE: Program Evaluation Division survey of county human services directors (N=84) and corrections supervisors (N=82), August 1998.

Policy makers need better information about out-of-home placements.

characteristics of the children in placement. The Minnesota Department of Human Services (DHS) collects and analyzes information on placements paid for by county social services agencies, but some child placements are paid for by other local agencies. For example, DHS has little information on children placed at county-operated "home schools" for juvenile offenders, including some of Minnesota's largest juvenile facilities--such as the Hennepin County Home School and Ramsey County's Boys Totem Town. Also, there has been limited statewide information collected on individuals in juvenile detention because most detention placements are funded by local corrections or law enforcement agencies. It is understandable that DHS has focused its data collection efforts on services paid for by social services agencies, but the information missing from this database has limited its usefulness to policy makers.

In addition, we found various problems with the accuracy of DHS' county-reported data on child placement. The problems included missing cases, inaccurately reported placement discharge dates, duplicate placements, and single placements inaccurately reported as multiple placements. If uncorrected, these problems can result in inaccurate information on individual counties' number of placements, days of care, and average placement length. For example, among eight counties that we examined in detail, we estimated that DHS overstated the actual days of care by at least 20 percent for four counties in 1996. Given the recent interest of the Legislature, DHS, and counties in tracking the length and outcomes of child placements, we think it will be important for DHS to monitor and correct the types of problems we found. We saw evidence that the department was doing a better job of this in 1997, although some problems remained. In addition, the department is implementing a new information system that is designed to improve the accuracy of placement information in the future.

RECOMMENDATIONS

The state's role in out-of-home placement has been very limited.

Historically, the state's role in child placement has been very limited. The courts and counties have considerable discretion about whom to place, and county funds have paid for the largest share of placement costs. State agencies license the facilities in which children are placed, but it is up to the courts and counties to select the facilities that best address children's needs. We think there are steps the Legislature and state agencies could take to improve Minnesota's child placement system, while preserving the important roles played by the courts and counties.

We have no recommendation regarding the proper level of state funding for out-of-home placement or child welfare services. On the one hand, counties have considerable discretion about which children to recommend for placement, so a significant local role in placement funding may encourage better decisions and closer scrutiny. Also, some analysts have suggested that Minnesota has not made maximum use of non-state revenue sources for out-of-home placement, such as federal funding and parental fees. On the other hand, a larger state funding role might be justified by (1) inadequacies in some residential and non-residential services, (2) the inability of counties to fully control costs for placements that are often made by the courts, and (3) the burdens that placement costs impose on poor counties, due to the fact that placement and poverty rates are positively related. The 1998 Legislature authorized \$30 million in state family preservation aid in 2000--largely in response to county concerns about growing out-of-home placement costs.

There are a variety of ways that the Legislature could allocate state funding for children in placement or at risk of placement, and we did not conduct an in-depth analysis of alternative measures of county need and fiscal capacity. However, we think that a funding approach that is tied too closely to out-of-home placements could create incentives for placement or penalize counties that have invested in placement alternatives. Thus, we recommend:

- **The Legislature should not allocate funds to counties based solely or largely on their historical number of out-of-home placements (or levels of placement spending).⁶**

Likewise, as a general rule, we think that the Legislature should not restrict the use of funds to reimbursement of out-of-home placement costs. Counties expressed a strong desire in our surveys for improved non-residential services. In our view, counties should have the flexibility to use funds to pay for whatever residential or non-residential services will best serve the needs of children and families.

Although we did not find that Minnesota needs large numbers of new beds in residential facilities, we recommend that:

⁶ If the Legislature wants to use historical county spending levels as a measure of service need in a funding formula, we think that it should use a measure of aggregate spending for both residential and non-residential services.

- **The Legislature should not extend the moratorium on large, new residential facilities (or facility expansions), which is scheduled to expire in mid-1999.**

Minnesota does not need significantly more residential facilities, but a moratorium might limit placement options for counties that pay for most placement costs.

For several reasons, we think that an extension of the moratorium could unfairly constrain placement options for counties (which pay for most placement costs) and courts (which are responsible for making case dispositions that serve the child and protect public safety). First, counties expressed to us some concerns about the quality and cost of residential services now available in Minnesota facilities, and we think that it is important for counties to have a variety of placement options. A moratorium might protect existing facilities from new competition and make them less responsive to the needs of counties and courts. We think that counties and courts are in the best position to judge whether to place their children in new or long-standing facilities, or in large or small facilities--so long as the facilities meet basic licensing requirements that help to ensure quality service. Second, the moratorium was adopted in 1998 largely in response to concerns about additions of correctional beds, but our survey of county corrections officials indicated that more would oppose rather than favor an extension of the moratorium.⁷ Third, while some people believe that counties and courts will fill to capacity whatever number of beds Minnesota licenses, this is not currently the case. There are many vacant beds in juvenile residential facilities, and counties have increasingly looked for alternatives to expensive, long-term residential placements. Overall, we do not think that Minnesota has a significant shortage of residential beds for juveniles, but we think that a moratorium could limit the responsiveness of service providers to juveniles' needs.

An alternative to a moratorium might be a requirement for facilities to demonstrate to state licensing officials that they are "needed," prior to receiving a license. Some people expressed concerns to us that Minnesota communities may encourage development of new facilities as a way of luring jobs and redevelopment, without sufficient consideration of how these facilities would address the needs of Minnesota children. We share this concern, although we think that it would probably be best to let counties and courts determine which facilities are "needed" through their actual placements, rather than having state regulators try to evaluate the "need" for a facility before it has opened.⁸

To address the problem of inconsistency in placement decisions, we considered whether to recommend statewide or county placement criteria that would identify circumstances that justify child placement. However, counties expressed limited support for such a state requirement, and research literature has provided limited insight into which types of children fare best in out-of-home care. As an alternative means of ensuring more consistent, thoughtful decisions on child placement, we recommend:

⁷ Human services directors tended to favor an extension of the moratorium, but DHS has not received a proposal for a facility large enough to be subject to the moratorium for more than 25 years.

⁸ The "need" for a facility may be difficult to evaluate before it begins to offer services. For example, a facility might be needed if it provides services that other facilities do not, but it might also be needed if it provides duplicative services more effectively or at lower costs than other providers.

Screening teams should review lengthy placements.

- **The Legislature should require all counties to establish multi-disciplinary juvenile screening teams.**

Presently, these screening teams are optional. We think that multi-disciplinary teams should review all placements in treatment facilities and all court-ordered placements potentially exceeding 30 days--including post-dispositional placements in facilities licensed by the Commissioner of Corrections. In our view, an expanded role for juvenile screening teams will enhance accountability, while helping to ensure that juvenile service needs are identified.

In addition, risk assessment (and corresponding needs assessment) can help agencies decide which juveniles need the most attention, and it can also help them to develop service plans. Similar to state requirements for adult offenders, we recommend that:

- **The Legislature should require each county corrections or court services agency to adopt written policies for classifying the risks and service needs of juvenile offenders.**

There is little systematic monitoring of service outcomes for juveniles in placement, partly because the goals of these placements vary widely and are not always well articulated. To supplement the individualized case planning done by counties and service providers, we recommend:

The courts should clearly specify placement goals.

- **The Legislature should require courts to state in their dispositions the intended outcome(s) of each juvenile placement made under their authority. The Legislature should establish a working group of judicial, legislative, and executive branch representatives to (1) develop a uniform list of possible placement goals from which judges would select, and (2) identify steps (and related costs) required for state agencies to collect summary information on achievement of these goals.**

After this working group completes its tasks,

- **The Legislature should require the departments of Human Services and Corrections to regularly report statewide information on the extent to which the goals of court-ordered placements are met--based on their own analyses or on summaries of information provided by counties or residential facilities.**

Many county staff expressed concerns about the adequacy of services for juveniles in placement (and following placement). For example, they cited a need for facility staff to work more effectively with the families of juveniles, and they said they would like better “aftercare” services. We think it is reasonable to expect counties to help develop plans to ensure that these types of services are provided, and many counties do this now. In fact, proposed rules recently drafted by the departments of Corrections and Human Services refer to county “case plans” and “transitional services plans” for each juvenile in certain types of

Case plans should be required for delinquent juveniles, and counties should monitor aftercare services.

placement. However, current law does not require counties to develop case plans for delinquent juveniles, and the law does not clearly indicate whether counties are responsible for monitoring aftercare services identified in the transitional services plans. We recommend:

- **The Legislature should require counties to develop juvenile case plans following delinquency dispositions. Consistent with requirements for cases involving children in need of protection or services, the plans should identify any social and other services that will be provided to the child and child’s family, whether in residential or non-residential settings.**

To help ensure that juveniles receive the services they need following placements in residential facilities, we recommend:

- **The Legislature should clarify in law that counties are responsible for monitoring implementation of “transitional services plans, ” even if aftercare services are provided by the residential facilities or other providers.**

In addition, county human services agencies expressed concerns to us about the absence of clear definitions of “treatment foster care ”--that is, foster homes that provide in-home therapeutic services. We recommend:

- **The Department of Human Services should adopt state rules that outline the components of treatment foster care.**

There are very high rates of child placement among certain racial and ethnic groups, and many county officials told us that there is room for improvement in residential programs’ sensitivity to cultural differences. Proposed rules drafted by the departments of Human Services and Corrections would require residential facilities to provide “culturally appropriate care, ” but we think the departments should provide counties and facilities with practical assistance. We recommend:

- **The departments of Human Services and Corrections should identify a set of “best practices ” for facility and county staff to help them provide culturally appropriate screening, assessment, case management, and direct services.**

Finally, we think that state agencies should initiate steps to improve existing information on child placement. In particular, they should find ways to supplement placement and spending information currently collected by DHS. We recommend:

- **The departments of Human Services and Corrections should establish a work group to identify ways to collect comprehensive statewide information on juvenile placement spending and individual juvenile placements.**

- **To the extent possible, the Department of Human Services should identify and correct errors in its existing juvenile placement database that have resulted (and may continue to result) in misrepresentations of the number of children in placement, the characteristics of those children, and the days spent in placement.**
- **State rules should require facilities to collect program completion information and make it publicly available. The departments of Corrections and Human Services should establish a working group to adopt uniform definitions for measuring program completion rates.**



State of Minnesota
Minnesota Department of Corrections
Office of the Commissioner

December 29, 1998

Jim Nobles
Legislative Auditor
Centennial Building
658 Cedar Street
St. Paul, Minnesota 55155

Dear Mr. Nobles:

You and your staff are to be commended for your report entitled *Juvenile Out-Of-Home Placement*. The report is an excellent compilation of useful information that will be invaluable to policymakers. Thank you for being responsive to our suggestions for changes.

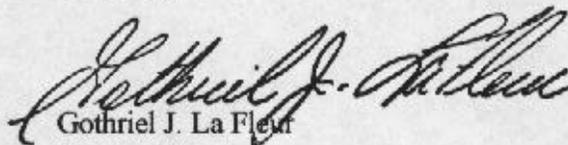
We appreciate the acknowledgement in several areas of the report that our department has taken steps to improve programming offered at our juvenile facilities. As noted in the report, we completed a statewide survey of juvenile services professionals and held forums in each judicial district to ensure that these improvements match local needs. We are confident that these enhancements will be very well received. However, your report is helpful to us as we review any further modifications. We will continue to work with local jurisdictions to ensure that residential and non-residential services for youth are strengthened and improved.

We support the notion suggested in the report that there will be continued improvements in the system with the implementation of the newly developed umbrella rule.

The report articulates the moratorium issue by including both sides of the debate. Our department supports the need for a "free market" but also is concerned about unneeded bed expansion. Documentation of bed need prior to expansion is logical particularly in recognition of the fact that the report documents a lack of statewide need. We are concerned that expansion may result in unnecessary out-of-home placements. However, the moratorium is clearly an issue for legislative reconsideration and you have provided a very informative backdrop for that discussion.

Again, we appreciate your work on an excellent report.

Sincerely,


Gothriel J. LaFleur
Commissioner



Minnesota Department of **Human Services**

December 30, 1998

Roger Brooks, Deputy Legislative Auditor
Office of the Legislative Auditor
First Floor South
Centennial Office Building
658 Cedar Street
St. Paul, MN 55155

Dear Mr. Brooks:

I appreciate the time you took to meet with staff and the opportunity to review the juvenile out-of-home placement report from the Office of the Legislative Auditor. I welcome a discussion on issues, such as out-of-home placement, that we care so deeply about and the chance to comment on the findings of your research.

This will help our department, the Minnesota Department of Corrections, and counties as we work together to help juveniles affected by our systems of care. Your independent review of out-of-home placement services will assist us in improving our practices and policies and ultimately help Minnesota's most vulnerable children.

Your report thoroughly and accurately conveys the situation that more than 17,500 Minnesota youth in out-of-home placement face each year. The questions you asked about costs, screenings, assessments, facilities, county practices, and future needs are all valid and critical launching points for further work on behalf of children.

We too are concerned with the inconsistency in decisions about out-of-home placement, the need for improving assessment of children's needs prior to placement, and increasing understanding of strengths and weaknesses of the services available.

With \$225 million in out-of-home placement costs through federal, state, and county funds in 1997, \$171 million of which is dispersed through the Department of Human Services, we understand the need for consistency in practices and the importance of accountability in our use of public funds. We agree that new funds for out-of-home placements should not be based solely on the number of placements in counties. We also endorse the need for a variety of facilities and services to best meet the individual needs of children.

Roger Brooks
Page 2
December 30, 1998

While relatively few children are in out-of-home placements outside of Minnesota or more than 100 miles from their home, we are still very concerned with the difficulty in maintaining natural support from families and friends because of the distances involved and the costs that are expended for out-of-state services.

As your report points out, youth need a variety of services, many of which are nonresidential. We believe the need for out-of-home services may diminish if a full range of services, from services for runaway youth to services for youth with severe emotional disturbances, is readily available. We will work closely with the Minnesota Department of Corrections and other partners to ensure this in the future.

Because we too are focused on outcomes, we support the recommendation to develop uniform placement goals and clearly define individual outcomes for each juvenile out-of-home placement based on the individualized needs of children. As a natural consequence, we should follow up on the courts' goals to ensure they are met.

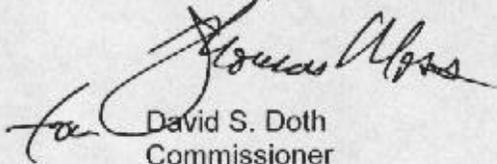
Finally, we endorse your recommendation for improving our data. We came to the same conclusion several years ago and we are developing the Social Services Information System.

Upon review of the report, we found some additional issues which we wish to bring to your attention. Specifically,

- On page 108 there is a recommendation that the Department of Human Services identify and correct errors in its existing juvenile placement database. We want to make it clear that a great deal of effort goes into auditing and correcting county data. Until now, we have not had the staff to do on-site audits of county data as well. In early 1999, four regional child welfare program consultants will begin regular record review of county child welfare cases. This will enhance the auditing already being performed.
- In reference to the discussion on page 75, Minnesota has adopted the wrap-around process because of the widespread support in the literature for its efficacy, demonstration of its cost effectiveness, and improvement in child and family functioning. We will provide a review of literature in this area if you are interested.

Thank you for this fair and useful report. It will help us improve services to children in out-of-home placement throughout Minnesota.

Sincerely,



David S. Doth
Commissioner