



Commission on Improving the Status of Children in Indiana

Committee/Task Force:	Child Services Oversight Committee		
Date of Meeting: (MM/DD/YYYY)	11/1/2021	Time:	10:00 AM
Minutes Prepared By:	Matt LoPrete	Location:	State Library

1. Meeting Objective(s)
Discussion of workplace challenges in the child services field; DCS update

2. Standing Members

Name	Organization	In Attendance (X indicates present)
Rep. Edward Clere (Co-Chair)	Indiana General Assembly	X
Rep. Carolyn Jackson	Indiana General Assembly	X
Rae Feller	Indiana CASA/GAL	X
Hon. Dana Kenworthy	Grant Superior Court	X
Sean McCrindle	Bashor Children's Home	X
Sen. Jon Ford	Indiana General Assembly	
Michael Moore	Indiana Public Defender Council	X
Sen. Frank Mrvan	Indiana General Assembly	
Jim Oliver	Prosecuting Attorneys Council	
Joan Smith	Department of Education	X (Virtually)
Director Terry Stigdon	Department of Child Services	X

3. Staff/Guests

Name	Organization
Matt LoPrete	Legislative Assistant, Representative Clere
Julie Whitman	Executive Director, Commission on Improving the Status of Children in Indiana
Chris Daley	Executive Director, IARCA
William Young	Legislative Director, DCS
Rachael Fisher	Executive Director, Community Based Services (Lutheran Child and Family Services)
Don Travis	Deputy Director, Juvenile Justice Initiatives and Support, DCS
Julie Jackson	CFO, Campagna Academy
Aaron Atwell	CFO, DCS
Shoshanna Everhart	DCS Ombudsman
Rob Sturm	Vice President, Gibault Child Services
Dee Szndrowski	CEO, Stop Child Abuse and Neglect (SCAN)
Joanna Todd	Residential Program Director, Youth Opportunity Center
Jess Miller	Residential Program Director, Youth Opportunity Center
Nathan Samuel	CEO, Childplace
David Reed	Deputy Director of Child Welfare Services, DCS

4. Updates/Old Business

Topic	Main Points	Recommendations/Decisions
Approval of minutes from previous meeting	Judge Kenworthy made revisions to the minutes over email prior to the meeting. All of the revisions were spelling and grammar corrections.	

5. New Business/Presentations

Topic	Main Points	Recommendations/Decisions
Welcome and Introductions	Rep. Clere welcomed all to the meeting and thanked the committee members and guests for making the effort to attend the meeting in person.	N/A

<p>Workforce challenges in the child services field</p>	<p>The committee listened to testimony from several child services programs about the challenges they are facing in regards to maintaining a healthy workforce that enables them to operate at full capacity.</p> <p>Rachael Fisher, Executive Director, Community Health Network, commented on how her organization has had to make tough choices in response to the pandemic but also as a result of workforce challenges that existed pre-pandemic. One such decision was to close their emergency shelter. Additionally, the organization has seen a 53% reduction in care, from 84 youth to 45. Community Health Network has 50 positions open, ranging from youth support specialists to cooks. Beds are open, but there simply aren't enough staff members to adequately support the children. Some youth have had to sleep in DCS offices. A key problem is being able to offer employees competitive wages. Companies such as Amazon or fast food chains are offering comparable salaries, and it's difficult to convince people to take on such a strenuous job when they are not making much more than a fast food worker. Additionally, it is difficult for potential employees to wait several weeks for a background check before receiving paychecks. Therefore, Ms. Fisher suggests implementing a system where background checks are stored and can be used across agencies so that someone does not have to go through a background check each time he or she applies for something. Additionally, she believes DCS should operate under a better operating margin to allow for flexibility in reimbursement so that nonprofit organizations such as hers can offer employees competitive wages accounting for inflation. In response to the comments on background checks, Don Travis, DCS, stated that there are difficulties with implementing a uniform background check system because there are different types of background checks, including CPI checks and fingerprint tests that occur at both the state and national level. DCS is looking into a potential wrapback system, which has been implemented in Illinois and Florida.</p> <p>Julie Jackson, CEO, Campagna Academy testified on the workforce challenges her institution is facing. Similar to Community Health Network, Campagna Academy is also competing with commercial establishments for employees. Due to staffing shortages (about 30-40% understaffed), the academy has been operating at half capacity, which has resulted in leaving children on waitlists for programs. Hourly rates for direct care staff has increased by 18%, but another 18% raise is needed to be competitive. Costs from this raise and other costs will not be reflected in the DCS per-diem rate for reimbursement until 2023, meaning the academy will still struggle with heavy financial burdens. A COLA is not enough to cover increased costs. Ms. Jackson recommends increasing the operation margin for nonprofits (which is currently lower than for-profit agencies), along with a COLA.</p> <p>Rob Sturm, Vice President, Gibault Children Services, stated that his facility is licensed to serve 126 youth but is only serving 85. Three units are closed, and more closures may be coming. Pre-pandemic, the organization had 215 staff out of a capacity of 225. Now, Gibault is 50 direct care staff short. Resignations are outpacing hirings. Hiring is difficult partly because of the long onboarding process but mostly because people aren't interested. Gibault has set up a mandatory overtime policy of 50 hours per week. Staff members are earning \$15 minimum wage and can make more elsewhere. They are leaving for other places despite measures Gibault has set up such as referral and retention bonuses. The workforce shortage has resulted in less quality assurance, and it will have an impact on cost reports for future reimbursement, as salaried staff have taken on direct care roles, creating a false appearance that the organization can run operations for cheaper. Gibault cannot wait two years for a new cost report. They need a per-diem rate adjustment immediately to compete with inflation and rising minimum wages across the state. Insurance companies are paying a higher per-diem rate, which has a negative impact on children who are most in need.</p>	<p>Rep. Clere stressed to DCS that the legislature meets in two months and could potentially create legislation to address the background check issue.</p> <p>Rep. Clere mentioned that the CPI, which is the basis for the COLA, only indirectly reflects labor costs, meaning that it does not fully represent the rate increase nonprofit providers need.</p> <p>Michael Moore asked about the difference between reimbursement rates for nonprofit and for-profit agencies. Aaron Atwell, DCS, confirmed it's in administrative code, and he would have to look into the history of why the difference exists. Additionally, Mr. Moore mentioned that residential facilities in other areas operate by using a flat rate and suggested it may be applicable to DCS. Mr. Atwell said DCS could look into that. Mr. Clere stated that DCS might want to look into changing their rules in an emergency context.</p> <p>Rep. Jackson asked the testifiers from Gibault and Youth Opportunity Center whether they have utilized job fairs (at universities and fairs held by cities) and internships. Both organizations have pursued those options. Rep. Jackson suggested that one of the reasons why there is a workforce shortage is because people don't know about opportunities. Nathan Samuel stated one of the key hiring issues is that the minimum age at which they can hire people is 21. Rep. Jackson said that is something the legislature should revisit.</p> <p>Director Terry Stigdon asked testifiers whether they accepted emergency funds provided to DCS through the American Rescue Plan in response to COVID-19. Some organizations did, but others did not. DCS only allocated about half of the \$10 million the agency received. Some organizations did not accept money because it would count as income, which would hurt cost reports in future years. Mr. Atwell stated that listing costs and revenues after application of COVID-19 dollars should cancel each other out and have a neutral impact on cost reports.</p> <p>Mr. Moore said public defenders have told him that children are receiving services for a longer period of time up until permanency, which has added to costs. Ms. Szndrowski stated that she has not seen too much of that with her</p>
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Minutes Prepared By:	Matt LoPrete	Location:	State Library
	<p>Dee Szndrowski, CEO, SCAN, stated that her organization is different from previous presenters because it is a purely community-based provider with no operating margin or cost reports. The organization is solely reimbursed by the community-based rates from DCS. SCAN has fundraised over \$1M in community support to close the gap between the cost of services and the reimbursement rate to continue to support children and families. This past year, SCAN experienced a turnover rate of 40% due to low salary, long hours, and lack of family benefits. This is in despite of increased paid time off, referral bonuses, incentive programs, and other efforts. SCAN suggests that DCS assist with COVID-19 testing for provider agencies and an increase in community-based rates. The COLA increase was helpful, but this came after 12 years of not receiving a rate increase, which was long overdue and doesn't address the workforce challenges that have arisen more recently.</p> <p>Joanna Todd and Jess Miller from the Youth Opportunity Center testified that their facility has 110 beds but is only filling 64 at the moment due to shortages in staffing. Before COVID-19, the center employed 500 people but that number is down to 350. Like previous testifiers, the facility has offered incentives and utilized interns, but these measures have not overcome the gaps, and as a result, the Youth Opportunity Center has had to end certain programs. One reason why the center has not been able to accept more children is some children need special attention, such as one child who acts out violently because of previous trauma he experienced and requires fulltime attention from two staff members.</p> <p>Nathan Samuel, CEO, Childplace, stated that the previous testifiers covered much of what he had to say because these issues permeate the entire field. His key recommendations were reforming the background check system and redeveloping the reimbursement rate and operating margin to make it possible to offer competitive wages. Some of these changes can be done through the agency itself and does not need legislative action. In regards to background checks, Mr. Samuel suggests allowing providers to start orientation, training, and education for new staff (without any contact with kids) while waiting on background checks. In regards to increased rates, he suggests adding a line to cost reports allowing for unforeseen or current-year adjustments. Additionally, he would appreciate it if DCS could include more information in their letters denying rate increases. The denial letters that Childplace receives contains very little information on why their rate is denied. DCS has not yet set rates for 2022, so there is still time to make a change. Finally, in terms of the operating margin, he believes that DCS should raise the margin to match the for-profit rate of 7%. This can be a legislative fix.</p>	<p>organization but definitely sees how that could be a problem.</p> <p>Regarding background checks, David Reed, DCS, clarified that providers cannot hire employees until they pass background checks. During COVID-19, DCS has allowed waivers to enable employees to be hired.</p>	
Public Comment	None		

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DCS Update and Committee Discussion	<p>Director Stigdon provided the committee with a DCS update, which included sections on workforce challenges they have been facing. The number of children that DCS serves has decreased from 25,060 to 17,599 since 2018. The children who are out of home has decreased from 15,728 to 11,119. In residential facilities, the number has gone down from 851 to 510. The rate of children entering care has decreased from 8.1 to 5.3%. Despite this decrease in volume, DCS, like all of the provider agencies that testified, is experiencing challenges maintaining a healthy workforce. For state fiscal year (SFY) 2020, DCS met the statutory standard for caseload staffing numbers. However, the number of staff has been deteriorating to the point where only 9 out of the 19 regions met the standard for SFY 2021. Nevertheless, statewide, DCS is at 96% of the staff needed to meet the standard. Turnover had been decreasing since 2018, but now it is up to levels that are higher than 2018. For the biennium, the DCS budget was reduced by \$40 million, but DCS was directed to increase provider rates for community based services by \$10 million per year. Out of home community-based spend was spent mostly on supervised visitation, followed by therapy services and casework services.</p>		<p>Rep. Clere asked why turnover is so high. Director Stigdon cited work-life balance and stated that every reason why turnover at DCS is high mirrors what the provider partners have been experiencing. There is common ground between DCS and provider agencies in terms of the workforce challenges they are currently facing.</p> <p>Rep. Clere asked how DCS employee pay compares to provider employees. Director Stigdon said there was an 11% increase in pay in 2018, but everything since then has been tied to performance. Case managers start out at a little under than \$20/hr, which is slightly more than provider agencies (Childplace, for example, is at \$17). Nathan Samuel stated that sometimes Childplace loses employees to DCS. Director Stigdon said it's a bit of a revolving door where DCS employees head to agencies and vice versa. Rep. Clere pointed out that employees who switch jobs would need a new background check.</p> <p>Mr. Moore asked Director Stigdon if DCS has considered asking the federal government for a waiver to not count funds received through COVID-19 for cost reports. Director Stigdon has not heard that a waiver exists but could ask about it.</p> <p>Sean McCrindle touched on how tough conditions at provider agencies impact the DCS workforce. For example, the fact that children end up sleeping in DCS offices could push DCS employees to find other work.</p>
6. Action Items (Include recommendations/queries for Executive Committee)			
Action	Responsibility		Due Date
The alternative permanency piece of the agenda was pushed to next meeting.			
7. Adjournment			
Action			Time
Rep. Clere ended the meeting.			12:14 pm
8. Next Meeting			
Date: (MM/DD/YYYY)	11/22/2021	Time:	12:00 pm
		Location:	State Library
Topics/Objective(s):	Permanency options and rate setting		