

*Testimony of Eileen Crummy  
Acting Commissioner of the Department of Children and Families  
Before the Senate Budget and Appropriations Committee  
April 23, 2008*

Good afternoon Chairwoman Buono and Members of the Committee.

Thank you for this – and my first – opportunity to appear before this committee to review with you Governor Corzine’s recommended Fiscal Year 2009 appropriation for the Department of Children and Families. I’d like to begin by introducing members of my staff who are here with me.

As you know, Governor Corzine has made child welfare reform and protecting New Jersey’s most vulnerable residents a cornerstone priority of his administration, which is again reflected in his proposed FY09 budget for DCF. Governor Corzine and I wish to express our sincere gratitude to this committee and to the entire New Jersey Legislature for supporting DCF and giving us the resources to truly improve our state’s child welfare system.

In my 33-year career working at the Division of Youth of Family Services, I have witnessed, as you can well imagine, our child welfare system go through both very low and very high moments. In the years leading up to New Jersey’s child welfare reform, it seemed that public support from all corners, staff morale, and most importantly, the quality of services provided to kids and families hovered too often on the low end of the spectrum.

I know first hand that DYFS staff and all of DCF have always wanted to provide the best care and attention to the kids and families they serve. But this was extremely difficult for them to do – if not close to impossible – after many years of under-funding of our child welfare system.

But today, I am pleased to say that this has changed – and for the better.

Last week the independent Federal Monitor overseeing DCF’s compliance with the Modified Settlement Agreement reported that, “DCF fulfilled and sometimes exceeded the expectations of the MSA in almost every area in which the MSA called for activity.”

The Federal Monitor's report confirms that when you have a solid plan of action, staff and managers who understand and are committed to that plan, and, the necessary resources to implement it, you can achieve real, enduring reform.

DCF's compliance with the Modified Settlement Agreement does not merely mean that we have met some numerical targets set arbitrarily by plaintiffs in the ongoing federal class action lawsuit. These are goals and commitments that the state of New Jersey, and I personally, fought hard to include in the Modified Settlement Agreement because we know they will support the positive outcomes we all want for the kids and families who depend on us for safety, permanency and well-being.

So, what progress have we achieved with the investments the state has made in the Department of Children and Families?

With the hiring and training of new caseworkers over the last two years, we have made remarkable progress in achieving manageable caseloads. Two years ago, only 17% of our DYFS offices met caseload standards for intake staff. These are the staff charged with investigating allegations of abuse or neglect. At the end of 2007, we managed to raise compliance with the intake caseload standard to 73%.

Two years ago, only 40% of our DYFS offices met the caseload standards for permanency staff. Permanency staff manage cases where abuse or neglect has been alleged or confirmed and DYFS is providing services and supervision to children in their own homes or in foster care. At the end of 2007, we achieved compliance with permanency caseloads in 100% of our DYFS offices.

It is important for us to take stock in the progress we've made with our child welfare investments, however it also important to note that our settlement commitments, particularly in the area of caseload standards, will become significantly more stringent over the next year.

The challenge to meet these new standards looms large for us, but we again understand that lower caseloads mean better services and closer attention to the kids who absolutely are the most vulnerable, at-risk children in New Jersey.

In calendar year 2007, we set a new record for the largest number of adoptions for children in foster care ever achieved in a single year in the state of New Jersey: 1540 children adopted. And, we have reduced the backlog of children awaiting adoption by 44% over the last two years.

With regard to investments in foster families, we achieved a net gain of more than 800 families, having licensed almost 1900 new homes in calendar year 2007. Achieving two consecutive years of net gains in foster families in 2006 and 2007 is particularly significant after recording two consecutive years of net losses in 2004 and 2005.

We have worked hard to target your investments, streamline administration, and focus our resources on direct care to children – 93% of DCF’s positions provide direct services with only 7% of staff devoted to administration. And, only 4% of DCF’s total proposed Fiscal Year 2009 state funding is allocated for administration and support services.

We have a lot of critical work ahead of us and this reform effort is by no means complete. For this reason, we remain laser focused on dedicating our resources and attention to improving direct care services.

The health care network for children placed in foster or out-of-home care is fragile – as it is for many children in New Jersey. I can tell you that DYFS has definitely struggled with ensuring that kids in foster care consistently receive timely and quality health care services.

However, I am pleased to also say that DCF has begun to implement a plan to establish a sound network of medical and dental professionals who are committed to providing healthcare services for children in placement. These health services will be accessed through nurses and health assistants assigned to help caseworkers in DYFS’ 47 local offices. This work is a top priority for us.

Another top priority for DCF in this and the coming years is implementing our new Case Practice Model. This year we will train over 4,000 caseworkers on this new practice model, which fundamentally changes how we serve and support families.

We have come to realize that the long-standing practice of telling parents what we think they need to do, then monitoring and enforcing does not optimally support our goals of achieving safety, permanency and well-being for kids and families.

Our new Case Practice Model guides our staff to focus on every family’s strengths rather than just their challenges or problems. Workers are being trained to help families identify and build their own natural support system, working with relatives, friends and other community supports. The goal of the Case Practice Model is to help families stay together – if possible – and remain safe, stable and

strong after DYFS ends its supervision and support. I can not say enough about how enormous and intensive this initiative is for us but I'm confident that our investment in this sea change effort will result in great outcomes for New Jersey's vulnerable kids and families.

Like our Case Practice Model, our child abuse and neglect prevention services are also based on the belief and principles that most parents can and want to be good parents and want to provide loving homes for their children.

DCF has made great progress in building a network of community-based and evidence-based prevention and family strengthening services. The old adage of, "an ounce of prevention is worth a pound of cure," certainly rings true in the area of preventing child abuse and neglect and supporting families to be stable and strong. This is why we have worked hard to establish a statewide network of prevention services to reach out to, identify and work with families who are or may be at risk. The key is to make this connection before abuse or neglect occurs and families then enter the child protection system, where the financial costs are so much greater and the human wounds are so much harder to heal.

We have focused on building a continuum of prevention programs by competitively bidding and awarding services that include evidence-based home visitation programs, community-based Family Success Centers and a pilot program we started last year called Differential Response.

Our Division of Prevention and Community Partnerships and the DCF Differential Response team have been working closely with our partners in the county human services departments and boards of social services with the aim of efficiently delivering, targeting and guiding families to services while also avoiding duplication.

DCF's proposed budget maintains the commitment to support a robust network of prevention services, including Governor Corzine's youth and gang violence prevention initiative.

Through the work of our Division of Child Behavioral Health Services, we have made significant progress in bringing home New Jersey children who are in out-of-state placements receiving behavioral health services. Since this time last year, we reduced the number of kids in out-of-state placement from approximately 300 to 205 children. Here too we still have a long way to go but we are steadily increasing

capacity and standing up new specialty beds and services that allow us to keep and bring New Jersey's kids home.

DCF has been able to reduce its contract obligations in the amount of \$11.8 million by right-sizing and reducing our residential contracted services for some out-of-state beds and some in-state beds and services that do not meet the treatment needs of New Jersey's kids.

In the yellow and blue chart attached to the back of my testimony you will see that DCF's proposed budget includes reductions in the amount of \$18.4 million. This budget summary also highlights DCF's limited funding growth items, which includes \$10.2 million to annualize the FY2008 cost of living adjustment for social services providers. The one other general area where DCF registers an increase is for \$3 million to continue commitments in the Modified Settlement Agreement. Two million dollars will enable DCF to support the Differential Response program in Middlesex and Union counties. And, \$1 million of this increase would be dedicated to extend subsidy payments for families who adopt teenagers, allowing them continue to provide care and support until they turn 21. These are our older, legally-free foster children, many of whom have been waiting for a forever family for many years.

Lastly, I want to update you on the status of New Jersey's State Automated Child Welfare Information System, which most of you know as SACWIS. DCF completed the statewide deployment of the system in August last year. SACWIS is DCF's case management and financial system designed to support the daily work of caseworkers and supervisors.

As expected with the start of any new computer system of this magnitude, we did have some glitches to work through and adjustments to make – but nothing that was insurmountable. We worked aggressively to manage and fix the snags and communicate often and quickly with staff to walk them through their questions about the applications.

Just last week, Governor Corzine and I sat down with caseworkers and supervisors in a local DYFS office and received an actual on screen tour of the SACWIS system. The caseworkers and supervisors shared their honest feedback and thoughts about the system with the Governor and me. We heard about and saw how the system helps caseworkers and supervisors better manage their cases. For example, we reviewed the ticklers they receive, reminders about noting which DYFS supervised children are coming due for their regular visit.

Previously, DYFS literally used index cards to keep an inventory of licensed and available foster homes. Now, when there is a need to place children, we can quickly search through SACWIS and match the needs of children with the capacities of families.

SACWIS is also being used by our Deputy Attorneys General, Law Guardians and the courts. There are many ways in which the state and those serving in the child welfare system are using this data system to enhance overall case management.

Again, while the challenges that remain are great, I am very proud of the work our staff have done to move our child welfare system so far ahead.

Governor Corzine's proposed Fiscal Year 2009 budget for DCF reinforces his and New Jersey's commitment to ensure that New Jersey's child welfare system continues on a path of improvement to protect our most vulnerable kids and families.

I want to thank you again and I am happy to now answer any questions you have.

## FY 2009 Governor's Recommended Budget

DCF State Funds (in thousands)

Amount  
Increase/Decrease

<b>Treatment Homes and Emergency Behavioral Health</b> Right sizing of residential contracted services	(\$11,800)
<b>Additions, Improvements and Equipment</b> Reduction to DCF equipment account	(\$5,000)
<b>Training Academy Reduction for Non-Recurring Costs</b> Reductions to three contracts to adjust for changing needs of workforce	(\$1,000)
<b>Rent Saving at 50 East State St.</b> Reflects re-negotiated cost of lease agreement	(\$322)
<b>Reduction of administrative contractual costs</b> Eliminates state resources for certain administrative expenses of social service provider agencies	(\$164)
<b>Amanda's Ease!</b> Eliminates line item, agency was awarded funds through RFP process to support this program	(\$125)
<b>TOTAL DCF REDUCTIONS</b>	(\$18,411)
<b>Modified Settlement Agreement (MSA) Commitments</b> Provides support for MSA requirements	\$3,000
<b>Third Party Cost of Living Adjustment (COLA)</b> Annualization of FY08 COLA for social service providers	\$10,204
<b>TOTAL DCF INCREASES</b>	\$13,204

**NET DCF FY09 Reductions (\$5,207)**

*DCF FY09 Proposed Budget (State Funds) - \$1,075,703*