

MARION COUNTY CHILD AND YOUTH SERVICES:  
A LOOK AT REVENUES AND EXPENDITURES

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## INTRODUCTION

### EARLY INTERVENTION PLANNING COMMISSION

The Early Intervention Planning Council (EIPC) was appointed by the City-County Council of the City of Indianapolis and Marion County, Indiana, in May 2006 to develop a comprehensive plan for early intervention that will provide services tailored to the needs of children and adolescents who have been either:

1. adjudicated or alleged as delinquent,
2. identified by the Office of Family and Children as substantially at risk of becoming delinquent children, or
3. referred to the Marion County Office of Family and Children Services.

### OVERVIEW OF FISCAL REPORT

The fiscal report will provide an overview of current funding sources and spending levels for child welfare in Marion County. Where possible to provide context, funding and spending will be compared to funding and spending levels in Indiana and the nation. As required by City-County Council Ordinance No. 70 (2005), the following funding sources will all be considered:

1. Titles IV-B, IV-E, and XX of the Social Security Act;
2. the Child Abuse and Prevention Treatment Act;
3. community corrections programs (I.C. 12-1);
4. special education programs under (I.C. 20-1-6-19);
5. all programs designed to prevent child abuse, neglect, or delinquency, or to enhance child welfare and family preservation administered by, or through funding provided by the division of family and children, county offices, prosecutors, or juvenile courts (includes programs funded under I.C. 12-19-17 and I.C. 31-40);
6. probation user's fees under I.C. 31-40-2-1; and
7. the Child Advocacy fund under I.C. 12-17-17.

Indiana's spending on child welfare is funded by a smaller share of federal funds than the national average. To the extent possible, we will determine whether there are additional federal funds available to reduce Indiana's reliance on state and local revenues for child welfare spending. The report will also address the flexibility with which the various federal funding sources can be used.

## OVERVIEW OF NATIONAL AND STATE ISSUES

Federal funding is available through several sources. The principal sources of federal funds are Titles IV-B and IV-E of the Social Security Act. The portion of child welfare spending from federal funds varies widely across states. In their 2004 report, *State Welfare Spending at a Glance*, the Urban Institute states that over 60% of Indiana's funding for child welfare services comes from local sources, while the average state receives 11% of its funding from local sources (Scarcella, Bess, Zielewski, Warner, & Geen, 2004). Furthermore, in Indiana federal funds account for only 29.6% of spending on child welfare services, while nationally the average is 50.1% of child welfare spending (Scarcella, Bess, Zielewski, & Geen, 2006). Spending on child welfare varies across states for a variety of reasons. Some funds, including TANF, Social Services Block Grants, and Medicaid, can be used not only for child welfare, but also for other purposes. There is also variation in the amount of federal funding for which states qualify. Investigating the potential federal funding sources may turn up additional revenue sources that can be used to improve child welfare in Indiana.

An Urban Institute issue brief points out that TANF funds are capped, while federal foster care reimbursements are uncapped. This leads to an incentive for many states to shift kinship care costs for IV-E eligible children from child-only grants, paid out of TANF, to IV-E foster care payment. The report, from 1997, finds that at that time, Indiana could have gained an additional \$21.38 million from Title IV-E; however, this would have required an additional investment of \$9.74 million by the state (Geen & Waters, 1997).

## PURPOSE OF REPORT

This report will provide the Early Intervention Planning Council (EIPC) with a snapshot of current child welfare expenditures and the sources used to fund these expenditures. This data will provide the EIPC with a benchmark as they move forward in planning and implementing new programs. Synthesizing this data with information on federal funding sources will help Marion County increase the portion of costs that can be funded by federal dollars.

## CHILD SERVICES FUNDING SOURCES

### FEDERAL FUNDING SOURCES

The primary federal funding sources for child welfare activities are Titles IV-B and IV-E of the Social Security Act. Additional funding is available through other federal programs, including the Social Services Block Grant, Temporary Assistance for Needy Families, the Child Abuse Prevention and Treatment Act, and Medicaid. This section discusses the funding available through each of these programs. A summary of federal funding sources is provided in Appendix A. Much of the information in this section and the appendix are available in *Child Welfare Financing 101*, available from the North American Council on Adoptable Children (Freundlich, 2007).

### *SOCIAL SECURITY*

#### **Title IV-B**

Title IV-B of the Social Security Act is a capped entitlement program that provides matching grants to states for preventive services and case management. Title IV-B: Subpart 1, Child Welfare Services, allots \$70,000 to each state and then allots additional funds to each state as a function of:

1. the total amount of dollars appropriated for Title IV-B,
2. the percentage of the population in the state under 21 years of age, and
3. the ratio of the state's per capita income to the per capita income of the entire nation.

The allotment becomes available to the state as a 75% federal match; thus, states are required to fund part of the costs. The total appropriations for Title IV-B: Subpart 1 cannot be more than \$325 million per year for each fiscal year from 2007 through 2011.

Funds appropriated through Title IV-B: Subpart 1 are intended to:

1. protect and promote the welfare of all children;
2. prevent the neglect, abuse, or exploitation of children;
3. support at-risk families through services that allow children, where appropriate, to remain safely with their families or return to their families in a timely manner;

4. promote the safety, permanence, and well-being of children in foster care and adoptive families; and
5. provide training, professional development, and support to ensure a well-qualified child welfare workforce (*Compilation of the Social Security Laws, 2007*).

Title IV-B: Subpart 2, Promoting Safe and Stable Families, allocates money to each state as a function of the average number of children receiving food stamps per month. As with Subpart 1, funds for Subpart 2 are made available as a 75% federal match. Funds from Title IV-B: Subpart 2 are intended to support the following objectives (*Compilation of the Social Security Laws, 2007*):

1. to prevent child maltreatment among families at risk through the provision of supportive family services;
2. to assure children's safety within the home and preserve intact families in which children have been maltreated when the family's problems can be addressed effectively;
3. to address the problems of families whose children have been placed in foster care so that reunification may occur in a safe and stable manner in accordance with the Adoption and Safe Families Act of 1997; and
4. to support adoptive families by providing support services as necessary so that they can make a lifetime commitment to their children.

### **Title IV-E**

Title IV-E provides funding for:

1. foster care;
2. adoption assistance;
3. the John H. Chafee Foster Care Independence Program;
4. administration; and
5. training.

Funding for foster care is an open-ended entitlement which provides as much money as is required to pay all eligible claims. The federal matching rate is equal to the Medicaid match rate which

ranges from 50% to 83%.<sup>1</sup> Funds are used to cover basic maintenance including children's food and shelter, parental visits, and case planning.

Funding for adoption assistance is also open-ended, providing funds sufficient to pay all eligible claims. The federal matching rate is equal to the Medicaid match rate. These funds may be used for payments to adoptive parents of children with special needs.

The Chafee Foster Care Independence Program funds are capped at \$140 million nationally. The federal match rate is 80%. Up to 30% of these funds may be used toward housing for youth ages 18 to 20. These funds may be used for living skills training, education, housing, substance abuse prevention, and preventive health activities.

Funding for administration is an open-ended entitlement with a 50% federal matching rate. These funds are intended for expenses associated with Title IV-E eligible children in foster care and proportional administrative expenses for the foster care program.

Funding for training is an open-ended entitlement with a 75% federal matching rate. These funds may be used to pay for training proportional to the number of children eligible for Title IV-E foster care and/or adoption assistance. The training is for both agency staff and adoptive parents. These funds may not be used for training related to non Title IV-E eligible children.

## **Title XX**

Funds are allocated to each state as a function of total federal funding for Title XX and the population of the state relative to the nation's population. Title XX funds may be used for:

1. achieving or maintaining economic self-support to prevent, reduce, or eliminate dependency;

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<sup>1</sup> The Medicaid match rate is based on the state's per capita income and the per capita income for the continental United States, including Alaska and Hawaii. In 2007, the federal matching rate was 62.61%. This means that for every \$62.61 provided by the federal government, Indiana must match with \$27.39 of state funds.

2. achieving or maintaining self-sufficiency, including reduction or prevention of dependency;
3. preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests; or preserving, rehabilitating or reuniting families;
4. preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care; and
5. securing referral or admission for institutional care when other forms of care are not appropriate or providing services to individuals in institutions.

### *SOCIAL SERVICES BLOCK GRANT*

The Social Security Block Grant provides funds that may be used for child care, child welfare, and services for the elderly. The SSBG is a capped entitlement program that does not require a state match. States may use SSBG funds for various child welfare-related activities including preventive services, protective services, adoption services, and services for children in foster care. However, states can also use SSBG funds for other non-child-welfare services, including services for the elderly and other special populations. The percentage of SSBG used for child welfare varies across states from 0% to as much as 34%. The SSBG program has never been fully funded and historically has been subject to cuts in funding (Freundlich, 2007).

### *TEMPORARY ASSISTANCE FOR NEEDY FAMILIES*

TANF provides assistance to needy families so that children may be cared for in their own homes or the homes of relatives. TANF is a capped block grant program. No state matching is required; however, states must satisfy a Maintenance of Effort requirement. Not all TANF funds are used for child welfare purposes. Child welfare activities eligible for TANF funds include supporting children whom child welfare has removed from their parents' home and placed in the care of relatives. States can also transfer up to 10% of their TANF grant to SSBG, described above, which can be used to support a wide range of child welfare services.

*CHILD ABUSE PREVENTION AND TREATMENT ACT*

CAPTA was originally passed in 1974, and was recently reauthorized in 2003 by the Keeping Children and Families Safe Act of 2003. The act provides federal funding to states to support prevention, assessment, investigation and treatment of child abuse. In Indiana, this money does not make it down to the local level.

*MEDICAID*

Medicaid provides medical coverage to those who qualify due to a financial or other need. Children 19 and younger in families with incomes below the 150% FPL are eligible for Medicaid. Children 19 and younger in families with incomes between 150% and 200% of the FPL that meet cost-sharing requirements are also eligible for Medicaid.

## STATE FUNDING SOURCES

*PROBATION USER FEES*

IC 31-40-2-1 dictates the amount of probation user fees (PUF) and the use of those fees. Specifically, in Marion County every youth placed on probation is assessed an initial PUF of \$35, a monthly PUF of \$15, and an administrative fee of \$100. These funds can be used only for:

1. supplementing probation services to juveniles, and
2. supplementing the salaries of probation officers in accordance with the state salary schedule.

*COUNTY FAMILY AND CHILDREN FUND*

The County Family and Children Fund (CFCF) receives the bulk of its funds through taxes, including property tax, vehicle excise tax, financial institutions tax, and commercial vehicle excise tax. Total receipts from taxes in 2006 were \$44.3 million (31% of total revenues) with \$40.3 million (28% of total revenues) of this from property taxes alone (see Table 1). Reimbursements from Title IV-E of the Social Security Act, shown below as "Total Reimbursements," provided \$27.8 million (20% of

total revenues) in 2006. Total returned warrants do not represent a flow of new monies into the Family and Children Fund, but rather are the accounting mechanism used to account for checks written for the wrong amount. Repayments show money from TANF, Medicaid, and Food Stamps coming into the CFCF; however, this is money that is transferred in and immediately transferred out to the state. This money is not actually used by the CFCF. All together, approximately 15% of the DCS revenues were from federal sources in 2007. This is an increase from 12.0% in 2003, but is lower than the 20% of revenues from federal sources in 2006.

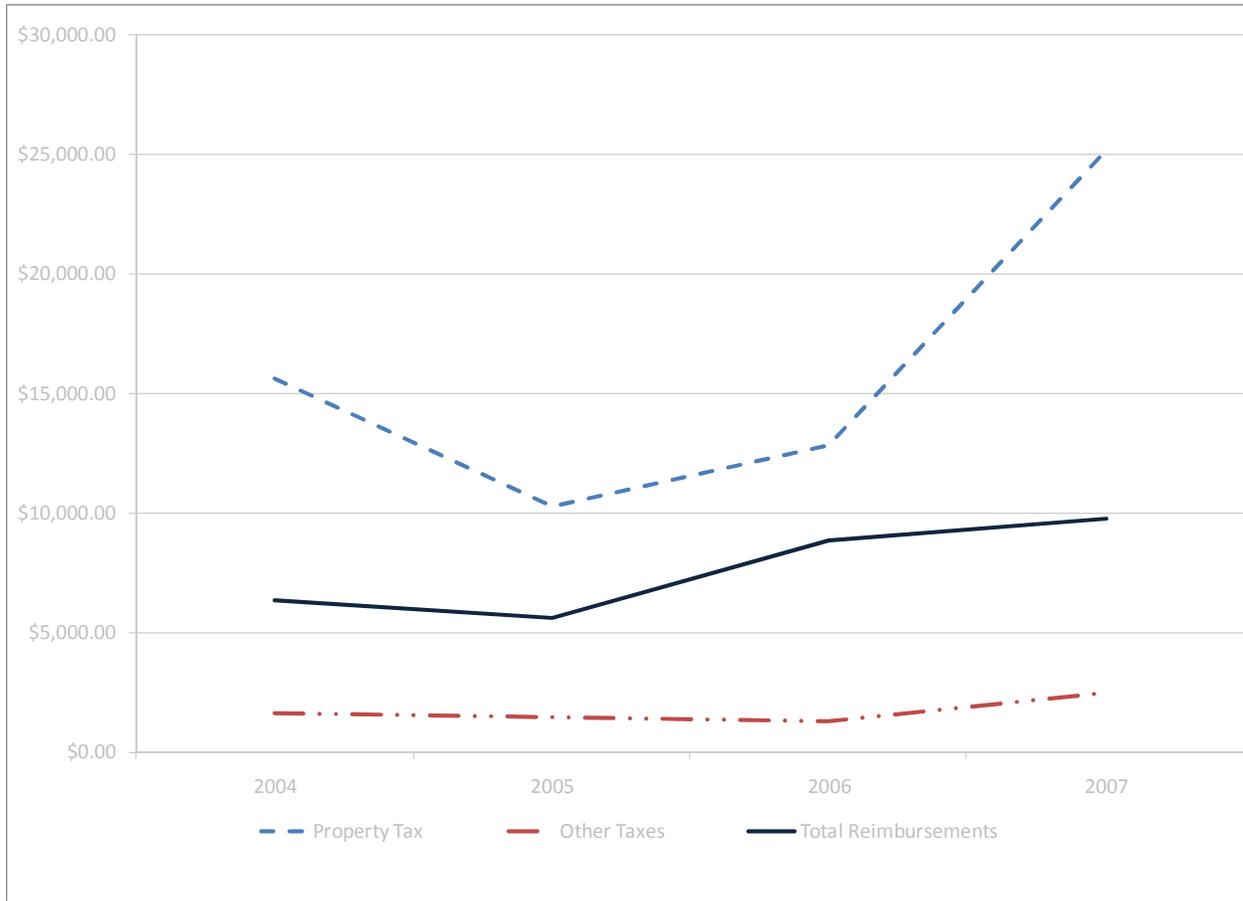
Funds from Title IV-B of the Social Security Act do not show up on the CFCF budget. In 2006, money from IV-B was approximately \$1.6 million. Additionally, about \$232,000 dollars were obtained from Chafee to fund independent living.

**Table 1: County Family and Children Fund Receipts**

<b>Receipts</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Property Tax	\$46,957,544	\$41,104,427	\$30,740,030	\$40,383,979	\$55,295,155
Other Taxes	\$4,544,661	\$4,207,029	\$4,336,170	\$3,944,991	\$5,441,188
<b>Total from Taxes</b>	<b>\$51,502,204</b>	<b>\$45,311,455</b>	<b>\$35,076,200</b>	<b>\$44,328,970</b>	<b>\$60,736,343</b>
<b>Total Reimbursements</b>	<b>\$13,095,326</b>	<b>\$16,803,117</b>	<b>\$16,847,480</b>	<b>\$27,804,090</b>	<b>\$21,384,793</b>
<b>Total Returned Warrants</b>	<b>\$1,312,855</b>	<b>\$344,180</b>	<b>\$1,243,414</b>	<b>\$454,610</b>	<b>\$2,689,751</b>
TANF	\$35,971	\$45,380	\$33,421	\$19,733	\$10,636
Medicaid	\$1,003,027	\$1,081,963	\$730,749	\$749,304	\$58,646
Food Stamps	\$24,642	\$36,405	\$45,568	\$43,161	\$24,070
All Other Repayments	\$19,081,763	\$1,014,738	\$1,138,141	\$1,274,675	\$860,739
<b>Total Repayments</b>	<b>\$20,145,403</b>	<b>\$2,178,486</b>	<b>\$1,947,878</b>	<b>\$2,086,873</b>	<b>\$954,092</b>
County Share of IV-E	\$7,690	\$93,985	\$3,145	\$248,695	\$545
Other	\$31,346,707	\$31,783,613	\$60,772,543	\$66,948,225	\$54,606,403
<b>Total Other Receipts</b>	<b>\$31,354,397</b>	<b>\$31,877,598</b>	<b>\$60,775,687</b>	<b>\$67,196,920</b>	<b>\$54,606,947</b>
<b>Total Receipts</b>	<b>\$117,410,185</b>	<b>\$96,514,836</b>	<b>\$115,890,659</b>	<b>\$141,871,463</b>	<b>\$140,371,925</b>

Table 1 shows annual revenues from property taxes, other taxes, and total repayments (which largely consist of Title IV-E monies) from 2003 to 2007. Figure 1 shows that revenues from property taxes reached its lowest point over this period in 2005 and peaked at \$55 million in 2007. Total reimbursements had been steadily increasing from 2003; however, reimbursements decreased from 2006 to 2007. Finally, other tax revenues (vehicle excise tax, commercial vehicle excise tax, and financial institutions tax) have been decreasing slowly since 2003, with the exception of a slight increase from 2004 to 2005. Given the current property tax reforms being considered by the state legislature, an alternate source of funding may be needed in the near future.

**Figure 1: CFCF Major Revenue Sources**



## LOCAL FUNDING SOURCES

### *TAXES*

Funding is available from several local tax sources, and property taxes are the most important local source. Other local sources include vehicle excise tax, commercial vehicle excise tax, and financial institution tax.

### *CHILD ADVOCACY FUND*

Indiana law (IC 12-17-17) calls for the establishment of a fund in each county dedicated to the purpose of developing interdisciplinary response to child abuse and situations of neglect. The fund is administered by the county auditor. The law further states that a county fiscal body will appropriate funds for use at the discretion of the county legislature for addressing child abuse and neglect prevention and intervention. The money placed in this fund is distributed to the nonprofit organization, Child Advocates. In 2006, this amount was approximately \$3,600, while in 2007 it was about \$4,100.

### *COMMUNITY CORRECTIONS PROGRAMS*

The Marion County Community Corrections Agency serves only the adult courts. Therefore, the Community Corrections Program funds are not currently relevant to early intervention for youth and children. However, if Marion County were to establish a Juvenile Community Corrections Program in Marion County, then the Community Corrections Program would be a potential source of funding.

## CHILD SERVICES: EXPENDITURES

### SELECTION OF AGENCIES AND FUNDS

The report discusses several agencies and funds used to improve child well being at the county level. Agencies and funds were selected based on the relevance of their work to early intervention.

The agencies and funds included are:

1. public school systems.
2. County Family and Children Fund,
3. mental health facilities.

### DESCRIPTION OF AGENCIES

#### *PUBLIC SCHOOL SYSTEMS*

##### **Summary**

The public education system is a critical source of early intervention services for students in Indiana. Funding exists for programs at all levels of the education spectrum. This section will provide an overview of the major funding sources and programs available to students in Marion County.

##### **Even Start Family Literacy Grant Program**

The Even Start grant, Title I, Part B, Subpart 3 of the Elementary and Secondary Education Act of 1965 (ESEA), is a federally funded education program for low-income families that is designed to improve the academic achievement of young children and their parents. Even Start programming addresses intergenerational poverty and low literacy rates by combining four major components: early childhood education; adult literacy and parenting education; and interactive literacy activities between parents and their children, often by provide linkage with other community entities providing these services, such as government agencies, colleges and universities, public schools,

Head Start programs, and other public and private community-based groups. In 2006, the federal government appropriated \$99 million for Even Start programming, with Indiana receiving a total award of \$1.3 million.<sup>2</sup> Even Start programming currently operates 11 programs statewide, with 2 programs located in Marion County.<sup>3</sup> These programs are facilitated by the Indianapolis Public School system. See Table 2 for a breakdown of allocations in Marion County.

### **Early Literacy Intervention Grant**

The Early Intervention Program focuses on interventions in grades pre-k through second grade to improve the reading readiness and reading skills of students who are at risk of not learning to read. The grant supports three key functions: to assist schools in acquiring materials, resources, and expertise needed to enhance literacy intervention; to provide funding for training specific to intervention programs; and to provide support to further parent/family education and training in the intervention instruction of children. *For the 2004-2005 school year, the IDOE awarded 89 early intervention grants, 101 reading recovering teaching training awards, 583 reading recovery continuing contract awards, and 1 reading recovery training center grant.* In 2006, the state of Indiana allocated \$3.7 million for early intervention program statewide.<sup>4</sup> See Table 2 for a breakdown of awards in Marion County.

### **21st Century Community Learning Centers**

The 21st Century Community Learning Centers program is an after-school initiative authorized by the No Child Left Behind, Title IV Part B. CCLC is targeted to students in high-poverty areas or low-performing schools, and helps communities establish or expand community learning centers that provide students with academic enrichment opportunities aligned to state standards in core

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<sup>2</sup> Fiscal Year 2001-2008 State Tables for the U.S. Department of Education, Even Start Family Literacy Program, <http://www.ed.gov/about/overview/budget/statetables/index.html#update>

<sup>3</sup> INDIANA EVEN START PROGRAMS Program Year 2007-2008, [http://www.doe.state.in.us/adulted/docs/even\\_start\\_programs.doc](http://www.doe.state.in.us/adulted/docs/even_start_programs.doc)

<sup>4</sup> Digest of Public School Finance in Indiana 2005-2007 Biennium, Early Intervention Grant.

subjects, such as reading and mathematics. The program's primary purpose is to award grants, via competition, to public schools, community-based organizations, public/private organizations, faith-based organizations, or a consortium of these organizations. The federal government allocated \$7.1 million for the CCLC programs in the state of Indiana for 2007 FY.<sup>5</sup> See Table 2 for a breakdown of allocations in Marion County.

### **Title III, Language Instruction for Limited English Proficient and Immigrant Students**

Title III, Language Instruction for Limited English Proficient and Immigrant Students, of the No Child Left Behind Act, provides school districts with funds to provide a number of supplemental services for Language English Proficient students. Authorized activities include family literacy services; support for LEP personnel; provision of tutorials; mentoring and academic or career counseling for immigrants; acquisition of curriculum materials; basic instructional services; and comprehensive community services in coordination with community-based organizations. Title III is available to all states and local school corporations. See Table 2 for a breakdown of allocations in Marion County.

### **Alternative Education Grant**

Alternative education is designed to meet the needs of at-risk students who are not succeeding in the traditional setting. Students are provided with a variety of options that can lead to graduation. Additionally, alternative education grants provide special services for the students and their immediate families. Alternative education services include alternative classrooms, school-within-a-school programming, separate alternative schools, and second or last-chance schools for disruptive students. These schools provide students with flexible schedules, individualized teaching, and linkage to essential community supports. Reimbursements are based on the number of full-time equivalent students enrolled in an approved alternative education program. During the 2003-2004

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<sup>5</sup> Fiscal Year 2001-2008, State Tables for the U.S. Department of Education.

school year, 116 school corporations participated, supporting 290 programs statewide. See Table 2 for a breakdown of allocations in Marion County.

## **Title I**

Title I funding is one the most significant sources of funding for school districts. Title I funding covers a broad spectrum of services, all targeted toward improving academic achievement among disadvantaged students. Part B, the Reading First and Even Start Family Literacy Programs, focuses on improving reading achievement. Reading First awards grants to states to establish reading programs for students in kindergarten through 3rd grade. Even Start provides funding for states, local districts, and nonprofit organizations to provide early childhood education to young children and basics skills and literacy instruction to their educationally disadvantaged parents. Part C, the Migrant Education Program, supports state and local programs that address the special educational needs of the children of migratory farm workers. Part D, the Neglected and Delinquent Children Programs, provides grants to states responsible for educating children in state institutions for neglected or delinquent children, adult correctional institutions, and community day care programs for neglected or delinquent children. It also provides funds to support partnerships between schools and correctional facilities to educate students residing in or returning from correctional facilities.<sup>6</sup> In addition, Title I requires that all school districts reserve a certain percentage of Title I funds to provide educationally-related services to homeless students. This mandate includes homeless students who do not attend Title I schools. See Table 2 for a breakdown of allocations in Marion County.

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<sup>6</sup> *Education Week*, Research Center <http://www.edweek.org/rc/issues/title-i/>.

**Table 2: School Funding Sources, FY 2006-2007 Allocations**

Marion County School Districts	Even Start Family Literacy	Early Intervention Grant	21st Century Community Learning Centers	Title III Language Minority and Migrant Programs
Beech Grove City Schools	-	Not available	-	-
MSD of Decatur Township	-	Not available	-	-
Franklin Township Community School Corporation	-	Not available	-	\$31,563
Indianapolis Public Schools	\$287,850	\$242,361	\$1,806,099	\$567,633
Lawrence Township	-	Not available	-	\$161,656
MSD of Perry Township	-	Not available	\$99,263	\$111,055
MSD of Pike Township	-	Not available	-	\$164,495
School Town of Speedway	-	Not available	-	\$25,217
MSD of Warren Township	-	\$125,607	-	\$74,649
MSD of Washington Township	-	\$45,551	\$624,132	\$170,173
MSD of Wayne Township	-	Not available	-	\$244,989

\*2007-2008 allocations

**Table 2: School Funding Sources, FY 2006-2007 Allocations, continued**

Marion County School Districts	Alternative Education Grants	Title I
Beech Grove City Schools	\$6,455	\$89,910
MSD of Decatur Township	\$30,348	\$909,577
Franklin Township Community School Corporation	\$6,985	\$461,770
Indianapolis Public Schools	\$3,137,025	\$32,980,632
MSD of Lawrence Township	\$45,191	\$1,870,413
MSD of Perry Township	\$38,917	\$1,943,991
MSD of Pike Township	\$12,851	\$1,139,943
School Town of Speedway	-	\$182,888
MSD of Warren Township	\$76,980	\$1,045,569
MSD of Washington Township	\$37,747	\$1,199,148
MSD of Wayne Township	\$59,929	\$3,163,133

*COUNTY FAMILY AND CHILDREN FUND*

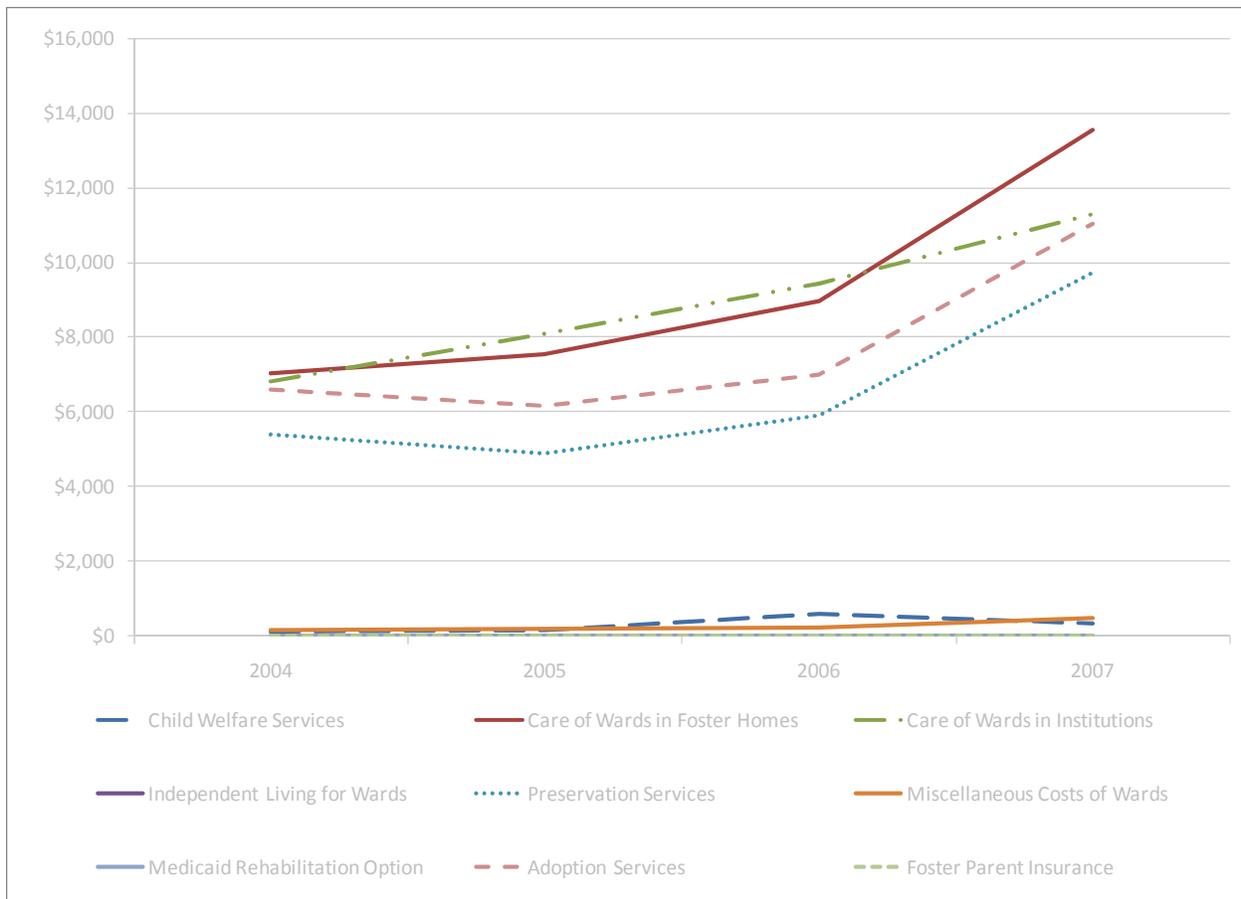
The County Family and Children Fund provides funding for child welfare services, adoption services, foster care services, care for wards of the state, and Medicaid rehabilitation services in Marion County. The expenditures are summarized in Table 3. Note that starting in 2007, care of wards in therapeutic foster homes is included under the category of care of wards in foster homes. This change accounts for the bulk of the increase in spending on care of wards in foster homes from 2006 to 2007.

**Table 3: County Family and Children Fund Expenditures**

Disbursements	2003	2004	2005	2006	2007
Child Welfare Services	\$410,932	\$344,117	\$539,465	\$1,858,900	\$728,688
Care of Wards in Foster Homes	\$6,835,573	\$7,055,016	\$8,630,947	\$8,943,623	\$29,774,564
Care of Wards in Therapeutic Foster Homes	\$10,218,087	\$11,447,902	\$13,892,864	\$19,225,647	NA
Care of Wards in Institutions	\$17,251,052	\$17,959,799	\$24,257,316	\$29,702,384	\$24,779,163
Independent Living for Wards	\$26,166	\$13,056	\$5,922	\$20,975	\$3,999
Preservation Services	\$12,746,571	\$14,216,500	\$14,608,681	\$18,572,911	\$21,344,685
Miscellaneous Costs of Wards	\$425,966	\$423,334	\$573,923	\$722,911	\$1,091,174
Medicaid Rehabilitation Option	\$101,984	\$60,941	\$13,954	\$4,085	\$0
Adoption Services	\$15,757,510	\$17,310,329	\$18,427,070	\$22,068,714	\$24,274,511
Foster Parent Insurance	\$32,844	\$36,957	\$46,976	\$55,151	\$60,260
Interest on Temporary Loan	\$114,710	\$51,856	\$91,325	\$410,780	\$120,627
<b>Total of Budgeted Disbursements</b>	<b>\$63,921,396</b>	<b>\$68,919,805</b>	<b>\$81,088,445</b>	<b>\$101,586,081</b>	<b>\$102,177,671</b>
TANF	\$35,616	\$45,533	\$31,649	\$22,955	\$11,178
Medicaid	\$1,092,113	\$945,775	\$866,936	\$672,797	\$135,153
Food Stamps	\$28,342	\$36,074	\$39,456	\$51,028	\$25,786
Care of Wards in Institutions	\$0	\$16,510	\$0	\$0	\$0
Temporary Loan (Principal)	\$30,800,000	\$31,192,000	\$33,699,666	\$33,513,465	\$41,958,666
Other	\$37		\$127	\$25	\$10,524
<b>Total of Non-Budgeted Disbursements</b>	<b>\$31,956,109</b>	<b>\$32,235,892</b>	<b>\$34,637,834</b>	<b>\$34,260,269</b>	<b>\$42,141,307</b>
<b>Total Disbursements</b>	<b>\$95,877,504</b>	<b>\$101,155,697</b>	<b>\$115,726,279</b>	<b>\$135,846,351</b>	<b>\$144,318,979</b>

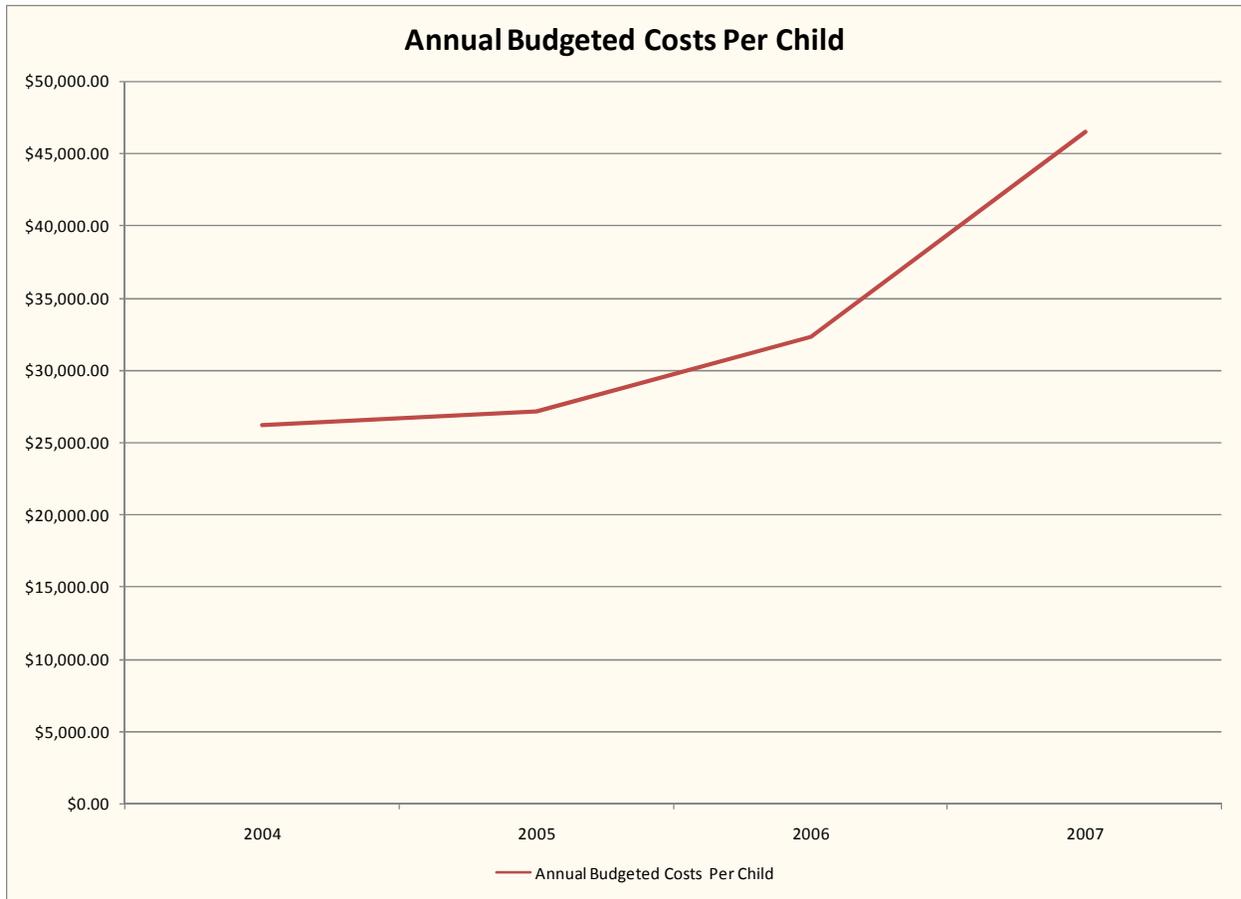
Most CFCF expenditure categories have been increasing since 2003, as can be seen in Figure 2. Spending on independent living for wards saw a significant decrease from just over \$20,000 in 2006 to just under \$4,000 in 2007, lower even than spending on independent living for wards in 2005. There has also been a significant decrease in the amount of money used for Medicaid.

**Figure 2: CFCF Expenditures per Child Served**



To arrive at a rough estimate of the cost per child served for one year, we took the total amount of budgeted disbursements and divided this by the average number of children served during each year. The costs of services provided from the CFCF fund has increased steadily from \$26,194 per child year in 2004 to \$46,502 per child year in 2007 (see Figure 3).

**Figure 3: Average Annual CFCF Expenditure per Child Served**



## MENTAL HEALTH

There are four mental health organizations that play key roles in mental health care for children and youth in Marion County. These four organizations are: Adult and Child Mental Health Center, Behavior Corp, Gallahue Mental Health Center, and Midtown Community Mental Health Center. Information regarding revenues, expenditures, and the number of children served was requested from each of the agencies. All of them were gracious enough to reply; however, Adult and Child Mental Health Center was unable to provide the requested data. This is because Adult Child and Behavior does not keep the records for the children they serve in Marion County separate from their records for children in other counties.

### *BEHAVIORCORP*

In 2006, BehaviorCorp spent \$1.98 million on serving children in Marion County (see Table 5). The largest portion of their funding (47.19%) was obtained from Medicaid and other revenue; 44.22% of their revenue was state revenue, and the remaining 8.58% was from Marion County. Over time, BehaviorCorp has been receiving a smaller share of their revenue from Medicaid while the shares from Marion County and the state have both been increasing.

**Table 5: BehaviorCorp Budget**

	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
Children Served	757	789	815
Total Estimated Expenses	\$ 1,935,000	\$ 1,980,000	\$ 1,977,000
Estimated Revenue			
Medicaid & Other Revenue	\$ 1,111,900	\$ 1,086,000	\$ 933,000
Marion County Revenue	\$ 119,460	\$ 130,910	\$ 169,680
State Revenue	\$ 703,640	\$ 763,090	\$ 874,320
Total Revenues	\$ 1,935,000	\$ 1,980,000	\$ 1,977,000
Cost Per Child	\$ 2,556	\$ 2,510	\$ 2,426

During 2006, BehaviorCorp served 815 children, an increase of 13% since 2004 when 757 children were served. The average cost per child in 2006 was \$2,426, lower than the \$2,556 per child in 2004. It would take further investigation to determine whether the decrease in spending per child can be attributed to efficiency gains, to providing fewer services for each child, or some combination of the two.

### *GALLAHUE*

In 2006, Gallahue spent \$13.6 million toward services for children in Marion County (see Table 6). The largest portion of their funding (70.43%) was obtained from Medicaid and other revenue; 7.0% of their revenue was from the Division of Mental Health; 6.5% of their revenue was from Marion County; and the remaining 15.8% was from other sources. The mix of Gallahue's funding has remained stable.

**Table 6: Gallahue Community Mental Health Center Budget**

	<b>FY2004</b>	<b>FY2005</b>	<b>FY2006</b>
Children Served	3,653	4,150	4,471
Salaries and Benefits	\$4,342,036	\$4,828,728	\$4,674,511
Other Direct	\$8,564,478	\$8,687,033	\$8,922,776
Total Expenditures	\$12,906,514	\$13,515,761	\$13,597,287
Medicaid	\$9,214,513	\$9,386,476	\$9,576,341
Division of Mental Health Grant	\$803,424	\$942,485	\$942,810
Marion County Contracts	\$858,096	\$841,746	\$888,629
Other	\$2,131,941	\$2,211,393	\$2,152,987
Total Funding Sources	\$13,007,974	\$13,382,100	\$13,560,767
Cost Per Child Served	\$3,533	\$3,257	\$3,041

During 2006, Gallahue served 4,471 children, an increase of 22% since 2004 when 3,653 children were served. The average cost per child in 2006 was \$3,041, lower than the \$3,533 per child in 2004. It would take further investigation to determine whether the decrease in spending per child

can be attributed to efficiency gains, to providing fewer services for each child, or some combination of the two.

#### *MIDTOWN COMMUNITY MENTAL HEALTH CENTERS*

During 2006, Midtown spent a total of \$4.29 million serving children in Marion County (see Table 7). The majority of their funding (68.60%) was received from Medicaid. Additionally, they received 18.45% of their funding from a state Division of Mental Health Grant, 8.71% from Marion County, and the remaining 4.24% from other sources. Midtown's expenditures in 2006 have decreased 8% from the \$4.67 million which Midtown spent in 2004. Midtown has seen an increase in the share of funding from Medicaid and from other sources, while revenues from Marion County and the Division of Mental Health Grant have declined.

**Table 7: Midtown Community Mental Health Center Budget**

	<b>FY2004</b>	<b>FY2005</b>	<b>FY2006</b>
Children served	3,056	3,268	2,918
Salaries & benefits	\$5,089,390	\$4,008,915	\$4,581,833
Other direct	\$516,483	\$497,169	\$595,450
Total expenditures	\$5,605,873	\$4,506,084	\$5,177,283
Medicaid	\$3,005,037	\$2,905,273	\$2,943,647
Division of Mental Health Grant	\$1,155,883	\$976,811	\$791,566
Marion County contracts	\$511,637	\$230,527	\$373,919
Other	\$0	\$208,556	\$182,010
Total funding sources	\$4,672,557	\$4,321,167	\$4,291,141
Cost per child served	\$1,834	\$1,379	\$1,774

Midtown Community Health Center served 2,918 children in Marion County during 2006, a decrease of 5% since 2004 when Midtown served 3,056 children in Marion County. The average cost per child in 2006 was \$1,774, a decrease of 3% since 2004, when the average cost per child was \$1,834. It would take further investigation to determine whether the decrease in spending per

child can be attributed to efficiency gains, to providing fewer services for each child, or some combination of the two.

### *TRENDS*

Looking at the data for the three mental health centers, two trends stand out. First, we see a decrease in the cost of services per child at each of the three mental health centers. Whether this is due to efficiency gains, because of fewer services for each child, or some combination of both is unknown. Second, there is an increase in the number of children served by both BehaviorCorp and Gallahue, but the number of children served by Midtown decreased 5% from 2004 to 2006. The number of children served by all three institutions together has increased since 2004. A hypothesis consistent with these two trends is that the number of children served is increasing more quickly than the capacity at these institutions, thus leading to lower spending per child. The fact that Midtown is serving fewer children but still has lower spending per child, does, however, present an inconsistency with this hypothesis.

## CHILDREN IN NEED

An important component for understanding the past and future budget required for child welfare spending in Marion County is the number of children requiring such spending. One approach to this problem is to use the number of children living in poverty to serve as a proxy measure of the number of children requiring services. If services per child remain at the same level and we ignore inflation, then an increase in the number of children requiring services should lead to an increase in expenditures, and a decrease in the number of children requiring services should lead to a decrease in expenditures. A second approach taken uses estimates of the prevalence of risks for young children and applies these rates to the population of Marion County in order to estimate the number of at-risk children in Marion County.

## CHILDREN IN POVERTY

Figure 3 shows the number of children under 18 in poverty for three geographic regions: the United States, Indiana, and Marion County. The measure of the number of children in poverty has been normalized to 100, so that the growth rate can be easily compared across the three geographic areas. Because of this normalization, the graph shows the percentage by which the number of children in poverty has grown since 2000.

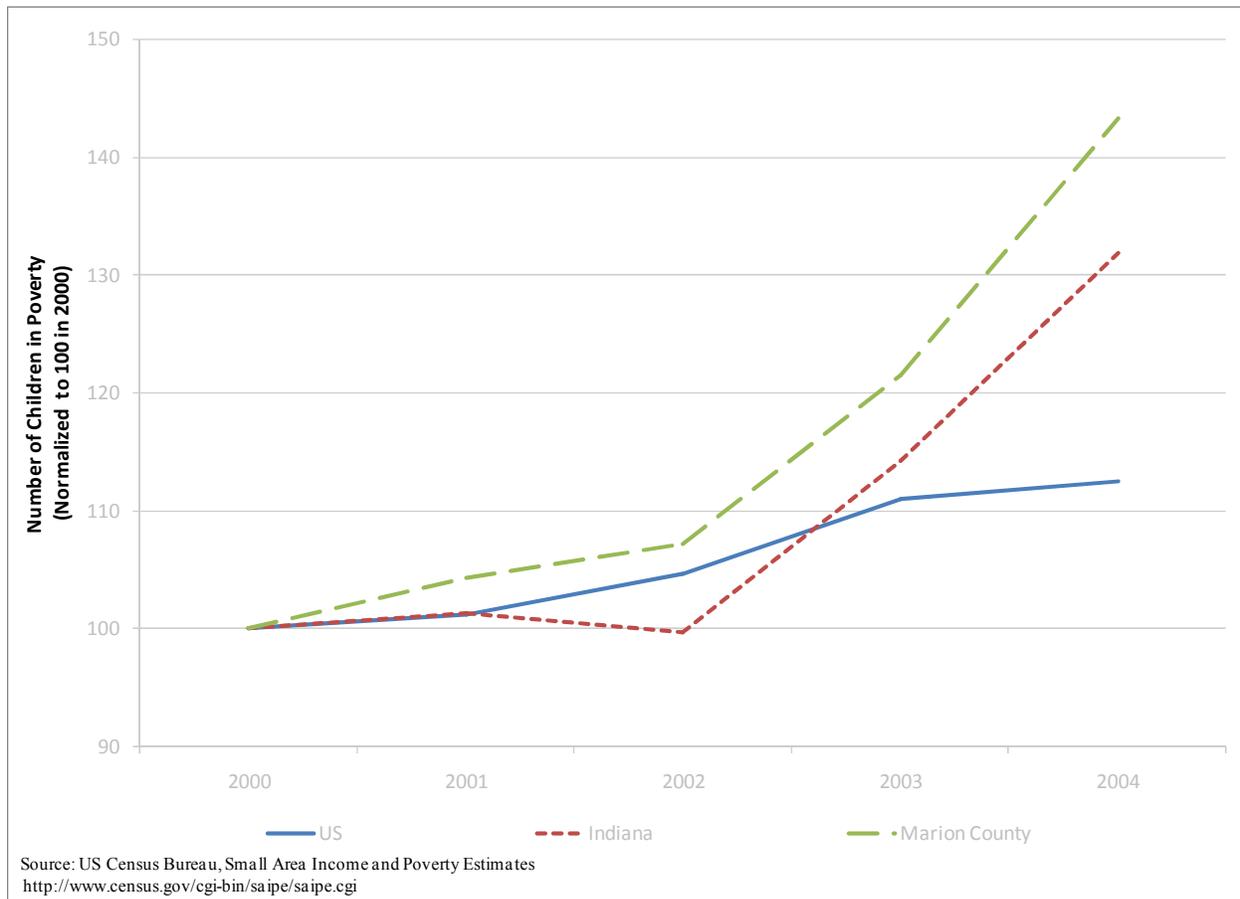
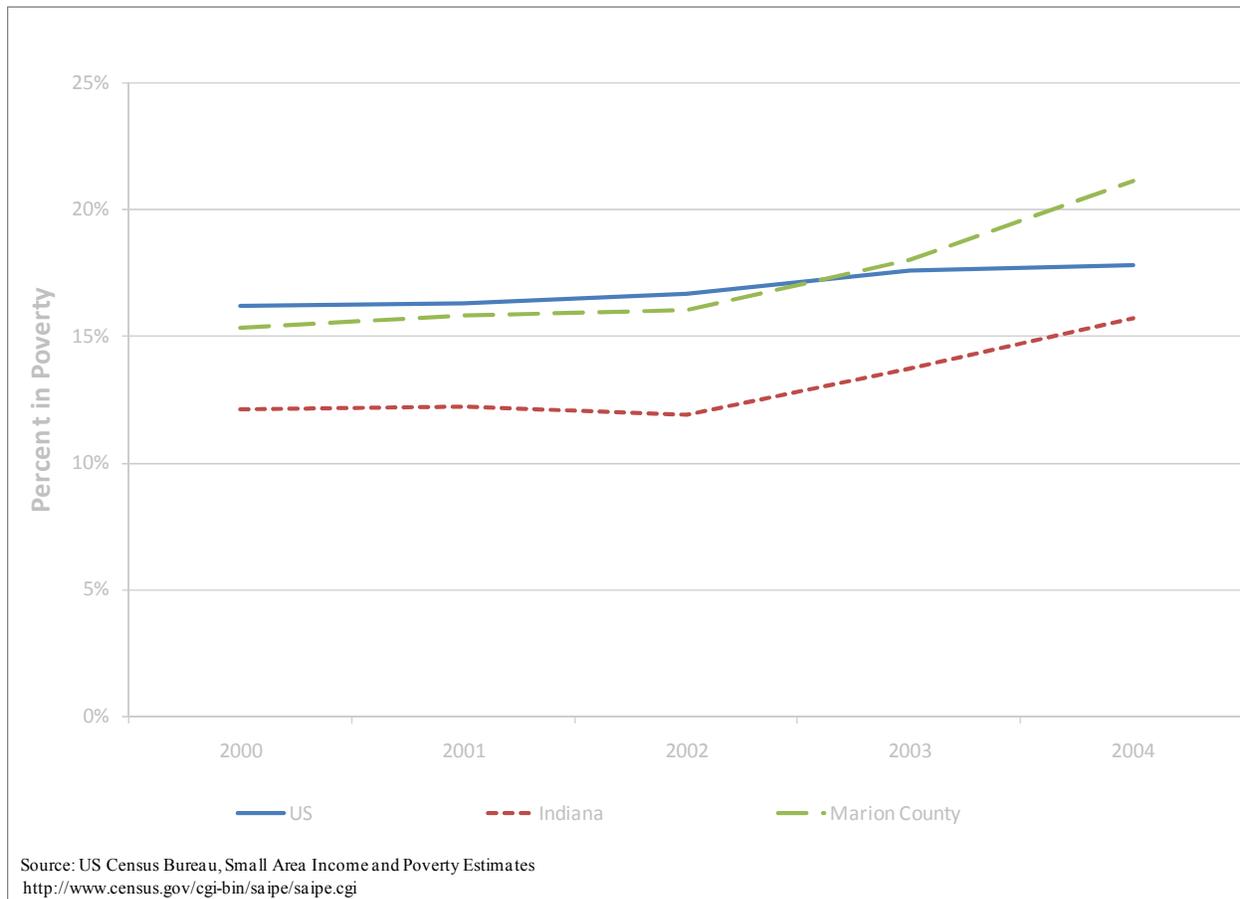
**Figure 4: Number of Children in Poverty (Normalized with 2000 Levels Equal to 100)**

Figure 4 reveals that the number of children in poverty has been increasing more rapidly in Indiana than in the United States. Furthermore, the number of children in poverty is increasing even more quickly in Marion County than in Indiana as a whole. In 2000, there were 34,346 children under 18 living in poverty in Marion County. This number has increased to 49,208 children in 2004, an increase of 43% in 4 years, compared to an increase of only 13% for the United States and 32% for Indiana over the same time period.

**Figure 5: Percentage of Under18 Population in Poverty**

These statistics show that the *number* of children under 18 living in poverty in Marion County has increased, but does not tell us whether the *percentage* of children living in poverty has increased or decreased. However, as Figure 5 shows, the percentage of children in Marion County who live in poverty increased from 15.3% in 2000 to 21.1% in 2004. The percentage of children in poverty was lower in Marion County than in the nation, but is now higher than the U.S. rate of 17.8% in 2004. This tells us that the number of children in poverty in Marion County is not only a function of increased population, but is also a result of a higher percentage of children living in poverty.

## RISK FACTOR PREVALENCE IN MARION COUNTY

In order to make educated decisions about programming and focus of intervention efforts, estimates regarding the prevention needs of Marion county youth must be assimilated and analyzed. Such estimates would indicate not only the children currently receiving services, but also the children whose early childhood experiences put them at greater risk for needing services later in life. Because many of these risk factors and experiences do not manifest themselves until later in life, and because these risk factors are not always visible to service providers until they are acute, systemic prevention programs and early interventions for children with high risk indicators can be challenging to implement. These effects that do not manifest until later in life are referred to as downstream effects. The effects of such efforts, however, have been proven effective, and we believe they are the best hope for solving some of the downstream effects that continue to challenge our county.

Because estimates of risk at very early stages of childhood development are rare and differ significantly from community to community, we are providing preliminary draft estimates regarding the number of children and youth in each age category that may be at elevated risk for juvenile delinquency and other unfavorable behaviors, based on local community data.

We emphasize that all children are a vulnerable population and require positive actions to help them succeed in life. The level of intervention that deals with all children is *systemic prevention*, which involves implementation of programs for all children and families. The focus of interest in the population estimates provided here, however, focus on the second level of intervention, *early intervention*. The policy focus for early intervention is children and youth who have had experiences that make them particularly vulnerable to downstream problems. The estimates provided here are derived from information we have received regarding the third level of intervention, *progressive intervention/treatment*, which focuses on children and families that continue to need assistance, and about whom more information is available.

The estimates we provide are based on a detailed review of empirical research that shows links between a variety of risk factors and juvenile delinquency. This review resulted in a detailed database which includes risk factors, age of vulnerability to risk factor, and supporting research, and is available for your use. The age categories presented are based on a careful review of the literature and the recommendations of a panel of experts assembled for the purpose of advising the EIPC.

The figures are preliminary draft estimates only, and are intended for use as a ***conceptual tool only*** in considering populations of at-risk children and youth in Marion County. Data measures for children with downstream issues were identified, and simple rate calculations were used to determine what percentage of children in each preceding or subsequent age group are likely to develop this particular downstream issue. This method is relatively intuitive. In essence, it takes prevalence rates among the whole population and extrapolates them backward to determine how many children in any given age group are likely to develop the problem, if all rates stay the same and other population risk factors stay constant. The purpose of these numbers is to provide a tool for calculating the level of unaddressed need among each specific age group.

### *METHODS*

Data measures for risk factors were identified, when possible, at the county level. When rate data was not available for Marion County, state-level data and, in a few cases, national-level data were used as proxies. Population risk rates were derived using occurrence in populations where risk factors are observed. Where diagnosis/treatment was the only available data for risk factors, peak diagnosis rates were used. Simple rate calculations were performed for each age population (see Table 8). Unless age-based data were available, age clustering and prevalence were assumed constant.

The simplicity of the rate calculations used in these estimates results in some inaccuracies. These inaccuracies do not diminish the utility of the tool in conceptualizing the prevention and early intervention needs of the children in Marion County, but these estimates should not be considered

durable and reliable. One assumption of these estimates is that rates of occurrence do not change over time. We know this to be false.

If rates of a particular risk factor have been *falling* over time, then these estimates are *conservative* for populations that are older than the target age group. If rates of a particular risk factor have been *rising* over time, then these estimates are *inflated* for populations that are older than the target age group. Risk rates for populations too young to be faced with a particular experience (such as teen pregnancy) are included, showing the number of children expected, through whatever combination of life events, to be at risk for that particular factor, assuming constant rates over time. These estimates assume that exposure to a particular experience or risk factor (such as abuse or low birth weight) remains a risk factor throughout childhood and early adulthood.

It is important to recognize that many, if not most, of the factors listed here are factors that have high comorbidity rates. That is, some children are likely to have several of these risk factors at once. Many of these risk factors increase the susceptibility of children to other of these risk factors, including delinquency. These data do not represent comorbidity rates or clustering that occurs among factors. That is, there is expected to be great overlap among the groups of children at-risk for developing each individual downstream problem.

#### *ADVERSE CHILDHOOD EXPERIENCES STUDY*

During the 1980s and early 1990s, information about risk factors for disease had been identified. However, it was also clear that risk factors were not randomly distributed in the population—persons who had one risk factor tended to have one or more others, as is the case with the risk factors of interest to the EIPC. The Adverse Childhood Experiences (ACE) study, like the EIPC, was interested in how early childhood experiences or risk factors combine to cause downstream effects. The primary ACE study question is, “If risk factors for disease, disability, and early mortality are not randomly distributed, what influences precede the adoption or development of them?”

By providing information to answer this question, researchers hoped to provide scientific information that would be useful for the development of new and more effective prevention programs. Our question is fundamentally similar: What influences and/or risk factors precede the development of juvenile delinquency and other adverse behaviors?

Risk factors of interest in the ACE study are also factors that increase risk of juvenile delinquency, such as abuse, neglect, exposure to violence, and other factors of interest to the EIPC. We therefore present some information from the ACE Study to provide additional context for the risk rate estimates, and to give some idea of the overlap among risk factors. The indicators used in the ACE study include self-reported measures of emotional abuse, physical abuse, sexual abuse, emotional neglect, physical neglect, exposure to violence in the home, exposure to substance abuse, mental illness in the home, parental separation or divorce, incarceration of a household member, and some other medical indicators. These are fundamentally similar to the kinds of early risk factors that we expect to be mitigated by prevention and early intervention efforts, and to require additional protective factors and treatment in order to help prevent downstream effects of these upstream experiences. There are some drawbacks to using the ACE information—first, the ACE study does not include all indicators in which we have interest. Second, the measurement and definition of ACE indicators differ from available data for Marion County. ACE study measures are also self-reported, and therefore are likely to differ significantly from the agency reporting rates to which we have immediate access. Nonetheless, the ACE overlap information is useful for interpreting the risk factor information we have collected. The number of observations in the ACE study is also very high, which increases confidence in the external validity of their overlap measures.

#### ACE Overlap Figures

N=17,337

**36.1%** reported **no** adverse childhood experiences.

**26.0%** reported **1** adverse childhood experience.

**15.9%** reported **2** adverse childhood experiences.

**9.5%** reported **3** adverse childhood experiences.

**12.5%** reported **4 or more** adverse childhood experiences.

Cumulative ACE Figures

**36.1%** reported **no** adverse childhood experiences.

**63.9%** reported **1 or more** adverse childhood experiences.

**37.9%** reported **2 or more** adverse childhood experiences.

**22.0%** reported **3 or more** adverse childhood experiences.

**12.5%** reported **4 or more** adverse childhood experiences.

**Table 8: Rate-Based Population Risk Estimates**

<i>Risk Factor</i>	%	Total	Perinatal	Preschool	Primary School	Middle School	High School	Young Adult	Notes
Total Marion County population by age	100.0	302,639	0	1-4	5-9	10-14	15-19	20-24	
<b>BIRTH RELATED</b>									
No first trimester prenatal care	23.6	71,423	3,509	13,593	14,872	14,240	13,483	11,726	2**
Nonmarital births	49.1	148,596	7,300	28,280	30,942	29,626	28,052	24,396	2
Low birth weight	8.8	26,632	1,308	5,068	5,546	5,310	5,028	4,372	3
Single mother/No high school diploma	8.0	24,211	1,189	4,608	5,041	4,827	4,571	3,975	2
Mother used drugs in month before birth	8.5	25,724	1,264	4,896	5,357	5,129	4,856	4,223	4
Children born to teen mothers	6.6	19,974	981	3,801	4,159	3,982	3,771	3,279	3**†
<b>POVERTY</b>									
Children living in poverty	18.3	55,383	2,721	10,540	11,532	11,042	10,455	9,093	3
Free lunch/textbook eligible	37.7	114,095	5,605	21,714	23,758	22,748	21,539	18,732	5
<b>ACADEMIC</b>									
Delayed graduation	48.0	145,267	7,137	27,646	30,249	28,963	27,423	23,849	3
Failure to graduate high school	10.9	32,988	1,621	6,278	6,869	6,577	6,227	5,416	5
Suspensions and expulsions	32.9	99,568	4,892	18,949	20,733	19,852	18,796	16,347	5††
<b>MENTAL HEALTH</b>									
Diagnosed learning disability	7.3	22,093	1,085	4,205	4,600	4,405	4,171	3,627	6‡
Diagnosed emotional disturbance	2.5	7,566	372	1,440	1,575	1,508	1,428	1,242	6‡
Suicidal	13.0	39,343	1,933	7,487	8,192	7,844	7,427	6,459	7
Attempted suicide in past 12 months	8.4	25,422	1,249	4,838	5,294	5,068	4,799	4,174	7
<b>ALCOHOL AND DRUG USE</b>									
Past month illicit drug use	21.0	63,554	3,122	12,095	13,234	12,671	11,998	10,434	8
Binge drinking	28.9	87,463	4,297	16,645	18,212	17,438	16,511	14,359	8
Lifetime use of cocaine	7.7	23,303	1,145	4,435	4,852	4,646	4,399	3,826	8
<b>ABUSE/NEGLECT</b>									
Substantiated abuse or neglect	1.5	4,600	226	875	958	917	868	755	9†
Experienced abuse or neglect	4.8	14,527	226	1,101	2,059	2,976	3,845	4,600	9
<b>VIOLENCE</b>									
Carries weapon	19.2	58,107	2,855	11,058	12,099	11,585	10,969	9,540	7
Carries gun	5.8	17,553	862	3,341	3,655	3,500	3,314	2,882	7
Physical fighting	35.9	108,647	5,338	20,677	22,623	21,662	20,510	17,837	7
Dating violence	9.2	27,843	1,368	5,299	5,798	5,551	5,256	4,571	7
<b>DELINQUENCY</b>									
Arrest rate	2.13	6,446	317	1,227	1,342	1,285	1,217	1,058	10†

Notes: see below for explanations and sources.

## Data Sources and Notes for Table 8

Red text = original data, rate, or estimate

Orange text = expected population to be at risk for developing this factor

Blue text = expected population to have experienced this risk factor

Reference Number	Year	Data Level	Source
1	2006/2004	County	U.S. Census Bureau (population estimates) /IYI Kids Count (birth rate)
2	2003	County	IYI Kids Count
3	2004	County	AECF CLIKS Data
4	2006	National	NDIC
5	2004	County	IYI Kids Count
6	2003	County	Marion County Public Schools
7	2005	National	CDC High School Youth Risk Behavior Surveillance Report
8	2004	State	Indiana Prevention Resource Center
9	2004	County	Indiana Department of Child Services Demographic Trends Report
10	2006		CDC Adverse Childhood Experiences Study
11	2004	State	Indiana Criminal Justice Institute

Symbol	Note
*	Perinatal population estimate is based on total live births. Preschool is total for 0-4 minus total live births.
**	Assumes single births
†	Converted from per thousand measurement
††	Used school population total (all schools) from IYI Kids Count data in determining rate
‡	Treated at school only

Population forecasts are from Stats Indiana/Indiana Business Research Center.

*CONCLUSION*

We believe the estimates and information provided here is a useful starting point for recognizing the upstream need for prevention and early intervention programs at various stages of childhood development. We hope in the future to provide even more accurate, detailed, and useful information, including the use of deidentified agency-level data to develop more accurate estimates of the current need at the intervention and treatment level of service. We hope also to develop more sophisticated estimates regarding comorbidity in risk and overlap in treatment, and more detailed information about which risk factors cluster with which other risk factors, Marion county-specific demographic detail including age, race, and gender clustering, and some systematic comparison of risk rates to rates of observation and treatment.

## FINDINGS

Indiana has a very low share of funding from federal sources, 28% in 2002—the lowest of all states in the most recent Urban Institute report (Scarcella et al., 2004). In Marion County, the Family and Children Fund receives approximately 18% of its funding through federal funds, compared to a national average of 49% as calculated by the Urban Institute (Scarcella et al., 2006).

Both the number and percentage of children who live in poverty in Marion County increased from 2000 to 2004. All other things equal, this trend will lead to either increased spending on child welfare or to lower spending per child in need. If we are to keep spending at current levels while continuing to serve the increasing population of needy children, we will need to find more efficient ways to provide services.

Forecasting future costs requires making assumptions. Some assumptions are made because they are appealing; others are made out of necessity or due to lack of data. Based on 2007 per child costs and the current prevalence of risk factors, along with population forecasts for Marion County youth in 2010, estimated spending from the budgeted portion of the CFCF Fund is estimated to be \$105 million in 2010, compared to \$101 million in 2006. The reason for a small increase in costs is because population is forecasted to grow slowly in Marion County.

The cost of services per child has been increasing steadily since 2003, and there was a pronounced increase in cost from 2006 to 2007. The average growth rate over this period can be used to forecast future costs per child. Using the average growth rate over the entire period results in a forecast of \$186 million in 2010. However, it is possible that the sharp increase from 2006 to 2007 is not representative of the trend. A forecast based on the average growth rate from 2003 to 2006 produces a forecast of \$144 million being spent on the budgeted portion of the CDCF Fund.

We do not currently have a good forecast of how risk factor prevalence will change; however, given that the percentage of children living in poverty in Marion County has been increasing, it is likely that the prevalence of risk factors will increase, leading to a greater increase in the cost of child

services. Early intervention, properly implemented, can help decrease the lifelong cost of caring for children and help reduce the increased costs for child care that Marion County faces.

## RECOMMENDATIONS

This study is concluded with three key recommendations:

1. More investigation needs to be done to determine how Marion County can obtain more federal funds for child welfare and early intervention spending.
2. More research needs to be conducted to determine the benefits of early intervention. This can be done by either implementing a program to study the benefits of early intervention in Marion County or by generalizing the results of studies of other early intervention programs to Marion County.
3. Marion County officials need to be cautious if they decide to move the responsibility for child welfare to the county level. There are significant overhead expenses which are currently paid by the state and would require additional funds if the county took full responsibility for child welfare. These overhead expenses include salaries and benefits of 400 staff, a building lease, training and transportation, and equipment and supplies. These overhead expenses total \$22 million.
4. Alternative funding sources should be considered as an alternative to property taxes.

# APPENDIX 1:

## CHILD WELFARE FUNDING

**Funding Source:** *Title IV-B*

**Eligible Population:** No Eligibility Criteria.

### **Eligible Services**

#### *Title IV-B Subpart 1*

- Prevention and Support Services (Family Support)
- Crisis Intervention (Family Preservation)
- Time-Limited Family Re-unification Services
- Adoption Promotion and Support Services
- Foster Care Maintenance
- Adoption Assistance Program (AAP)
- Foster / Kinship / Adoptive Parent Training (FAKT)
- Chafee Foster Care Independence Program
- Staff Development
- Non Standardized Programs

#### *Title IV-B Subpart 2*

- Prevention and Support Services (Family Support)
- Crisis Intervention (Family Preservation)
- Time-Limited Family Re-unification Services
- Adoption Promotion and Support Services
- Chafee Foster Care Independence Program
- Prevention Services-Community Partners for Child Safety

### **How Funded**

#### *Title IV-B Subpart 1*

- The most recent law authorizes \$ 325 million for each of the federal fiscal years (FY) 2007 through (FY) 2011.
- Each State's share is determined by the state's relative share of population under age 21 and the state's per capita average income.
- There is a minimum allotment of \$ 70,000 per state.
- Federal Match : 75%

*Title IV-B Subpart 2*

- The law authorizes \$ 345 million and discretionary funds at \$ 200 million for FY2007-FY2011.
- Each state share is determined by the state's relative share of children receiving food stamps.
- Federal Match : 75%

**Limitations**

- Program is not funded at the full level of authorized funding.
- Program funding for services is a small percentage of total child welfare funding.

**Funding Source:** *Foster Care, Title IV-E*

**Eligible Population**

- Children eligible for AFDC program, for whom the required court orders are obtained, and who are placed in eligible homes or facilities.

**Eligible Services**

- Basic Maintenance, including children’s food and shelter and parental visits, and case planning.

**How Funded**

- Open Ended Entitlement: As much money required to pay for all entitlements.
- Federal Match: Equal to Medicaid match rates, rates range from 50%-83%.

**Limitations**

- Support not provided for children whose birth parents do not meet eligibility requirements based on 1996 eligibility for AFDC.
- No direct support to children in the care of tribes, unless the tribe has a contract with its state.
- Support is not provided for children who leave foster care to return to parents or who are in permanent guardianship with relatives.

**Funding Source:** *Adoption Assistance, Title IV-E*

**Eligible Population:**

- Children with “special needs” eligible for Title IV-E Foster Care or SSI-Supplemental Security Income.

**Eligible Services**

- Payments to adoptive parents on behalf of children with special needs whom they adopt; not to exceed comparable foster care payment rates.

**How Funded**

- Open Ended Entitlement-As much money as is required to pay all eligible claims.
- Federal Match: Equal to Medicaid match rates, ranging from 50%-83%.

**Limitations**

- Support not provided for children whose birth parents do not meet eligibility requirements based on 1996 eligibility for AFDC.
- No direct support to children in the care of tribes, unless the tribe has a contract with its state.
- Support is not provided for children who leave foster care to return to parents or who are in permanent guardianship with relatives.
- In some states, children adopted from foster care who are not eligible for IV-E do not receive the same benefits as IV-E eligible children.
- Does not fund post-adoption services.

**Funding Source:** *Chafee Foster Care Independence, Title IV-E*

**Eligible Population**

- Youth (no minimum age) who are likely to remain in foster care until age 18; youth age 18-21.

**Eligible Services**

- Funds basic living skills training, education, employment initiatives, housing, substance abuse, prevention, and preventive health activities.
- Eligible youth and youth adopted from foster care after age 16 may receive Education and Training Vouchers.

**How Funded**

- Mandatory-Capped; authorized at \$140 million.
- Not more than 30% of the funds may be used for housing youth ages 18-20.
- Federal Match: 80%

**Limitations**

- In some states, youth who achieve permanence through return home, guardianship, or adoption are not eligible for program services.
- Education and Training Vouchers are available only to youth in independence programs and to youth adopted at age 16 or older.

**Funding Source:** *Administration, Title IV-E*

**Eligible Population**

- Not Applicable.

**Eligible Services**

- Expenses associated with IV-E eligible children in foster care.
- Administrative expenses for foster care program.
- Children eligible for title IV-E adoption assistance.
- Foster Care: Certain pre placement services, case management, eligibility determination, licensing, foster care recruitment, and other administrative activities, including training of non public agency staff.
- Adoption Assistance.

**How Funded**

- Open Ended Entitlement.
- Federal Match: 50%

**Limitations**

- Reimbursement is limited to the proportion of expenditures incurred for children who are IV-E eligible.
- States may not claim federal reimbursement for administrative costs for the care of children who are placed with relatives who are not licensed foster parents.

**Funding Source:** *Training, Title IV-E*

**Eligible Population**

- Not Applicable.

**Eligible Services**

- Costs of training proportional to children eligible for Title IV-E.
- Training of public agency staff and foster and adoptive parents.

**How Funded**

- Open Ended Entitlement.
- Federal Match: 75%

**Limitations**

- Funds may not be permitted for training, private child welfare agency staff, CASA's, or children's legal representatives.
- Funds cannot be used for training purposes for non IV-E Eligible children.

**Funding Source:** *SSBG, Social Services Block Grant.*

### **Eligible Services**

- Prevention and Support Services (Family Support)
- Crisis Intervention (Family Preservation)
- Time-Limited Family Re-unification Services
- Foster / Kinship / Adoptive Parent Training (FAKT)

### **How Funded**

- Mandatory Capped Entitlement subject to the congressional appropriations process
- Used for Child Welfare Purposes; Varies by state, ranges from 0% to 34%.

### **Limitations**

- Program has never been fully funded and appropriations fall well below the authorized amount.
- SSBG is very vulnerable to funding cuts.
- Child Welfare must compete with other issues for funding, pitting programs and systems against one another for a limited pool of money.

**Funding Source:** *TANF*

**Eligible Services**

- Provides assistance to needy families so that children may be cared for in their own homes or in the homes of their relatives.
- If states formerly used Emergency Assistance funds for foster care, states can use TANF funds for this purpose.

**How Funded**

- Mandated Funding Block Grant.
- Used for Child Welfare Purposes; Varies by state, range from 0% to 50%.

**Limitations**

- Access to funds for child welfare purposes is subject to change with each reauthorization of the program.
- Child Welfare must compete with other issues for funding, pitting programs and systems against one another for a limited pool of money.

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