

Commissioner Kimberly S. Ricketts
Department of Children and Families
Assembly Budget Committee
May 5, 2009

Good morning.

I'd like to thank Assemblyman Greenwald and Members of the Committee for the opportunity to appear before you today to discuss Governor Corzine's recommended budget for the Department of Children and Families for Fiscal Year 2010.

Before I begin, I would like to introduce the members of my staff who are seated with me at the table. They are, Kara Wood , Chief of Staff; Doris Windle, DCF Budget Director; and Bob Sabreen, Chief Administrator.

Members of the Committee, thank you again for this opportunity. It is clear that the State of New Jersey is in the midst of a fiscal crisis - as is the case nationwide - that continues to put increasing pressures on very limited resources. I would like to recognize, and extend my gratitude to Governor Corzine and members of the Legislature for your consistent support for the Department, even during these challenging times. Thanks to your ongoing commitment, we are continuing - successfully - to reform the state's child welfare system and continue to strengthen our commitment and support to serving New Jersey's most vulnerable children and families.

I'd like to highlight for you some statistics that exemplify the ongoing success of New Jersey's reform of our child welfare system, and tell you what those statistics mean in the real lives of children and families.

Last week the independent Federal Monitor overseeing DCF's compliance with the Modified Settlement Agreement (MSA) reported that, "From the outset, DCF has been dedicated to reaching all of the goals in the MSA and is to be commended on the substantial progress it has made during Phase I." The report goes on to credit the Department with having "built necessary infrastructure to create lasting reform...." and "added important service resources to support children and families...."

While we still have a great deal of work to do as we move ahead, it is clear from this report, the fifth report since the MSA was signed in July 2006, that the reform has been successful in securing positive outcomes for the kids and families who depend on us for their safety, permanency and well-being.

How are we achieving this reform? First and foremost, the credit goes to the workers in the field who do the really tough work each and every day. I have spent entire days along side our caseworkers and can say first hand that there is no job more difficult than the work they do. I am humbled by their dedication and compassion.

I am very proud to say we have made significant strides in supporting our caseworkers so they have the resources necessary - together with manageable caseloads - to do the best job they can for our kids and families. As a result of a tremendous commitment to hiring and training, we have ensured that 99.8% of our caseworkers serve 20 families or fewer, setting the stage for real and meaningful reform to better serve children and families.

We are keeping kids closer to home by serving them whenever possible in their own communities. In early 2007, over 300 children were receiving services out-of-state. Today, we have reduced that to 81 - a 75 percent decrease in just two years.

We are focused on supporting families and children in the least-restrictive setting possible, stepping down children from out-of-home or congregate care. Let me illustrate for you how very critical this is to a child's success. DCF recently became involved with an 8-year-old boy from Union County whose behavioral problems had led to constant suspension from school and physical aggression at home. DCF's Division of Child Behavioral Health Services (DCBHS) intervened to provide mental health and support services including teaching his parents how to manage his behavior at home, and work more closely with his teachers at school. Thanks to this new support network, the family moved their son into a more appropriate classroom structure, became involved with a local community center - which provided homework help and recreational opportunities - and was able to improve their son's quality of life while keeping him safe in his own home.

Another way we help stabilize families at the onset of a crisis is through our Mobile Response and Stabilization Services, a service that rapidly deploys clinical staff - 24/7 - to a family's home to respond to a child's mental or behavioral health crisis within one hour. Mobile Response has been available in every county since 2005, and has responded to approximately 10,000 crises each year. Thanks to our crisis teams across the state, 95 percent of all children served by Mobile Response since its inception remain in their homes and avoid out-of-home placement.

We have focused tremendously on recruiting new foster and adoptive families throughout the state. In 2008, we were able to recruit more than 2,100 new foster and adoptive families - contributing to a net gain of over 800 families last year alone. After years of losing more families than we were able to replace, we currently have approximately 5,900 licensed resource homes, with the capacity to serve more than 15,000 kids in placement.

This focus on recruitment has also led directly to our continued success with securing adoptions for legally free children. In 2008, we finalized 1,374 adoptions bringing our grand total in the last three years to 4,200 children who have found a permanent family to support, love and care for them for the rest of their lives.

DCF has made significant strides in the last year in focusing on meeting the health care needs of children placed in foster or out-of-home care through our Child Health Units.

The Child Health Units are staffed with nurses and health assistants who assist caseworkers in the 47 DYFS local offices with coordinating the timely provision of preventive and acute health care for children in placement. The units are integral from the time of a child's entry into care by ensuring that they receive a pre-placement assessment. For the most recent monitoring period, 99% of children received this initial health assessment. These units also help us gather and maintain accurate medical information on each child, participate in family team meetings and ensure that the child's health care needs are integrated into the child's overall case plan. The ongoing development of these units remains a top priority for this department. As of March 31, 2009, there were 184 nurses and 118 health assistants supporting our 47 Local Offices.

Our reform efforts have also been successful because we recognize that a child welfare system cannot holistically work for children and families without comprehensive services to help prevent abuse and neglect from ever occurring in the first place.

Over the last three years, we have developed a continuum of new prevention and family support programs, including evidence-based home visitation, community-based Family Success Centers and a six-county Differential Response initiative. This fiscal year, we expanded our Differential Response program to Middlesex and Union counties, joining the ongoing initiatives in Camden, Gloucester, Salem and Cumberland counties. The Differential Response approach seeks to engage families who call or are referred to the New Jersey child abuse and neglect hotline when they need social services and no issues of child abuse or neglect are suspected.

For example, our Differential Response agency in Camden County recently served a mother of two children suddenly left by her husband. She was not prepared to support her family on her income alone and was at risk of homelessness. After reaching out to Differential Response, she was connected to a variety of services through the local Board of Social Services, Office of Economic Opportunity, the Low Income Home Energy Assistance Program, Catholic Charities, Homeless Prevention and the local DCF Family Success Center. This mother of two shared that she doesn't know where she would be today without the support of her Differential Response case manager... and wants to volunteer at her local DCF Family Success Center to help others in need.

We continue to change how we engage and interact with the children and families we serve, especially through our work in the Division of Youth and Family Services - "DYFS". Rather than dictating the steps families should take, or focusing on existing challenges or problems, our training and case practice empowers families to identify and build their own natural support systems - by working with relatives, friends and other community supports - and empower families to make the right choices for their children's future. Our goal - first and foremost - is to keep children safe, and, whenever possible, to help families stay together.

DYFS recently worked with two mothers - one from Burlington County and one from Bergen County - with similar stories of crisis and recovery. These mothers each struggled with substance abuse and severe depression. In each case, when DYFS became

involved, the children were placed with a grandparent, and each mother was immediately referred to a number of therapeutic services, including inpatient drug treatment and outpatient mental health services. With DYFS' help and integration of support from various family members, they began recovery and worked toward reunification with their families.

In my time in the field with case workers, I have witnessed this shift in practice and approach first hand, and have heard from workers themselves that they are embracing these new ways of serving and supporting New Jersey's children and families and are truly excited about the reform of the system.

Speaking of successfully integrating new ways of doing our work, I would like to take a moment to update you on the status of New Jersey's State Automated Child Welfare Information System (SACWIS) also known as NJ Spirit. NJ Spirit is DCF's case management and financial system designed to support the daily work of caseworkers and supervisors.

While the initial implementation of this system was challenging, the bottom line reality today is that NJ Spirit is working well. In the recent report, the Federal Monitor applauds NJ Spirit, writing, "One of the State's key accomplishments in Phase I is its roll-out of a new automated data system (NJ Spirit) statewide on August 2007, Since then, staff has become increasingly comfortable with the new system. NJ Spirit has also assisted the State enormously in its ability to collect, analyze and report on key data, as well as provide increased accountability for staff performance."

I am also pleased to share with you today that NJ Spirit has come in under budget by approximately \$6.9 million. We continue to fully integrate the use of NJ Spirit into the work of our DYFS caseworkers and continue to provide staff with training, tip sheets, efficient response times from our help desk, and targeted on-site, one-on-one assistance.

Looking ahead, January 2009 marked the beginning of Phase II of our Modified Settlement Agreement – which measures and documents how these fundamental improvements we have already made achieve better outcomes for children and families. Key commitments in Phase II include: counting caseloads specifically by worker, rather than by office; reducing the time children spend in out-of-home placement; reducing the number of placements for children; and finding timely and lasting permanency for children who are in the child welfare system.

I am pleased that the Governor's recommended 2010 budget continues the strong commitment to the success of the child welfare reform effort.

The DCF budget will be supported by Federal Stimulus funding through the American Recovery and Reinvestment Act of 2009 (ARRA), which provides for an increase in the Federal Medical Assistance Percentage of approximately \$47 million through FY10. The Act requires that these funds be used specifically for foster care and adoptive subsidies, and children's behavioral health needs.

This increased federal support, along with Governor Corzine's strong support for kids and families in his proposed budget, will help us meet our continuing growth in service needs.

We have already experienced an increase in service demand during this economic downturn. For example, we have seen a significant increase in the volume of referrals coming into our 24-7 child abuse and neglect hotline. In December 2008 alone, we saw more referrals than in any other December in the last four years, and looking back at the same time last year, hotline reports totaled 5,118 in March 2008 and jumped to 6463 in March 2009, an increase of 1,345 reports or 26% .

To maximize varied funding opportunities in order to respond to existing and expected increases in service demand, the Department also continues to partner with the private and philanthropic communities in New Jersey - such as the United Way, Casey Family Programs and the Nicholson Foundation - on shared and common interests that help move our mission forward during this particularly difficult economic climate.

We also continue to pursue federal grant opportunities when available, and recently secured a federal grant - Supporting Evidence-Based Home Visitation Programs to Prevent Child Maltreatment - for \$500,000 per year over five years. This grant will enhance the Department's work in prevention to expand and sustain home visitation services - including one of our Home Visitation model programs, Nurse Family Partnership (NFP) - for at risk families in New Jersey.

I'd like to share a letter to DCF from Lisa, a mother who received services at a DCF-supported Nurse Family Partnership Home Visitation service in Passaic; "Everything started on July 2008 when I was 27 weeks pregnant. I met my nurse, Linda, and she guided me through the whole process of pregnancy step-by-step, teaching me things from how to eat well to how to be prepared for the big day. Every time we had our home meeting was a whole new experience because I learned so much from her and the program. Because of her and the NFP my life as a mother has changed for the better. I just want to thank the NFP for the opportunity to be a client of yours - from the bottom of my heart, thank you so much. This program is great because it not only helps during pregnancy, but it also guides us as new moms and provides support in as many ways possible. I thank the NFP for everything they have done for me and my family - your job is priceless, God bless all of you."

As indicated earlier, these are unprecedented economic times - and at every turn national, state, county and local governments are faced with making difficult budget choices about important services. DCF has strived to do its part to redirect, reprioritize and streamline our budget to protect and maintain direct services for children and families and cover mandatory growth needs and service commitment.

To address both the FY09 projected statewide deficit and for FY10 budget planning, we prioritized direct services to children and families and achieved cost savings through a

variety of methods including procurement reductions, participation in cross-agency initiatives to coordinate services, reduction or elimination of technical assistance contracts, professional services and monitoring.

Further, we have consolidated our budget function in to a single office representing all divisions in one centralized unit to ensure consistency and transparency in all budget related matters. We have also begun the process of consolidating contracting with the goal that a single provider can interact with one office or individual for all their contracting needs.

Thanks to the efforts of our newly formed “Revenue Maximization Team,” we have implemented several improvements to DCF’s revenue development, financial reporting and Title IV-E operations in order to maximize federal claiming. This team also led the effort to achieve substantial compliance with the federal foster care review for the first time ever.

DCF also created an impact team of Title IV-E reviewers to work on determinations for a record number of adoptions in the last few years. In five months, the team reviewed 1,811 adoption cases and determined 1,001 eligible for federal reimbursement. This operational efficiency will generate approximately \$4.5 million additional federal revenue for NJ annually.

In closing, I would again like to recognize, and extend my gratitude to Governor Corzine and members of the Legislature for your consistent support for the Department, even during these challenging times. As I hope I have successfully illustrated today, we continue to successfully reform the state’s child welfare system and provide critical support to New Jersey ’s most vulnerable children and families – thanks to your ongoing commitment.

Thank you again for this opportunity and I am happy to now answer any questions you have.