

PROCESS EVALUATION

The process evaluation has three objectives. First, it describes the context in which the Waiver is being implemented, focusing on ways that county departments of social services have changed their organization and operations. Second, it characterizes the ways that state and local agencies' define the Waiver (i.e., their emerging theories of change related to Waiver objectives) in the context of various initiatives now being pursued in North Carolina's child welfare system. More specifically, it describes the ways in which system reform initiatives have spurred county agencies to embark on collaborative efforts with other public agencies and community groups to promote the safety of children and family well being. Finally, it describes how much and in what ways local agencies have taken advantage of the newly granted flexibility in the use of Waiver funds.

Data collection for the process evaluation has been significantly affected by a combination of hurricanes that struck eastern North Carolina in September 1999. Flooding that followed these storms caused extensive damage in 44 counties, including six of the Demonstration counties. DSS workers in those counties have worked to provide necessary services to children and families during the recovery period, but the scale of this event was such that it necessarily diverted their attention and energies, at least temporarily, from system reform goals. The discussion below reports on how these events resulted in incomplete data for some counties at this stage of the evaluation.

Data Sources for the Process Evaluation

The evaluation team draws on two different kinds of data to support the process evaluation: administrative data that are routinely collected by the state agency and data collected specifically for the Waiver evaluation project. Key among state administrative data is the Biennial Review which NC-DSS conducts in each county. Once every two years, NC-DSS staff conduct a review of child protective services (CPS) and the foster care program in each county. These reviews include an agency self-study done prior to the state evaluation team's site visit and the state team's assessment of CPS, foster care, and adoption services, as well as agency compliance with state and federally mandated documentation procedures, staffing levels, and staff caseload and training standards.

State records also were used to determine each county's experience with other system reform initiatives supported by state government and various foundations. We have used these data as indicators of each county's interest and readiness to embark on child welfare system reform.

In this case, the evaluation team reviewed materials on three federal programs and four state-level initiatives whose goals were convergent with those of the Demonstration.

The Demonstration-specific data obtained for the process evaluation include several types of reports, including most importantly, *county plans and plan amendments*. To participate in the Waiver Demonstration, each county had to submit a plan describing local conditions that affected child welfare services and outcomes. The plans described how the agency would use Waiver-generated funds flexibly and implement assisted guardianship as a permanency option. Because of initial uncertainty about how the Waiver would be implemented, these early plans—once approved—could be amended to accommodate changing conditions and needs.

Agency quarterly reports describe county-level activities related to the goal areas of child welfare system reform using the strategies advocated in the Families For Kids Initiative (see Appendix 1: Quarterly Report/Self-Evaluation Form). In each county, one staff member was assigned responsibility for compiling this information every quarter. Agencies were asked to provide brief descriptions of: 1) actions agency personnel had taken to achieve each of the goals; 2) strategies they used; 3) community stakeholders involved in planning or implementation; 4) anticipated results; and 5) the Waiver outcomes these results were intended to achieve.

Site visit data include reports of interviews with DSS county administrators, staff, and representatives from collaborating community agencies. Site visits were designed to obtain information about the project's implementation from a diverse group of agency personnel and other stakeholders. Thirteen of these visits were conducted between October 1999 and June 2000.¹ The visits took a variety of forms, depending on which staff members were available to be in the session. In all the site visits, there was a group interview with supervisors who oversaw the frontline social work staff who provided services that used Waiver funds or implemented system reform goals. Where the county participated in both the Demonstration and Families For Kids (FFK), the FFK Program and Performance Coordinators were included in the group. When counties were not participants in Families For Kids, the staff member designated to be the Waiver contact person took part in the group interview. In some cases, the group interview included program and agency directors. In others, agency administrators were interviewed separately to insure that midlevel and frontline staff would feel freer to discuss organizational issues. In seven counties, evaluation staff members also were able to arrange interviews with representatives from other community agencies

¹ Due to scheduling problems, site visits in two counties were not completed until after the end of the 10th quarter. However, the topics discussed in the interviews only pertained to agency activities up to the end of the 10th quarter.

that were working collaboratively with DSS. These informants represented partnering agencies including: a Guardian ad Litem agency; a community mental health center; a home-based services agency; a private child-caring agency; a public school system; and two private not-for-profit regional child abuse prevention organizations. To encourage free discussion, participants in all of these interviews were promised that the findings from these interviews would only be reported in aggregate. Site visit interviews were taped and later transcribed.

All of the interviews with DSS personnel addressed the following themes: staffing issues; staff training; organizational changes within the agency prompted by participation in the Demonstration; changes in priorities for the Demonstration; new services or changes in practice, participation in new or enhanced collaborative efforts; legal reforms; barriers to agency reorganization and system reform; and indications of agency interest in and capacity for self-evaluation.

Interviews with representatives from outside agencies were conducted in the county on the day of DSS site visit, or later by phone. These interviews were designed to collect other perspectives about: 1) the DSS' working relationships with other community agencies, 2) outside awareness of DSS' efforts to establish collaborative relationships with other community organizations; 3) their shared involvement in development and implementation of plans for the creative use of Waiver-generated funds; and 4) the extent and effectiveness of DSS public information campaigns to raise public awareness of child abuse and neglect and the need for foster and adoptive families in the county.

Field notes from meetings and other contacts. Representatives of counties involved in either Families for Kids, the Title IV-E Waiver Demonstration, or both initiatives meet for one or two days each month. The main purpose of these meetings is to promote discussions among county coordinators about emerging project-wide issues in the implementation of the Demonstration. Coordinators also have opportunities to share their ideas about new programs, and their experiences implementing FFK/Waiver "inspired" practices. When needed, state DSS coordinators also use these sessions to communicate program and policy changes, and to identify new resources. One or more evaluation team members usually attended the meetings and took detailed notes on the proceedings. Evaluation staff members have used these notes as background information to help them understand the implementation process. Evaluation team members have also met DSS representatives during these meetings to clarify questions about their data.

Data Availability and Quality

Paperwork in the child welfare system is substantial and NC-DSS made a commitment not to impose reporting requirements that would add significantly to the burden Waiver counties already face. This expectation has consequences for the process evaluation in that the evaluation team relies primarily on secondary data for the process evaluation as well as the outcome and cost analyses. Staff in Waiver counties have changed their reporting of case activity only with regard to identifying cases as eligible for Title IV-E reimbursement under the terms and conditions of the Waiver. Social workers may only use codes to report their time spent exclusively in planning and arranging for Waiver flexible spending. This means they can use flexible spending or reimbursement codes for the time they spend their teams or during case review with their supervisors discussing how flexible dollars can be used in a specific case, or in discussions with clients. Social workers have been instructed to limit their use of this coding option. As a result, workers in only two counties have used it during 1999.

Day sheets describing workers' activities and the time allocated to them use the same codes that existed prior to the implementation of the Waiver. As a result, preventive and post-reunification programs and services, and other activities with cases that would not have been eligible without the Waiver, are not specifically identified in the day sheets. Therefore, county plans and amendments describe programs and services in broad terms and claims for reimbursement identify cases according to their eligibility under the Waiver, but it is not possible to link specific new activities with individual cases.

As the evaluation team gains access to case-level data pertaining to the costs of services and to workers' time (day sheets) and develops linkages with abuse and neglect reports and placement data, we expect to gain new insight into the costs and types of services for individual cases, in spite of the limitation outlined above. To this point, however, we have had to rely on the variety of qualitative sources of data described in the introduction to this chapter.

The conditions of qualitative data collection can be difficult to control. In the case of this project, qualitative data, such as the quarterly report and site visit data described above are highly variable in scope and detail across the Demonstration counties. In this section, we describe some of factors that limit the reliability and generalizability of data collected from these sources.

Biennial reviews are done on a rotating basis so they could not serve as a source of baseline data for organizational and service issues for all counties at project start-up. Due to high staff turnover rates in many counties, biennial review assessments can become obsolete quickly.

Moreover, because the criteria used agency services changes with each biennium, these reports cannot serve as a consistent source of information for assessing agency service delivery.

Demonstration plans and amendments tend to be very general. State officials advised the counties to be conservative in their initial plans for the Demonstration due to their uncertainty over how IV-E funding would fluctuate due to the Waiver. Most counties planned to spend little money, but to work on practice changes and agency reorganization and on improving community collaboration (see Exhibit 2.4). Where a plan to spend county-level flexible funds did exist, it was usually intended to meet the needs of individual children or sibling groups. Since then, eight counties have had amendments approved. By the end of the tenth quarter, three counties had submitted more than one amendment, Only two have requested approval to use funds to contract for new services.

The scope and detail of the *quarterly reports* vary considerably. To encourage consistency in the content and format of reports, the evaluation team developed a reporting format and piloted it with the Families for Kids counties. All FFK and Demonstration counties were introduced to the form at the July 1998 Burlington meeting. However, because of local differences in access to and competency in the use of spreadsheet software, agencies were allowed to choose whether to use the spreadsheet format or to use a more familiar narrative format to report on Waiver-related activities.

In the spreadsheet-based report format use a bulleted outline to describe agency activities related to the FFK goals, the three Waiver outcomes, assisted guardianship, and flexible spending. Reporters are asked to specify whether the activity was newly initiated or ongoing, and to identify any collaborating agencies. They also are asked to identify interim outcomes and to specify which of the Waiver outcomes each activity is intended to achieve. Counties that use the narrative format address the same major topics, but often do not specify interim outcomes or link activities to Waiver outcomes. In general, counties have been encouraged to emphasize program strengths and to report any activity that they perceive to constitute effort toward Demonstration goals. As a result, reporting tends to be oriented to achievements rather than problems.

Counties have been asked to submit their quarterly reports within 15 days after the end of each quarter. However, this is a guideline not a mandate. During the first 10 quarters, on a number of occasions several counties did not submit their quarterly reports until months after the due dates. It is uncertain how delays in compiling these reports have affected the level of detail of data included in them. In general, counties have been encouraged to emphasize program strengths and report any activity that constitutes effort towards Demonstration goals. As a result, reporting is likely to be biased toward agency achievements rather than the barriers they have encountered.

The six flooded counties experienced different degrees of damage and have recovered at different rates. Recovery efforts also affected whether they were able to complete their quarterly reports. Two counties only missed reporting on the quarter in which the floods occurred, the third quarter of 1999), while one county was forced to miss reporting on the last two quarters of the year. The remaining three counties had not submitted their quarterly reports for the two quarters prior to the flood, and were unable to complete any after that, so their quarterly reports are missing for all of 1999.²

For a number of reasons, it is difficult to compare *site visit data* across counties, partly because the site visit protocol has evolved over time. Two protocols were pilot-tested. In one version, individual interviews were used to collect data. In the second, a single group interview was conducted with agency administrators, supervisors and, where possible, line staff. After completing the two pilot sessions, it was decided to make the composition of the group interview more homogeneous, with supervisors and frontline staff, and to do individual interviews with administrators and telephone interviews with the representatives from outside agencies. This decision was made to increase the diversity of perspectives. Experience with the group pilot interviews suggested that the presence of the Director might make some supervisors and line staff reluctant to express opinions that were critical of agency operations or the implementation of the Waiver. Also, it was proving difficult to arrange for times when agency staff and representatives from outside agencies could meet.

Site visit data are incomplete for five counties affected by the hurricane. In one of the flooded counties, the site visit was conducted before the hurricane struck. After it became clear how much damage been done to the other five counties, the evaluation team decided to postpone these site visits.

Analytic Approaches

The qualitative data used in the process evaluation were analyzed using content and thematic analyses:

- **Content analyses.** Content analyses examine how often different topics are mentioned in texts. In this context, the evaluation team has been identifying categories in the strategies. Demonstration counties have used to implement the Waiver in terms of organizational and practice changes, assisted guardianship, and flexible use of funds, as well as how common those strategic choices are across counties.

² Quarterly report data from these 6 counties is not included in analyses about implementation reported later in this chapter.

- **Thematic analyses.** Thematic analyses allow for more detailed explorations into the range of strategies used within and across counties to achieve Demonstration goals, and changes in those strategies over time.

For this report, we focus primarily on the results of the thematic analyses to characterize the changes that have been prompted by participation in the Waiver to date.

The Contexts of Waiver Implementation

At this stage, it is neither possible nor appropriate to paint a single, consistent picture of the Waiver Demonstration. Efforts at implementation have progressed at highly variable rates in the different counties influenced by a variety of factors, such as: local conditions within individual agencies and in the counties where they are located; the impact of other statewide initiatives; and natural disasters. Moreover, in response to feedback from the counties, the state's theory of change for the Waiver Demonstration is itself in flux. In response to feedback from the counties, state officials have begun modifying the policies governing the Waiver to facilitate the use of Waiver-generated funds and promote use of assisted guardianship.

The progress we can detect at this stage is occurring in three areas. Many agencies are engaged in campaigns to mobilize community resources to protect children and promote their well being. Their efforts are energized because they now are articulating goals and strategies that agency staff and community stakeholders can understand and with which they identify. Agencies are using flexible funds to individualize services, enabling social workers to pursue efforts to prevent children from coming into care and to expedite adoptions. Finally, many agencies are increasing their capacity for self-evaluation.

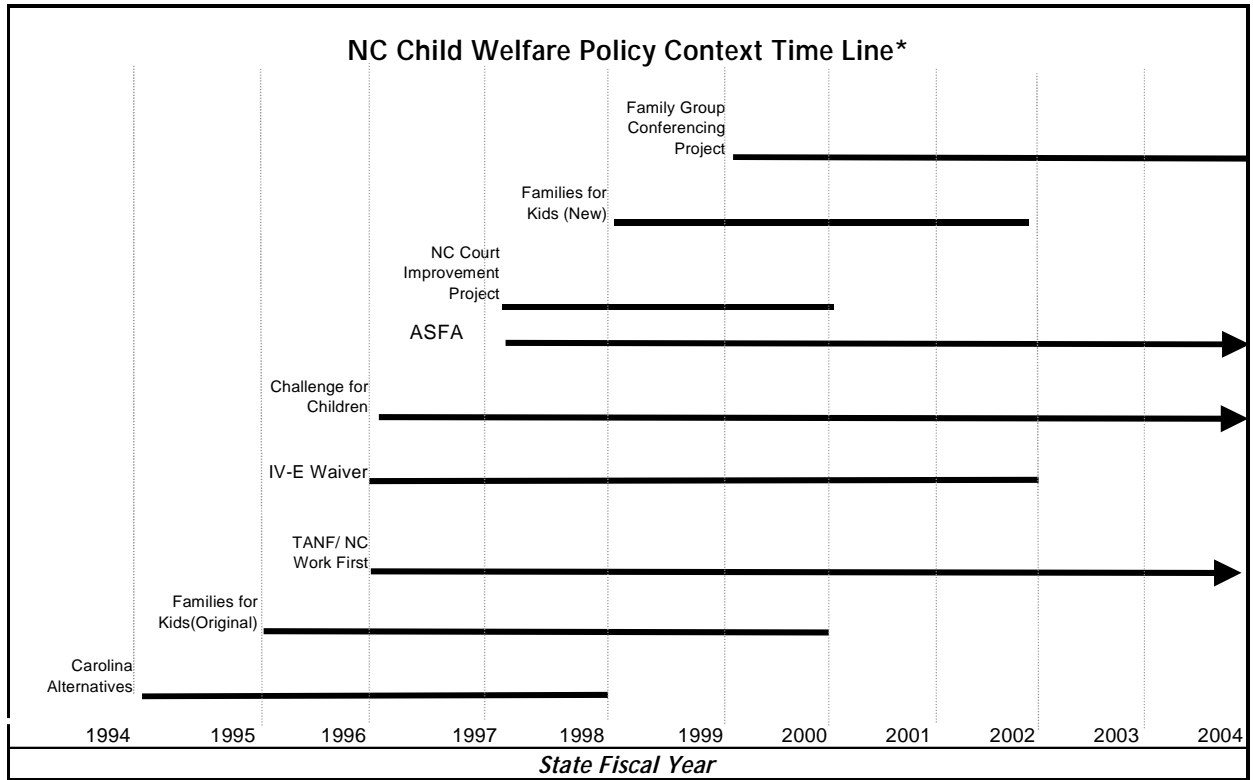
This presentation of interim process evaluation findings describes in more detail how statewide and local factors appear to be affecting Waiver Demonstration implementation efforts. We summarize our early impressions of ways that statewide initiatives, county political climate, agency leadership and organizational functioning and other sociopolitical factors appear to be shaping the Waiver's implementation. In addition, we attempt to characterize agencies' efforts to change the way they "do business" with their clients and other stakeholders their communities, focusing on how they are using their new capacity to spend money flexibly and to use Assisted Guardianship to achieve permanency. Finally, we examine the extent to which agencies are institutionalizing self-evaluation.

Statewide and Local Contexts

Changing Federal Policies and Multiple Statewide Initiatives. The Title IV-E Waiver Demonstration is most appropriately viewed as one aspect of a broader child welfare system reform effort. This effort includes changes in state policy and other initiatives designed to change values and practice in services to children and families that are being implemented statewide (see Exhibit 2.1). It also includes new federal statutes, such as the Adoption and Safe Families Act (ASFA) and Temporary Aid to Needy Families (TANF, or in North Carolina, Work First), and a number of smaller scale initiatives funded by private foundations that serve as models for innovation (see Exhibit 2.2). Demonstration counties report that the various initiatives can produce programmatic synergies, but they can also lead to policy conflicts and confusion about the most appropriate strategies to achieve the mission of child welfare. In addition, the concurrent implementation of other initiatives makes it harder to detect the impact of the Waiver alone on children's rates of entry, lengths of stay, and reentry into placement authority. In this section, we describe the key components of the policies and initiatives to use as points of reference for our findings about Waiver program implementation.

The Adoption and Safe Families Act, passed in 1997, spurs parents and service providers to resolve more quickly the problems that bring children into placement. The law directs states to provide timely and intensive services to children and families, so that decisions about the appropriateness of reunification can be made by the end of 12 months. Under ASFA, if reunification is impossible, agencies must aggressively pursue termination of parental rights. Petitions must be filed unless there are compelling reasons for not doing so, or the child is living with a relative, or the state has not provided necessary and timely services to the family. ASFA serves as the legal basis for concurrent planning in which local agency staff work with families toward reunification with their children, but while simultaneously developing contingency plans for adoption if circumstances make reunification unadvisable. ASFA also requires that the prospective adoptive parents of any child in DSS placement authority to be fingerprinted and to pass a criminal history check before the adoption can be approved by the court (North Carolina Department of Health and Human Services: Children's Services Division, 1998).

Exhibit 2.1 NC Child Welfare Policy Context Time Line



* Arrows are ongoing, federally funded programs. Lines without arrow heads indicate the duration of time-limited programs

Temporary Aid to Needy Families (TANF). The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 (PL 104-193) implemented a number of major changes in the operation of welfare programs. Perhaps the biggest change was the elimination of the Aid to Families with Dependent Children (AFDC) program in favor of the Temporary Assistance for Needy Families (TANF) program. An objective of PRWORA was to “change welfare as we know it” and TANF was designed to do that. States are given wide latitude in developing their individual TANF programs.

Work First is North Carolina’s version of TANF. Originally implemented under Waivers from the U.S. Department of Health and Human Services, the requirements of Work First are similar to those of TANF in terms of using the 60-month lifetime limit and encouraging attachment to the labor market. One difference is that North Carolina has a 24-month time limit on the receipt of benefits for certain families containing able-bodied adults. The basic strategy of the Work First program is to move families as quickly as possible off the program. As the caseload drops, funds that would have gone toward assistance payments will be available to provide services for those

individuals that may have substantial barriers in obtaining employment.³ The savings from the caseload drop also are available to provide services that support continued attachment to the labor force, such as transportation and childcare, or other services that meet the guidelines in PRWORA.⁴

North Carolina, along with most states, has seen a significant drop in their caseload. There has been a 58 percent drop in the number of families on Work First since June 1995 (North Carolina Department of Health and Human Services, 2000). As a result of this drop, the state has been able to use TANF block grant to provide additional services.⁵ Some TANF block grant dollars are being used to provide foster care maintenance payments for children who are not IV-E eligible. These funds are used for the first 364 days of out-of-home care (North Carolina Department of Health and Human Services, 1999).

When the welfare reforms of PRWORA were implemented, a number of analysts were concerned that the policy changes would result in parents give up their children in order to avoid the stringent work requirements of TANF. As the result of parents abandoning their children, there would be an increase in the number of “child-only” cases. That does not appear to be the case, based on information available through the “Management Assistance to the Work First Program” website maintained by the Jordan Institute for Families.⁶ The number of child only cases in April 2000 was 24,415 compared to 26,816 in April 1995. Although the number of child only cases has dropped, these cases account for close to 50% of the Work First caseload.

TANF funds are used to provide services to poor children, while IV-E Waiver funds are directed to services for neglected and abused children regardless of income. However, there is a substantial overlap between these two populations. In their case planning, social workers in Demonstration counties consider all possible funding sources, including TANF and IV-E Waiver funds, that they could use to get needed services for their clients. Although it adds resources,

³ States may also transfer a portion of their TANF block grant to the Child Care Development Fund or the Social Services Block Grant.

⁴ PRWORA identifies four areas where TANF funds can be used: to provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives; to end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage; to prevent and reduce the incidence of out-of-wedlock pregnancies; and to encourage the formation of two-parent families.

⁵ A portion of the caseload reduction can be used as credit in meeting the work participation requirement.

⁶ The website is maintained under a contract with the North Carolina Division of Social Services. The URL is: <http://ssw.unc.edu/workfirst>.

TANF also adds to the complexity of service planning time limits in the use of TANF funds, and the complicated coding system used to draw down TANF dollars.

County directors reported that TANF competes with the Waiver for agency administrative attention in deciding funding strategies for innovative programs. The county trust fund accounts have become sizeable in the past year, but at the time of these reports, the amounts available through TANF were much larger. In addition, many TANF eligible services may be provided by the federal block grant as opposed to IV-E Waiver eligible services, which would require some county matching funds. There is also pressure on the counties to spend all of their TANF block grant allocation plus their required MOE.

Directors viewed the policies governing the use of TANF funds as much less restrictive than for the Waiver because agencies could use these funds for purposes other than to achieve Waiver-related goals. For example, in some instances, TANF funds have been allocated to hire caseworkers for existing *or* new services.⁷ By contrast, agencies can only use their IV-E Waiver flexible or reinvestment funds to hire staff for positions that are dedicated to some aspect of system reform in child welfare. These new positions can include Program and Performance Coordinators or other personnel to provide services that are specifically aimed at achieving the Waiver's goals.

Carolina Alternatives: A Medicaid Mental Health Waiver. North Carolina counties' perspectives on federal Waivers as mechanisms for system reform have been influenced by recent experiences with Carolina Alternatives, a mental health Medicaid Waiver for children. Abrupt termination of this program left many counties wary of using funds generated through federal matches of program savings from the IV-E Waiver Demonstration for fear of having to repay those funds if the project does not ultimately achieve overall cost neutrality.

The purpose of Carolina Alternatives was to improve mental health and substance abuse services for children and youth while controlling costs. Implementation of the initiative began in 1994 with ten area mental health programs serving 32 counties, including eight counties that later participated in the Title IV-E Waiver Demonstration Project. The participating area programs were authorized to contract with certified providers of out-patient services who would not otherwise be eligible for reimbursement under Medicaid. The objective was to expand the range of community

⁷ One version of the North Carolina state budget for the 2000-2001 fiscal year that was considered by the General Assembly in mid-June allocates \$8 million of the TANF block grant for hiring additional child welfare social workers. Counties also have flexibility in how they spend their share of the TANF block grant.

based services and provide psychiatric treatment in the least restrictive settings possible while decreasing the inappropriate use of psychiatric hospital treatment

By 1996, Carolina Alternatives appeared to be successful in achieving the goals of expanding and improving services. The number of Medicaid-eligible children who received services increased nearly 3 percent over the 1992 base year while the average number of inpatient days per child decreased. Meanwhile, proportion of Medicaid dollars spent on community-based, outpatient services for children increased significantly. The Mental Health Study Commission endorsed the expansion of Carolina Alternatives to all area programs statewide, continuing services for children and adding services to adults. However, the Health Care Financing Administration (HCFA) refused to allow expansion due to issues about cost-effectiveness and cost finding related to Medicaid rate setting and the program was terminated in June 1998. The 32 participating counties were then informed they had to repay Medicaid for reimbursements they had received to cover non-Medicaid-eligible services.

Impact of Natural Disasters. In earlier sections of this chapter, we described how data collection for the process evaluation has been affected by Hurricane Floyd and the floods that came in its wake. These events may ultimately have important implications for Demonstration outcomes. Research suggests that floods are harder for communities to recover from because widespread damage causes disruptions to the social fabric as well the physical landscape (Edwards, 1998). Homelessness and abrupt relocation cause frustration, anxiety and grief reactions in adults, increasing the risk for neglect and abuse for their children. Demand for children and family services increase at a time when agencies are least able to respond. Of equal concern is the long-term effect of disaster-induced turmoil on children in the child welfare system that are already suffering from neglect, abuse and other emotional wounds.

Anecdotal reports from discussions with coordinators at the monthly meetings revealed that, in some counties, community services were disrupted for a time. In addition, human services funds have been reallocated statewide to support the recovery effort, thereby reducing the resources that counties unaffected by the hurricane could use for innovative services. Because we did not do site visits in those six counties after these events, however, we do not have data to report here on the immediate or longer term effects of these natural disasters on North Carolina's child welfare services and system reform. We plan to collect data on these factors and include a discussion of these issues in the final project report.

Synergy in Program Innovation

Four initiatives currently being implemented in North Carolina have goals that converge with those of the Waiver: Challenge for Children, Families for Kids, the Family Group Conferencing Project, and the Court Improvement Project. Demonstration counties have chosen to participate in different combinations of initiatives (see Exhibit 2.2 County participation in system reform). Four counties are participating in all four initiatives. Seven counties are participating in all the initiatives except the Court Improvement Project. Seven counties are participating in the Challenge for Children and the IV-E Waiver Demonstration. All of these initiatives promote permanency in some way, but they vary widely in scale and comprehensiveness. The initiatives' key components are described below.

Challenge for Children (CFC) focuses on local agencies' adoption of a set of values enunciated by the Children's Services Section of NC-DSS. The "challenge" was issued by the NC-DSS in 1997 to encourage local agencies to reduce the number of children who had been in foster care for more than one year. While CFC does not provide any additional funding or resources, it increased agency awareness the need for child welfare system reform and staff commitment to do it, and provided additional training opportunities for the staff members of participating agencies. By 1998, all but one of the Demonstration counties was participating in CFC. By 1999, all Demonstration counties were part of this initiative (Hughes, 1998).

Families for Kids (FFK) was a multi-site child-welfare reform initiative initially funded by the W.K. Kellogg Foundation. In 1995, the W.K Kellogg Foundation funded a three-year grant to North Carolina for eight counties that were selected competitively on the basis of demographic characteristics and willingness to embrace innovative methods to improve outcomes for families and children (see Exhibit 2.4: Waiver County Initial Plans and 1999 Amendments) (Hughes, 1998). Four of the grantee counties ("original FFK") later became part of the IV-E Waiver Demonstration. Although Kellogg funding for the initiative ended in 1998, NC-DSS is convinced of its effectiveness. It extended funding to the original 8 FFK counties for two additional years and has obtained funding from the General Assembly for expansion of FFK into 12 more counties, eight of which (FFK-Second Phase) are also participating in the IV-E Waiver Demonstration. As of December 1999, 12 of the 19 Demonstration counties had received or were currently receiving funding and technical assistance for implementing FFK. As part of the technical assistance, representatives from all FFK counties meet monthly to receive information and training on program and policy changes, identify resources and problem solve. Since representatives from all 19 of the Demonstration counties can

Exhibit 2.2: IV-E Waiver Counties Participation in Initiatives to Promote Permanency

County	IV-E Waiver	Families for Kids	Challenge for Children	Court Improvement Project	Family Group Conferencing
Alamance	X	X	X		
Brunswick	X	X	X		X
Buncombe	X	X	X		X
Burke	X	X	X	X	
Caldwell	X	X	X	X	
Cleveland	X	X	X		
Durham	X		X		
Edgecombe	X	X	X		
Forsyth	X	X	X		
Haywood	X	X	X		
Johnston	X		X		
Pasquotank	X		X		X
Rockingham	X		X		
Scotland	X	X	X		
Union	X	X	X	X	
Wake	X		X		X
Wayne	X	X	X		
Yadkin	X		X		
Yancey	X		X		
TOTALS	19	12	19	3	4

participate, these monthly meetings provide opportunities for diffusion of innovation from FFK to the Demonstration as a whole.

The objective of FFK is to redesign the child welfare system so that children receive the support they need to remain safe in permanent and loving families. Whenever possible, FFK counties endeavor to keep children with their birth families, but when this is impossible, they advocate timely adoption or legal guardianship. In the summer of 1997, the five goals of FFK were revised and incorporated into the an outcomes-based, “mission, vision and values statement” for NC Children’s Services and the IV-E Waiver Demonstration (see Exhibit 2.3)

FFK Strategies In the vision statement are listed the five FFK goals and the objective of reducing the number of children who are in placement authority for more than twelve months. To achieve those goals the FFK model of services promotes a range of strategies that agencies, families, and communities can use to achieve the goals of system reform, including:

- public awareness campaigns to improve understanding of the causes of child abuse and neglect, and to expand community resources for foster care and adoption;

- reorganization of child welfare agencies to improve casework, and develop staff capacity to use technology that will enable them to have accurate and timely information about children in care needed to make informed permanency decisions;
- collaboration between child welfare and the families who are their clients, the courts, and other child serving agencies; and
- training to increase capacity for self-evaluation among agency administrators and staff so that they can identify barriers to achieving service outcomes and track the effects of innovations in services.

The Family Group Conferencing Project is a training program intended to advance the use of this intervention model with families of children in who are at risk for coming into placement authority (Pennell, 2000). In 1998, NC-DSS began to promote Family Group Conferencing (FGC) by funding the training program and a comprehensive implementation and outcome evaluation. In a family group conference, a child's birth family, relatives, and friends work out plans for protecting, nurturing, and safeguarding children. Before the plans go into effect, they must be approved by the agency (child welfare or juvenile justice.) that has custody of the child.

The project includes a three-year, statewide training initiative to improve social workers' competencies in organizing and facilitating family conferences. In Fall 1998, regional orientations were offered to DSS offices. In addition to group facilitation training, the project promotes inter-organizational partnerships. The regional orientations introduced social workers and partnering community agencies to the intervention model, and offered them opportunities to reflect on the strengths in their counties that would advance FGC. After the orientation sessions were completed, four counties were selected for a second phase of training. This follow-up training increased agency and community capacities to initiate, implement and evaluate FGC and to train other counties to do so. In 1999, staff in four additional counties were trained in FGC and provided with technical assistance in capacity building. Of the seven counties participating in the first two rounds of FGC, three also were participating in the Title IV-E Waiver Demonstration.

The Court Improvement Project (CIP) was implemented to identify effective ways of using modified court rules and other factors to reduce the length of time children stay in foster care and to expedite permanency decisions. New state laws (House Bill 896) have also been passed that further reinforce efforts to reform juvenile court procedures. Juvenile courts are now mandated to change their procedures to increase efficiency and reduce the time required to make key decisions in child welfare cases. Under CIP, participating judicial districts are reexamining their routine procedures, seeking ways to reduce the time it takes to go from case filing to case closure, from petition to adjudication, from

Exhibit 2.3 North Carolina's Vision Statement for Children's Services

North Carolina's Vision for Children's Services, Families for Kids and the IV-E Waiver Demonstration

Our mission: to ensure safe, permanent, nurturing families for children.

In carrying out our mission we hope to achieve:

Community-based support for Families promotes a family's ability to cope with difficult situation and resolve family problems.

One coordinated assessment process involves the family in a comprehensive evaluation of their strengths and needs.

One caseworker or casework team ensures that everyone is working together until permanency for a child is achieved.

One single, stable foster care placement within the child's own community provides temporary stability until a lifelong home for the child is achieved.

A safe and permanent home within one year for all children for whom a county DSS has legal custody or placement responsibility.

The primary indicator of success for Families for Kids:

- Reductions in the number of children who remain in foster care or placement authority for more than 12 months

These three outcomes are the measures of success in the IV-E Waiver Demonstration:

- Reduced rate of initial entry of children into the foster care system
- Reduced length of stay of children into the foster care system
- Reduced rate of re-entry of children into the foster care system

Our values:

Children's Services is committed to the development, implementation, and evaluation of outcome-based model of service to children and families which values:

- each child's need for safety, love, care, and the stability of a permanent family the strengths and diversity of families and kinship networks;
- the responsibility of parents, families, and kinship networks to make decisions about their children and to care for their children
- the responsibility of families and service providers to work together to meet children's needs
- the responsibility of service providers to be proactive and discerning in ensuring positive outcomes for each child served
- the enrichment of communities that occurs from a diversity of knowledge and experience
- collaboration among professionals, paraprofessionals, community members, the family and its support systems to ensure that decisions are in the best interests of the child, family and community.

petition to case disposition, from petition to termination of parental rights (TPR), and generally to minimize the amount of judicial “downtime” in each case. They are also analyzing cases in terms of the number and types of placements, number of case reviews and continuances, and the frequency and duration of contested cases that cannot be completed in one day. Courts are also seeking ways to reduce the time it takes for parties to get a hearing, to generate key reports, and appoint parents’ attorneys. CIP has been implemented in two judicial districts that comprise a total of five counties, two of which are also participating in the IV-E Waiver Demonstration.

Local Political Contexts

County Commissioners in North Carolina play an important oversight role in the funding and operation of child welfare services and system reform efforts. Each county has a Board of Social Services and one or two county commissioners (or the Board of Commissioner’s appointee) sit on each board. These Social Services Boards have the authority to hire and fire DSS directors. They are also responsible for hiring the county’s child welfare attorney who represents DSS in custody hearings (Thomas Jr. & Mason, 1989). County commissioners are elected during the biennial general elections, but commissioner terms vary across counties from two to four years, and the number of commissioners up for reelection. This means that in some counties, there may have been major changes in the composition of the boards of commissioners in the period since the initial planning stages for the Demonstration. To participate in the Demonstration, boards of county commissioners in each county had to sign letters of agreement committing them to the terms and conditions for the IV-E Waiver, which mandated that state and local resources for child welfare services would be expended at the same level as would have occurred in the absence of the Demonstration project. This amount was set as the level of funds budgeted in the base year (1996) to be matched by federal Title IV-E foster care maintenance and Administrative funds.

Under the Waiver, agencies would be permitted to use flexibly any savings accrued in their county local accounts for programs and services that would help the agency achieve Demonstration goals. These savings could also be matched with federal funds and used flexibly. The commissioners were informed in these negotiations that the purpose of the Waiver was to promote service system reform, and *not* to save the county money.

Waiver counties could also generate savings by improving reimbursement rates for children who are not IV-E eligible whose maintenance costs had been previously been paid for by the State Foster Home Fund (SFHF). In this account, the state normally reimbursed 50 percent of the counties’ maintenance costs. Under the Waiver, participating counties claim reimbursement under

Title IV-E for the maintenance costs up to the standard board rate for their SFHF children. With this change, the federal government would assume 67% of the costs, while the state and county would equally divide the responsibility for the remainder. The difference between the amount that the counties budgeted for these maintenance costs and the amounts they actually spent because of IV-E reimbursement is made available to be matched with new federal funds for investment spending. Savings to the state generated from these categorical funding shifts were put in the counties' State Trust Fund Accounts which agencies could access, match with federal funds, and use flexibly—if they achieve and maintain cost neutrality. Savings generated to the counties due to improved reimbursements can also be matched dollar for dollar with new federal funds.

These trust fund accounts differ from other funding streams that were familiar to agency and county fiscal administrators. Some counties reported that the fiscal staff members in their agencies and at their county finance office were often unsure whether the funds were “really there” and were reluctant to authorize expenditures. Second, trust fund accounts accumulated and rolled over for the entire duration of the Demonstration. This accounting procedure was different from standard accounting practices in which unspent funds were returned to the county or state general funds. This was confusing to agency fiscal staff who had to develop new accounting procedures to handle the funds and who had to explain these new practices to their skeptical county-level supervisors.

In most counties, commissioners were at least initially supportive. In some counties, the commissioners demonstrated their support by participating in community events to highlight the need for foster and adoptive families. In a majority of these counties, commissioners approved the agency funding for services and contracts.

However, many counties reported that their county commissioners and county fiscal officers were reluctant to authorize expenditures because they were confused about the Waiver's funding mechanisms. Changes in the composition of boards also played a role in the resistance some agencies encountered. In some counties, the commissioners who had originally committed the county to the conditions of the Waiver were no longer on the board. In some cases, the newer board members had been elected because they had advocated spending cuts. Many had misconceptions about the availability of funds or how they could be used. In some cases, agency staff reported that their commissioners were reluctant to acknowledge that the agency savings from unspent budgeted county funds were really available, or they wanted to reallocate those monies back to the county general fund.

To access federal matching funds through the Waiver, each Demonstration county must first spend county dollars that it has budgeted and then be reimbursed through federal and other sources. Several counties reported that their county commissioners budgeted without consideration for the potential revenues that would return to their counties through federal matching. One result of this situation was that some boards were unreceptive to agency requests to fund for more staff positions for prevention services. Staff in two counties reported that when they tried to use the accrued funds in their state trust fund account for new services, this was seen as a request for a budget increase rather than using funds that were already available. Although the NC-DSS Waiver coordinators offered to meet individually with commissioners and county fiscal administrative staff to explain the Waiver, these invitations were generally ignored.

Organizational Contexts

Progressive leaders in at all levels of DSS have played key roles in planning and implementing the many service system reform cited here. They have also been creative in adapting to emerging needs and changing operating environment of the Demonstration. In this section, we review some of the challenges leaders at each system level have confronted in implementing the Demonstration and how they have responded.

State-level Coordination. At both state and local levels, the FFK initiative and the Waiver Demonstration have become progressively convergent in their goals. When the Waiver was approved for North Carolina in 1997, NC-DSS declared that the goals and strategies of FFK should be adopted in county agencies statewide. The Waiver was seen as a mechanism for reinforcing the changes in policy and practice, and for overcoming the constraints inherent in Title IV-E regulations.

From 1995 to date, NC-DSS staff members have served as state-level FFK performance and program coordinators. NC-DSS's original plan for the Demonstration included two Waiver coordinators. In the beginning, the coordinators from each program mostly worked independently, but collaborated on statewide monthly meetings for the counties involved in either or both initiatives.

Unfortunately, losses in state-level leadership starting in 1998 mirrored staff turnover rates at the county level. One of the two Waiver coordinators moved to another position in state government, leaving the one who stayed on to cover the responsibilities of both positions. Ultimately, it proved impossible to find a replacement for the Waiver coordinator. The two FFK coordinators also left their positions, retiring or assuming other roles in NC-DSS.

Eventually, NC-DSS leaders decided that the goals of FFK and the Demonstration were so consistent that it would be appropriate to merge the coordinator roles to some degree. As a result, the four positions were merged into three, with the expectation that the responsibilities for the two programs would be shared across all the three positions. The two vacant positions were filled late in 1999.

Having only one coordinator for a project designed for two stretched the capacity of the person filling that position. As a result, the remaining coordinator had to focus her energies in helping counties to understand cost neutrality and reinvestments well as encouraging the use of best practices in program development. Regional team representatives, such as Local Business Liaisons, Children's Program Representatives, and Local Service Managers, were encouraged to participate in the site visits. These team members receive copies of all Waiver-related correspondence. Under the circumstances, it is a testament to the Demonstration coordinator's efforts that staff members in nearly all the counties where site visits were conducted reported that she had been responsive to requests for information. They also appreciated that she acted quickly in approving expenditures and developed systems that kept paperwork for funding requests to a minimum.

Another factor that impeded progress in initial stages of the Demonstration's implementation was the long period of uncertainty about the specific fiscal provisions of the Waiver. Starting in July 1997, Division staff worked intensively with county staff in agency reorganization, programmatic planning, developing policies and guidelines for assisted guardianship, and developing and conducting staff training to facilitate and prepare them for new ways of providing services. However, plans for the use of reinvestment were not approved by the Administration for Children, Youth and Families (ACYF) until the third quarter of that year, with implementation authorized for the beginning of FY98.

As a requirement of the federal terms and conditions of the Waiver, the NC-DSS coordinators began calculating cost neutrality from the start of the Waiver. They used the cost neutrality indicators as points of departure for discussions in the Demonstration counties about their expenditure levels relative to the comparison counties. For counties that were not cost neutral, the coordinators consulted staff to determine what local conditions were driving their costs.

The fiscal policies that accompanied the implementation of the Waiver evolved over the first year. Counties' expectations about having funds to implement new services had been heightened. The coding and claiming instructions for flexible spending were published in a letter from the NC-DSS Controller in August 1997. Negotiations to set up the reinvestment strategies took another eight

months. The letter authorizing reinvestment spending was published by the Controller's office in June 1998.

The long period of negotiations about reinvestment spending frustrated many who hoped to be able to act quickly. While counties had been informed that it would take some time to settle on an approved plan for reinvestment, staff in many counties commented that their initial enthusiasm for the Waiver had diminished. During that time some counties became increasingly uncertain and confused about the Waiver's fiscal policies. Many counties that have had continuing questions did not participate in the spending opportunities during the first ten quarters.

Agency-level Coordination. In combination, Families for Kids and the Waiver have spurred Demonstration counties to transform the way they "do business." While some changes have taken place at the administrative level, counties report more changes at the line staff level, in terms of increasing staff, modifying role expectations, and expanding training efforts. Seven counties reported on these changes during their site visits or in their quarterly reports. We also obtained data from meetings and informal contacts with county and state DSS staff. In this section, we describe the kind of "organizational learning" that is taking place, as well as some of the obstacles the counties have confronted in trying to achieve this part of system reform.

DSS agency directors play key roles in initiating and sustaining their agencies' participation in the Demonstration in particular, and system reform efforts in general. In most of the counties where site visits were conducted, staff reported that their directors had been supportive of their efforts to implement the Waiver, but some directors were more engaged in the process than others.

Within their county departments of social services, directors are responsible for administering all programs in their agencies. For the Demonstration, their attention and energy have been primarily devoted to working with agency fiscal staff in overseeing program budgets and finding resources to meet program and staffing needs. In all the counties where site visits were conducted, the directors had delegated authority for the implementation of the Demonstration to FFK program managers or staff who had been appointed to serve as the agency's liaison for the project. In a few counties, the directors were actively involved in consultation and mentoring of program managers and inspiring front line staff. Directors also showed their support by releasing staff to participate in trainings to develop new skills and to devote time to organizational development work needed for agency restructuring. In a few counties, the directors have not been much engaged with the Demonstration and so were viewed as less supportive. In those counties, staff members were more likely to report that their directors were not passing on timely information about new policy directives or data needed for self-evaluation.

Directors also supported efforts to engage their communities through the Demonstration. They represented their agencies in negotiations for funding with county boards of commissioners, in negotiations for shared funding of services, and in establishing formal interagency working agreements. Many also promoted positive images of their agencies by representing them in community wide events to increase citizen awareness of the need for foster and adoptive families.

Given the potential impact of agency directors in setting the vision for new programs and providing for their implementation, it is important to note that there has been turnover at the director's position in eight counties since the start of the Demonstration. In four counties, the directors retired. In the other four, they left for other positions in social services administration. In three counties, the directors were replaced with persons who had served as directors of other counties, but none of those counties had been involved with system reform initiatives. In the remaining five counties, the departing directors were replaced by administrators from other human services agencies.

The NC-DSS coordinators have made efforts to orient the all directors (new and old) to the policies of the Waiver and the goals of the Demonstration. They met many of them to discuss the fiscal management of the Waiver and encouraged them to attend the Burlington meetings. In 1999, the NC-DSS coordinator also made a presentations on assistant guardianship to the at the Agency and County Attorneys annual meeting. In the site visit interviews, it became clear that, in all agencies, the *service program administrative staff* were assigned the primary responsibilities for implementing the Demonstration program. With their Directors' approval, program administrators in some counties prepared applications to participate in the Waiver Demonstration and in the Families for Kids initiative. In most counties, program directors were responsible for developing their counties initial plans for the Demonstration. As implementation progresses, they are typically the ones to submit and/or negotiate their agencies' requests with NC-DSS coordinators for permission to spend IV-E funds flexibly. Another of the program directors' important roles has to been decide whether and how to restructure front line workers into teams in accordance with the FFK model of a single social worker or social work teams. Seven counties reported that they had created teams composed of CPS, placement, and adoption workers. (Their experiences managing these organizational changes are summarized in the next section.

Organizational restructuring constitutes one set of strategies that counties have pursued in attempting to deliver the efficient, coordinated services envisioned in those goals. Two aspects of FFK-inspired restructuring appear to be significant for the implementation of the Demonstration—

the single case manager or case management team and the designation of Program Coordinators or Demonstration liaisons.

While almost all the Demonstration counties had originally planned to reorganize into casework teams, not all of them fully implemented the team concept, and those that attempted such changes have experienced varying success. The original group of FFK counties have had the most success, but they began working on the organizational and procedural changes needed to undergird these new case management arrangements before the Demonstration began. All of the counties who did engage in team restructuring also reported that they provided staff with training to improve teamwork.

In three counties that reorganized using this model, program administrators have reported that they later had work with their staff to modify the model to work for them. In one case, the program administrator reported that experienced foster care workers were quitting because they were uncomfortable taking cases from intake to completion. Other workers, however, liked the new system. To prevent the loss of experienced workers, the agency retained some heterogeneous teams, but also kept some homogeneous teams. For the homogenous teams, they relied on single supervisors to oversee the coordination of services as cases passed from CPS through the case planning and case management teams. In the other two counties, the agencies decided to separate one or another of the service components. In one, the adoptions and licensing teams were separated from the placement services teams. In the other, the CPS team worked separately from the placement and adoptions licensing team.

While the program directors have been instrumental in initiating the Demonstration and overseeing the organizational changes needed to support it, it appears that the introduction of program coordinators for system reform have also been critical to its institutionalization and development. The site visit interviews revealed significant differences in agency capacity to implement the Demonstration that appeared to be strongly linked to the presence—or absence—of new personnel whose role was specifically to implement system reform in the agency and community. The FFK and non-FFK Waiver counties' use of staff in implementing the Demonstration appeared to differ mainly along two dimensions.

In the FFK counties, the program coordinators were new positions. Most of the people hired to fill these positions were appointed from within their agencies. Having these new roles created new energy within FFK agencies as the coordinators worked on developing new services and collaborative relationships in the community. FFK program coordinators were also aware that since FFK funding was short term, their continued employment in these positions depended on showing

their agency directors and county commissioners how valuable their services could be. In all of the FFK counties, the FFK coordinators also assumed responsibility for implementing the Waiver Demonstration. In serving both initiatives, they blurred the distinctions between them. They helped workers identify opportunities for using Waiver funds flexibly and worked with program directors to develop procedures, services, and community collaboratives to achieve both Waiver and FFK goals.

By contrast, the Waiver-only counties appointed supervisors who were already employed in their agencies to serve as their liaisons to their agencies and communities for the Demonstration. Their Demonstration-related responsibilities were simply added to their supervisory duties. In counties with high staff turnover and long-term vacancies in frontline staff positions, Demonstration liaisons reported that they had been unable to do much to promote the goals of the Demonstration because they had to be more directly involved in casework.

The FFK coordinators benefited from the data analysis training and technical assistance in self-evaluation they received through FFK. Many were able to develop skills and had expert support in analyzing county data and identifying possible changes in procedures and services to achieve the Demonstration's goals. By contrast, the liaison staff from the Waiver-only counties tended to have less experience with self-evaluation techniques. They also had fewer opportunities to develop self-evaluation skills. They did not receive the same types of training and support and, because of their competing responsibilities, had a more difficult time attending regularly the monthly FFK/Waiver meetings in Burlington.

FFK Program Coordinator/Liaison roles. FFK Program coordinators have assumed four types of roles in their agencies. Staff from two counties reported that they work closely with their program directors to plan for new programs that promote prevention efforts and reduce lengths of stay. Within their agencies, they work to promote permanency by facilitating casework teams. They are responsible for training new staff about FFK and Demonstration goals. They often facilitate the casework teams, reminding workers about the availability of Waiver funds, and helping supervisors and caseworkers develop the justifications to access those funds. In many counties, they have assumed responsibility for organizing in-house staff training on FFK and Waiver goals and procedures, as well as more general foster care and adoption issues.

In many FFK counties, the program and performance coordinators share responsibilities, but performance coordinators generally take the lead in promoting self-evaluation. They work to find ways to keep FFK and Waiver goals vividly in the minds of agency staff. Several agencies have established "Road to Permanence" walls in central locations where pictures of children in foster care

are posted and moved along the wall as they progress to reunification, adoption or guardianship. Such graphical presentations help keep workers mindful of how far along children in their caseloads—and in the agency as whole—are in the permanency cycle. They also work with program managers, and supervisors to interpret the data in their Experiences Reports (see Appendix 2: Sample Experiences Report), and apply those findings to program plans for improving outcomes.

Coordinators and liaisons also have taken responsibility for improving the linkages between DSS and the community. They have organized community events to publicize the needs of children and participate in follow-up meetings. Many make public presentations to recruit foster and adoptive parents. In FFK counties, the Program Coordinators are specifically responsible for establishing Community Assessment Teams (CAT), organizing and facilitating the meetings and serving on CAT steering committees. Coordinators report that they are engaged in outreach activities to develop new community collaboratives to serve children and families and to strengthen existing ones.

A number of counties participated in two-day “community dialogs” during the first year of the Demonstration. This was an ambitious attempt to engage citizens and representatives of agencies from the public and private sectors in the Demonstration (Nelson, 2000). In the months preceding these community events, a core team of community representatives identifies key issues to be addressed. During the event, they work together to map how the system currently functions. They then proceed to develop a common vision of how it could be changed to improve outcomes, to identify specific actions to take to improve the system, and to make commitments (personal and organizational) to create change.

Community dialogs have been used across the state to promote a holistic view of system reform in child welfare. These events were used as kick-off events for the original FFK counties. Since the Waiver began, many of the other Demonstration counties have held them, too. The long-term impact of these events has been mixed. During site visits, agency staff in six counties reported that the event sparked excitement about the potential for community systems reform, and resulted in the formation of various kinds of planning teams. Staff in four counties, however, reported that the teams in their counties did not complete concrete plans, or that their plans diverged from the goals of the Waiver. In addition, the long period of uncertainty about final Waiver policies caused much of this collective energy to dissipate before concrete actions were implemented.

The most positive, long-term effect of these gatherings is that they promoted better communications among community groups and other agencies. Three agencies reported that this contributed to the formation of effective multi-agency collaboratives. One county reported that it

had resulted in improved working relations with the court. Coordinators from several counties report that they have participated in other community education events in which they discuss FFK and Waiver goals and outcomes. These too have fostered the collaborative spirit. The kinds of community collaboratives that have formed from these efforts vary from county to county, but they have included Foster Parents Associations, Faith Minority Partnerships, and DSS/Court staff working groups.

Staff training to promote system reform has occurred at a number of different levels. This includes, first, *in-house training*. As agencies began planning for and implementing the Demonstration, the project's goals have had to be communicated to all staff. In general, training about the Demonstration has not been systematic, but rather on an as-needed basis. Project coordinators and liaison staff members have generally assumed responsibility for orienting new staff members to the goals of the Demonstration. In team meetings, they also remind other staff members of the possibility of using Waiver funds flexibly to meet the immediate needs of individual clients or, over the long term, to develop new services.

The original group of FFK counties in the Demonstration was encouraged to use *inter-agency consultations* to mentor counties that later joined FFK. Program and performance coordinators from two FFK counties not in the original group reported that they had visited other agencies to learn how to organize and facilitate community assessment teams and performance assessment teams, and gain insight concerning the challenges other coordinators had encountered.

Staff members in six counties reported that they had attended *DSS regional training programs* to strengthen staff capabilities related to initiatives being pursued under the Waiver. In three counties, staff attended training to learn how to develop community collaboratives to support families and reduce risks to children. Staff from three counties had attended training that addressed foster care and adoption case management issues. One county sent representatives to a training session on substance abuse.

FFK/Waiver-specific technical assistance has occurred informally through ongoing individual consultations with program coordinators and formally in three contexts: 1) monthly statewide meetings, 2) Directors' Open System Management Round Table, and 3) FFK Performance Coordinators' computer and data analysis workshops.

Monthly statewide meetings. These meetings provide technical assistance to the largest number of staff in the Demonstration counties. Held in the central part of the state, these sessions last one to two days. These meetings were originally initiated to provide information and support to the FFK counties. With the continuation of FFK and the startup of the Demonstration,

representatives from all the FFK and Demonstration counties are encouraged to attend. Most often, program managers, FFK coordinators and Demonstration liaison staff attend. When the topic deals with fiscal matters, agency directors and fiscal administrators are more likely to come as well.

Until recently, decisions about programming for the meetings were primarily the responsibility of the NC-DSS FFK and Waiver Coordinators. Typically, meetings have included presentations and panels about DSS policy changes, best practices, and program resources. Periodically, counties present progress reports on their system reform efforts. Participants have also requested half-day workshops on a variety of topics including community assessment, team facilitation, and conflict resolution. The evaluation team also presented a workshop on assisted guardianship. A portion of almost every session is spent in small group sessions so that staff from different counties who serve in similar roles can brainstorm with each other about how to handle different problems implementing system reforms. Late in 1999, county participants decided that they wanted more control over program content. With the encouragement of NC-DSS staff, they formed an advisory board to provide opportunities to hone their leadership and presentation skills, and to identify training needs. The board now sets monthly program agendas that the NC-DSS coordinators assist in implementing.

Open Systems Leadership Roundtable. To support Demonstration county directors in their efforts to restructure their organizations and services, all 19 are invited to participate in the Open Systems Leadership Roundtable. The Roundtable is funded by a training grant from the Children's Bureau and organized by the Family and Children's Resource Program of UNC's School of Social Work. In these monthly sessions, directors work with case studies and hear presentations from guest lecturers about core reform values and management practices needed to develop and sustain effective and adaptive "learning organizations." Participants also share their experiences trying to enact these values and implement open systems management practices in their agencies as they implement the Demonstration. Typically, seven directors attend these meetings. To date, the directors from the counties participating in both the Waiver Demonstration and FFK have been the most active participants, while the directors from "Waiver-only" counties have been the least active.⁸

⁸ It is beyond the scope of this report to determine how differences in leadership across Demonstration counties are related to different rates and scope of county program implementation. Certainly, the directors' understanding of the goals of the Demonstration, the Waiver's fiscal mechanism, and their ability and willingness to make them understandable should impact how well the Demonstration has been implemented. Further research is needed to explore the extent to which contextual factors including, turnover among directors, individual director's consultations with NC-DSS coordinators, and attendance at the Burlington and Leadership Roundtable meetings, contribute to the overall strength of agency commitment to system reform and the will to implement it.

Computer and data analysis skills training. Families for Kids and the Waiver Demonstration promote the idea that agencies need to develop a capacity for self-evaluation to be able to monitor program implementation, analyze data to detect trends in program performance, and use the data to modify programs that will improve program outcomes. To increase the likelihood that agency capacity will increase, FFK performance coordinators periodically come to the School of Social Work and work with staff members for two-day workshops that provide training in data analysis and interpretation. Staff from counties not participating in FFK may attend, but, to date, none of the non-FFK counties have sent staff for the training.

Wider System Reform Efforts

Thus far, we have described the state and county agency investments in agency restructuring and training that serve as the foundation for overall system reform. Inspired by the FFK system reform goals—but mindful NC-DSS’ initial instructions to be conservative in their use of reinvestment funds—many counties have embarked on collaborative efforts with families and other community organizations to improve the safety and well being of children without spending much money.

In their quarterly reports, agencies often report describe system reform activities that impact more than one of the Waiver outcomes. For example:

- *Increasing family involvement in decision making* earlier in the case planning cycle, by using family meetings, family group conferences and pre-petition conferences, can result in fewer children coming into care. Or, when these strategies are used, those children who do enter placement authority often achieve permanency sooner.
- *A coordinated assessment process* using Community Assessment Teams or case conferences with other agencies provides a more holistic view of family and child strengths and needs, which in turn can suggest ways to support families to prevent children from coming into care or suggest alternative permanency options. Some counties have used psychological assessments of birth family members to inform family counseling and subsequent court decisions.
- *Campaigns to increase foster care and adoption resources* are designed to produce better informed, more supportive citizens, better-trained foster parents, and a wider array of foster care options. Many counties report that their FFK coordinators/Waiver liaisons frequently make presentations about FFK and Waiver goals and activities to community groups. Some agencies have used flexible funds to pay for professionally designed public information campaigns and the need for foster care and adoptive families. In several counties, these public information campaigns have resulted in increased demands for information on foster parenting and increased demand for foster parent training. Some agencies have formed

multi-county collaboratives with neighboring counties to develop group homes. Counties also have used flexible funds for contracts to hire social workers to recruit families for children with special needs, clinical specialists to provide foster family training and support and post adoption support services to adoptive families. Some agencies report that having a larger pool of foster families helps to reduce lengths of stay. With more foster homes available, the agency does not have to worry as much about losing scarce foster care resources, making it easier for them to encourage foster families to adopt.

- *Enhancing community-based support for families* is intended to help agencies find foster families who better match the needs of the children or who can provide respite for foster families. By improving these child/family matches and improving support, agencies reduce the likelihood of disruptions in care. They may also be able to reduce children's lengths of stay because these efforts increase the likelihood that foster parents might be willing to become adoptive parents or guardians. Some counties have found minority and faith community groups that were willing to volunteer to provide respite and mentoring services to birth families to prevent children from coming into care, and to donate supplies to children while they are in foster care.
- *To achieve safe permanent homes for children within one year*, counties have used various risk reduction strategies for children's birth families. Some have initiated classes for the birth parents for children-at-risk and for those whose children have already entered placement authority. One county has offered domestic violence reduction training. Another offers services to at-risk teens, providing emergency shelter and counseling to enable them to return home.

Legal reforms are not technically elements of the Waiver Demonstration, but they do represent one of the most important components of a broader statewide system reform because they constitute an important new form of community collaboration necessary to achieve Demonstration goals. For that reason, we describe agency efforts to improve their working relationships with judges and court staff in greater detail here. While only two of the IV-E Waiver Demonstration counties are participating in the North Carolina Court Improvement Project, six of the Demonstration counties are pursuing legal reform as part of the FFK initiative. Efforts currently underway in Demonstration counties focus on the goal of achieving permanence for children.

One area of concern is to resolve problems of court rules and procedures. For example, delays in petitions, adjudication, and TPR hearings are often caused by insufficient court days, as well as poorly organized court dockets resulting in long days spent in court by families, foster parents and staff. Lack of resources--staff and time--contributes to this problem. Attorneys' use of continuances – delaying a decision about a child for another three or six months – also results in longer lengths of stay in out-of-home care and a delay in obtaining permanence for children. Also, each potential adoptive parent must be checked to determine whether he or she has a criminal record, and adoptions can be delayed several months while awaiting the results of these checks. By

1999, this situation had become a significant roadblock for agencies seeking permanency. As NC-DSS staff became aware of the problem, they moved to find ways to remove the barrier. A staff member from the NC-DSS Interstate Services was assigned to keep track of finger printing. In addition, the State Bureau of Investigation added more staff to handle this task, and the SBI improved its automated fingerprinting system.

While court procedures have a major impact on achieving permanency for children, other permanency problems call for greater understanding and advocacy for children and families. Delays in permanency can arise when judges and guardians ad litem (GALs) believe that long-term foster care is the most appropriate living arrangement. Education about the child welfare system is necessary for judges, attorneys, GALs, and other court personnel, while at the same time education about the legal system is necessary for social workers and other DSS personnel. For legal reforms to succeed at the local level, changes in legal guidelines, such as the new ASFA regulations, must be understood and communicated to all relevant personnel – social workers, attorneys, judges, and GALs.

In the Waiver Demonstration counties, legal barriers to permanence are addressed through two intermediate outcomes -- relationship building and education. For example, judges and attorneys in four counties now participate on county DSS planning teams. In four other counties, communication between DSS and GALs has improved and working relationships have been strengthened. Two counties have held community-wide conferences on juvenile law and juvenile justice. Two counties have held focus groups and formed committees to review the court district's local rules, procedures, and to identify barriers to timely permanence. Where several counties are part of the same judicial district, two county DSS agencies (from two different judicial districts) have begun to work with other county DSS agencies to collaborate for integrated and comprehensive reforms.

In nine counties, DSS provides cross-systems training on child welfare and the legal system for judges, attorneys, GALs, other court personnel, and social workers. These training programs focus on the problems of delays for children, educating attorneys about concurrent planning, and describing the changing legal guidelines, particularly the regulations provided for in AFSA. Judges and attorneys provide some of the training, and judges have served as guest speakers for community events. One county provides a monthly newsletter to judges.

Counties engaging in these education and relationship building activities report that court personnel are giving more attention and time to the needs of juvenile and family courts. The resulting improved court relationships has resulted in some tangible improvements in outcomes for

children. In four counties, the amount of time or number of days for juvenile and family court was expanded, and in two of them additional staff were hired. In two other counties, additional members of the legal staff were hired. One county has seen a reduction in the number of continuances. In four counties, timely adjudication and TPR was accomplished. Two counties are using more pre-petition reviews and pre-adjudication hearings. Two counties have reorganized the court docket to reduce the amount of time families, foster parents, GALs, and social workers must wait in court. In four agencies, the county has drafted a set of model rules/procedures for their districts. In at least one county, the judge started tracking petitions, adjudications, and continuances in the court files to monitor and identify potentials for delay. In one county, the judge has adopted a “no tolerance” approach for continuances. In another county, the judge issued an order that information disclosed in family conferences was not to be used as evidence in a hearing, protecting the confidentiality and problem solving philosophy of these conferences. In yet another county, the court has now ruled that one judge will work with a case for the entire time the child is in placement authority.

*Carolina 1 Source.*⁹At almost any point in the continuum of child welfare services, a social worker or team may need a professional clinical evaluation for a child or a whole family to determine the family’s capability to parent the child in a safe and permanent way. Traditional resources for these evaluations, such as the area mental health centers, often require long waiting periods before referrals are carried out. These delays result in children remaining in foster care longer than necessary or the evaluation not being completed within the time needed to inform agency team or court decisions.

Carolina 1 Source is a consortium of child caring agencies who have contracted to provide clinical assessment and evaluations to families referred to Carolina 1 Source by IV-E Waiver county departments of social services. The consortium was formed to alleviate another important barrier to permanency. Like many other elements of system reform described above, Carolina 1 Source services does not impact Waiver expenditures. It has the advantage that services are offered free of charge to the 19 Waiver counties. Social workers do not have to obtain any budget authorization or flexible spending signoff to obtain this service for their families.

The Carolina 1 Source contract is designed to provide comprehensive and timely assessments to social workers about children and families they refer. Carolina 1 Source offers quick

⁹ This service is a joint project among four child caring agencies in North Carolina, the Division of Social Services, and The Duke Endowment. The contract began in January 1999, and will run at least through June 30, 2000.

turnaround and comprehensive clinical assessments in the child's own community. The intake and assessment processes are designed to require little or no new paperwork by the social worker. The worker calls a toll free number and refers a child or family to the intake coordinator. Within 24 hours, the assessment specialist who will conduct the assessment telephones the referring social worker and collects specific case information needed to carry out the assessment. The agency and assessment specialists agree on a timeframe to complete the evaluation. Following interviews with all persons involved, the assessment specialist meets with the team and discusses the findings and any service recommendations. Agencies can contract for any follow up services they needed with Carolina 1 Source, or with any other community or private provider.

As of December 1999, 14 Demonstration counties had made referrals to Carolina 1 Source. Six of the Waiver -only and 6 FFK-second phase counties made referrals, while only 2 of the original FFK counties made them. For the counties who made referrals, the median number of referrals was 2 (range: 1-5 referrals). By the end of 1999, 17 of the assessments had been completed, 12 were in process, and 9 had been withdrawn or had been put on hold. According to NC-DSS staff, counties in the Demonstration that have used the new service and have made positive comments about the quality of and timeliness of the assessments.

Waiver-specific Reform Efforts

Flexible spending. The design of the Waiver proposes two distinct financial innovations. All counties could spend flexibly from county funds budgeted under the Waiver for maintenance costs. Counties that are cost neutral can also reinvestment funds obtained by federal matches of those savings. At the county level, agency staff are often unable to distinguish between the two, or at best blur distinctions when discussing actual uses of funds. Therefore, in this section, we discuss all expenditures of Waiver funds, other than traditional IV-E spending for foster care board and case management, with no distinction of their source. Exhibit 2.4 summarizes the counties' initial plans for the Waiver and the plan amendments that they submitted in 1999.

Only six of the Demonstration counties asked for plan amendments during 1999. To request a plan amendment, the county director or coordinator/liaison calls the NC-DSS coordinator, discusses the plan for flexible spending, and follows up the discussion with a letter summarizing the plan. When approved, the amendment becomes a part of their counties' original Waiver plan. One county had three amendments approved, two had two approved, and three had one amendment

Exhibit 2.4. Waiver County Initial Plans and 1999 Plan Amendments¹⁰

Demonstration Counties	Initial Plans		1999 Plan Amendments
	<i>Flexible Funds</i>	<i>Assisted Guardianships</i>	
Alamance (FFK-Second Phase)	\$8700 for mediation services to reduce court time	Not at this time	<ul style="list-style-type: none"> Assisted guardianship for 6 kids* Discretionary fund to reduce backlog*
Brunswick (FFK-Second Phase)	Not at this time	Not at this time	None
Buncombe (Original FFK)	<ul style="list-style-type: none"> FY97/98 Unspecified amount to be used on a case-by-case basis in one social work team In FY 98/99 To fund social work technicians, post-adoptions services and family respite 	Participate in local and statewide planning for a kinship care pilot	Assisted guardianship for 23 children (\$212,001)
Burke (FFK-Second Phase)	Use funds to “alleviate crises that will prevent the need for custody and foster care.”	Not at this time	None
Caldwell (FFK-Second Phase)	Will initiate new service contracts when reinvestment dollars have been earned	Identified 3-5 children eligible for assisted guardianships	Discretionary fund to expedite adoption*

¹⁰ Asterisks indicates that amendment request did not specify a specific amount to be spent on this new plan.

Exhibit 2.4. Waiver County Initial Plans and 1999 Plan Amendments (continued)

Demonstration Counties	Initial Plans		1999 Plan Amendments
	<i>Flexible Funds</i>	<i>Assisted Guardianships</i>	
Cleveland (Original FFK)	<p>Established a performance-base contract with a CCA</p> <p>Will target African-American children for reduced LOS</p>	Identified 5 children for assisted guardianships	<ul style="list-style-type: none"> Funds to cover legal fees for people willing to consider assisted guardianship (\$4000) Family group conferencing facilitator (contract) and other program costs (\$3000)
Durham (Waiver-only)	None specified	Not at this time	<ul style="list-style-type: none"> Discretionary funds for prevention services* Develop orientation program and information packet for Assisted Guardianship*
Edgecombe (Original FFK)	<ul style="list-style-type: none"> Have been using some FFK funds as a flexible fund for caseworkers; Possible use of IV-E funds to help support a psychologist on DSS staff; Possible use of funds for courtroom mediation 	Will explore this option	None
Forsyth (FFK-Second Phase)	None specified	Conduct case evaluations to determine possibilities for AG placements.	None

Exhibit 2.4. Waiver County Initial Plans and 1999 Plan Amendments (continued)

Demonstration Counties	Initial Plans		1999 Plan Amendments
	<i>Flexible Funds</i>	<i>Assisted Guardianships</i>	
Haywood (FFK-Second Phase)	<ul style="list-style-type: none"> Possible uses for preventive services such as respite care, IFPS and crisis intervention. Possible purchase of specialized services from child caring agencies. 	Possible use of funds for kinship care.	None
Johnston (Waiver-only)	None specified	Not at this time	<ul style="list-style-type: none"> Discretionary fund: Buy necessities to enable kids to stay in home with relatives (\$5000) Transportation, room and board to facilitate out of state relative placement for 2 kids (\$650) Security deposit and moving expenses to improving housing of kids at risk for placement (\$650)
Pasquotank (Waiver-only)	None specified	Not at this time	<ul style="list-style-type: none"> Parent assessment services contract* Contracts for legal services to expedite Assisted Guardianship*
Rockingham (Waiver-only)	None specified	Possible use of Assisted Guardianship.	None
Scotland (FFK-Second Phase)	Will explore possibilities for use of flexible funds as reinvestment dollars become available.	Assisted guardianship for several children.	Discretionary fund, allocated on a case by case basis*

Exhibit 2.4. Waiver County Initial Plans and 1999 Plan Amendments (continued)

Demonstration Counties	Initial Plans		1999 Plan Amendments
	<i>Flexible Funds</i>	<i>Assisted Guardianships</i>	
Union (FFK-Second Phase)	<ul style="list-style-type: none"> • Would like to develop a performance-based contract with reinvestment funds. • Explore family mediation, respite care and family preservation. 	Explore assisted guardianship as a possibility.	None
Wake (Waiver-only)	<ul style="list-style-type: none"> • \$31,000 to contract with outside agency to conduct child profiles, contract with agency to recruit families for special needs adoptions, establish a pool of discretionary funds for family needs. 	Not at this time	Implementation of family group conferencing contract (\$61,000)
Wayne (Original FFK)	<ul style="list-style-type: none"> • Utilize some funds to resolve emergency situations and prevent entry into care. • Possibly use IV-E funds to purchase services such as family therapy, and adoption services 	Not at this time	None

Exhibit 2.4. Waiver County Initial Plans and 1999 Plan Amendments (continued)

Demonstration Counties	Initial Plans		1999 Plan Amendments
	<i>Flexible Funds</i>	<i>Assisted Guardianships</i>	
Yadkin (Waiver-only)	Use reinvestment savings to implement Family Preservation/Family Support program, or possibly to purchase services such as substance abuse treatment domestic violence treatment.	Explore as a priority in 1998.	None
Yancy (Waiver-only)	Use the reinvestment funds as they are earned on a case-by-case basis.	Possibility as reinvestment funds accrue.	None

approved. Three counties established discretionary funds for prevention services or used funds to prevent children at risk from coming into foster care. Two submitted amendments to use funds flexibly to promote or expedite assisted guardianship. Three counties established contracts for Family Group Conferencing facilitators, and legal or psychological assessment services. Four of the six counties who had amendments approved were Waiver-only counties. Of the remaining two, one was an original FFK county, the other a FFK-Second Phase county.

One-time expenses to preserve families, to facilitate kinship care, or to promote adoption are among the most widespread uses of Waiver funds. Common examples include paying rent and electricity deposits to enable a parent to remove children to a safe environment, exterminating insects that present health problems (roaches and head lice), buying clothes, bedding, and beds to help a kinship care provider house children she is being asked to care for. Several counties have used the money for travel expenses to send children and a worker to visit a family member considering adoption or to bring potential adoptive or kinship providers to visit children. The only counties not using Waiver funds for these individual emergency expenditures are those that already had a budget line for such needs. Those counties expressed a readiness to use waiver funds for case-by-case emergency needs if county funds are depleted before the end of the fiscal year.

Fee-for-service expenditures are another type of spending for individual children, found in less than half of the counties for which we have data. This would include paying for counseling for

an individual child or substance abuse treatment for a mother for whom reunification was the plan as well as paying lawyers fees for transfers of custody, tutoring for children, and in one case sending children to summer camp while their mother was in a brief residential substance abuse treatment program.

Typically agencies have covered these case-by-case expenses by setting up small discretionary funds (in the \$5,000 range). They have instituted a set of procedures and a chain of in-house approvals for social workers who wish to use some part of the fund for client needs. Although this allows many counties to pay for expenses they were previously unable to meet, the use is “flexible” only in that sense.

Programmatic changes are found more extensively, but not exclusively in larger, urban counties. Instead of paying a fee for services to an individual child, an agency may choose to contract for services to any family needing services to achieve one or more Waiver outcomes, or to hire personnel to provide new services or more of a kind of service that already exists in-house. This more systematic approach may be related to any or all of a number of factors including:

- greater number of clients which translates into larger numbers of families presenting with similar problems (patterns);
- wider availability of providers with which they can contract; and
- administrative staff members who do not carry a caseload and have the type of education and experience that predisposes them to see patterns and plan systemic rather than individual solutions.

Examples of contracted services include: supervised parent visits when their children are in foster care to provide role models for positive ways to interact with their children; case planning and case management services to children in a child caring agency; family group conferencing; and family preservation services. In some counties, it has taken time to achieve cost neutrality and for state trust fund accounts to accumulate enough money to pay for new services. Thus, midway through the five-year Demonstration period, a number of counties had devised plans for contracted services, but they were still in the developmental stage. These plans include: services for battered women; planned respite for foster and adoptive parents of special-needs children; and family preservation services. A number of counties planned to hire new personnel for a variety of functions including: foster care licensing; family preservation and prevention; co-financing a social worker to be housed in the schools; and a mental health worker to be housed in child welfare for

assessment and short-term counseling. In each case the planned staff additions have not yet been made or they have been hired, but resources other than IV-E funds has been used.

Although some counties attribute delays to the natural time involved in negotiating contracts or creating and filling positions, most have found Title IV-E Waiver funds difficult to access. Many agencies report that they have not been encouraged to incur any ongoing expenses with Waiver resources, and nearly all have seen the Waiver funds dwarfed by in influx of TANF resources. In at least one case, the state responded to a request to use Waiver funds for a position by indicating that it was permissible under the Waiver, but suggesting that TANF funds be used instead for the first year. Difficulty accessing the funds was a theme in most of the counties we visited, though the sources of the problems varied somewhat. In one county, for example, the county commissioners who had approved participation in the project were replaced by a slate of commissioners running on a “cut spending” ticket who were opposed to more social spending. However, many counties in which the DSS faced no political or ideological opposition also had trouble getting expenditures approved by their county finance officers

County reluctance to spend Waiver funds can be traced to delays and uncertainties that existed during the first year of the project. Staff in many of the counties cited a caution from the NC-DSS at the beginning of the project to begin spending slowly. Conflicting state and county-level policies regarding spending have also posed obstacles. For example, the state suggested that county Waiver budgets be set up on the basis of projected allocations, but IV-E funds are paid monthly and some counties will not allow the DSS to encumber any money that has not actually been received. This is even more true of the money that the state refers to as “savings”—the difference between the county’s expenditures and the minimum IV-E budget to which the county is committed. As one DSS employee phrased it, “County commissioners do not understand how to spend money that is “not there.” Although all DSS funding requires a county match, some county fiscal staff found it difficult to believe that it is really available to use.

Almost universally, county-level staff reported difficulties in understanding either cost neutrality as a concept, the cost neutrality reports they receive, or the long-term implications of fluctuating (or potentially fluctuating) neutrality. Underlying all uncertainty about the funding process are widespread fears of agency staff that the county will have to pay back any money expended if the overall project was ultimately not cost neutral. Many county agencies were still feeling cautious due to cancellation of the Carolina Alternatives mental health Waiver. County DSSs now have to pay for many of the costs previously provided to children in foster care by that program.

Assisted guardianship (AG) is one of the components of the Waiver that distinguishes system reform efforts in the Demonstration counties from changes being pursued by the FFK counties and other counties implementing the more generalized FFK goals and strategies. In North Carolina, the option for assisted guardianship (AG) under the IV-E Waiver is available to any minor child:

- who resides in a county that is participating in the Demonstration and which has included an assisted guardianship subsidy in their Waiver implementation plan;
- who has been in the custody or are the legal responsibility of DSS for 12 months;
- for whom a plan for reunification has been explored but ruled out;
- for whom adoption has been found to be inappropriate to the child's needs, and for whom legal guardianship has been determined to be the most appropriate permanency option; and
- who has resided at least 6 months with a caregiver who wants to assume legal guardianship, and who has participated in a home study and has been shown capable of engaging in a safe, nurturing, stable relationship with the child.

The initial formulation of AG tested an assumption that caregivers who were willing to assume guardianship were less interested in the stipends than they were in being free of DSS involvement. Once the courts approved guardianship, guardians under the Waiver receive stipends of \$250 per month per child, a rate less than the standard foster care board rate, but greater than a child-only TANF payment.¹¹ Since there was no guarantee that assisted guardianship would be state policy after the end of the Demonstration, it was assumed that guardianship would be a preferred option for older children who would age out before the Demonstration ended.

Few Demonstration counties have seriously pursued AG. During the first two and a half years of the Demonstration, seven of the 13 counties that received site visits pursued AG in a significant way. This includes activities such as submitting requests to the NC-DSS offices to implement AG, identifying eligible cases, conducting staff training sessions, and placing children. Four of the seven counties were successful in their AG placements, but as of December 1999, only seven children were in AG placements. NC-DSS had hoped to see enough success with assisted guardianship in the first half of the Demonstration that they could ask the legislature to authorize its use statewide. However, there has been insufficient experience with it so far to justify this request.

¹¹ The standard foster care board rate is graduated according to the age of the child, from \$315 per month for infants and young children up to age 5 to \$415 for teenagers aged 13 to 18. Under the original Waiver

Counties have reported four primary reasons that they have not implemented assisted guardianship extensively under the Waiver. Seven counties expressed confusion about specific AG rules. One county decided not to use AG as a placement option for children in care, explaining that they were confused about what could and could not be done. Even in counties that had successfully placed children through AG, staff reported confusion about Waiver rules and regulations about guardianship. In one county, staff members had questions about Medicaid eligibility and whether children would receive SSI along with an AG subsidy payment. In another county, staff members were unsure about reporting to the state related to AG status.

In six counties, agency staff also reported that they felt AG was not a stable placement option. They felt that AG was a financial risk for the county because there was no guarantee of continued AG funding after the expiration of the Waiver. Thus, if many children were placed in AG, counties would have to maintain payments after Waiver resources were discontinued. Given this concern, one county only identified older children as candidates for AG placements.

In addition to the financial risk to the county associated with AG, one county also saw AG as a liability for foster parents. A representative of this county described how foster parents were reluctant to become legal guardians because they would then be held responsible for the child's misconduct.

Local DSS staff members in nine counties also reported that they felt AG had limited applicability, speaking of it as a last resort. In one county, a social worker asserted that there were very few instances where a relative is available to assume guardianship. In two counties, staff stated that AG does not work for special needs children because foster parents in this situation need more money or special services than AG provides. One county representative stated that there was little need for AG given the eligibility of many IV-E-eligible children for child-only TANF payments—despite the fact that TANF grants were lower than AG subsidies. Another representative stated that Waiver goals could be achieved without relying exclusively on Title IV-E resources.

In three counties, staff members described values and policy priorities that they perceived to be in conflict with AG. Representatives of many counties expressed the view that the overriding goal of their agency was to find *adoptive* homes for children who cannot be reunified with their families. Others thought that addressing the therapeutic needs of children in their care was a higher priority than making sure they utilized the AG placement option. One county representative

subsidized guardianship policy, licensed foster parents of one child who decided to become guardians under the Waiver would have \$65 to \$165 per month less to cover that child's needs.

reported that, in her county, residents believed that kinship care was as a family responsibility, and not something for which family members should receive reimbursement.

To encourage broader consideration of AG, the evaluation team made a presentation at the June 1999 monthly meeting about potential cost effects of broader use. This presentation and county-specific information distributed at the meeting sought to address potential obstacles to broader use of this intervention and to help counties make a more informed judgment about its usefulness for each of them. It showed the number of children in care statewide who were eligible for assisted guardianship and the relative savings that would accrue to the Demonstration as a whole if a quarter or half of them could achieve permanency with AG. Participants were also given data about the number of children who were eligible for guardianship in their own counties and assisted in calculating the savings to their counties if more of those children could be placed with guardians. Case studies reinforced a systematic consideration of permanency options, and sought to increase knowledge of AG eligibility requirements and to develop skills in calculating the relative costs of AG compared to kinship care and standard foster care. The session closed with a discussion of local agency policies, procedures and practices that would need to be modified to take advantage of the opportunities of AG, and strategies for initiating those organizational changes.

Staff Turnover and System Reform: An Overarching Problem

The high staff turnover rates found in many child welfare agencies can create problems for the children and families with whom they work (McMahon, 1999). Staff departures may result in a loss of knowledge about clients in their caseloads and disruptions in client services. Turnover also lowers worker morale because the caseload burdens increase on workers who remain. Agency operations become less efficient and it becomes harder to carry out required routine tasks when there are fewer people to carry the load. Although agency administrators work to replace staff quickly, it can be difficult to find qualified workers. Even when new workers are hired, they cannot begin work for six to eight weeks because North Carolina statutes require all new workers to complete a pre-service training program before they are allowed to assume responsibility for a caseload.

NC-DSS does not systematically collect statewide data on turnover rates among child welfare workers. In a recent meeting of representatives FFK and Waiver Demonstration counties, participants reported turnover rates ranging from 30 to 110 percent among foster care placement workers (McMahon, 1999). Among the 13 Waiver counties that received site visits, 8 reported problems caused by staff turnover among frontline workers. In most cases, the turnover rates were

higher among Child Protective Services and case planning and case management workers than they were among foster care and adoption workers.

In implementing the Demonstration, problems with turnover have had several negative effects. Many counties are working to reduce their entry rates by focusing on prevention services. CPS and case planning and case management workers are the ones who identify problems but also find opportunities for keeping children out of placement authority. If these workers are inexperienced and overloaded, they are unlikely to be effective in carrying out their prevention roles. System reform implies that there is staff time and energy to learn “new ways of doing business.” Under conditions of high turnover, agency staff members have to focus on “getting their jobs done and not learning how Waiver funding works.”

In agencies that have reorganized into single casework teams, some have reported that high turnover rates have made it difficult to develop and maintain team cohesion. Two counties reported that high turnover had forced their program coordinator/liaison staff to assume casework responsibilities that delayed work on the planning, and training needed to implement the Demonstration.

Summary

System reform does not happen in isolation and system innovations must be adapted to local conditions. This chapter has described ways that environmental, policy, and organizational contexts have shaped the implementation of the Waiver Demonstration in North Carolina. While county staff members are able to articulate the linkages between their interventions and outcomes, county-level theories of change are not yet explicit. They are implicit in the descriptions provided by agency staff and other stakeholders’ and expressed in action through community collaborations, flexible spending and the use—or non-use—of reinvestment strategies and assisted guardianship.

What we can observe at this stage are the preliminary effects of a well articulated, shared vision for child safety and well being. Leaders at many levels have been spurred to find ways to use state, community, and institutional resources more creatively and holistically. Similarly, social workers have been learning how they can work in teams to provide coordinated care and spend dollars flexibly to individualize services. They are also learning how to use the data they collect to show stakeholders that their efforts are preventing children’s entry into care and reducing their lengths of stay. Teams in many communities are learning to work more effectively with families in crisis.

The other key components of the Waiver, reinvestment spending and assisted guardianship, have not been fully implemented, but this situation appears to be changing. Over the last two years, state and local agencies have identified major barriers to the Demonstration's implementation. Meanwhile, NC-DSS staff have also taken action to eliminate many problems caused by policy and procedural conflicts, and supported agency risk taking.

During the second half of the Demonstration, the evaluation team expects to gain access to more case-level data that describe how families and children are being served and the cost of those services. As these data become available and we are able to link them to reports of abuse and neglect and placement data, we expect to be able to describe more specifically how approaches to service differ between Waiver and non-Waiver counties and among Waiver counties. The next step will be to incorporate those data into analyses of outcomes, thereby making it possible to assess the cost-effectiveness of specific approaches to service.