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# **Indiana IV-E Child Welfare Waiver Demonstration Extension Final Evaluation Report**

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**A Report for the Children's Bureau**

**Prepared for the  
Indiana Department of Child Services**

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# Executive Summary: Indiana IV-E Child Welfare Demonstration Final Evaluation

The Department of Health and Human Services approved a five-year extension of the Indiana Title IV-E Waiver from July 2005 through June 2010. This is the final evaluation report of the demonstration extension. The purpose of the state's waiver program was to find more effective and less costly ways of keeping families intact, improving child wellbeing, removing fewer children from their homes, and shortening the length of removals that were made. The objective of the program was to accomplish these goals by providing support and wrap-around services that met the individual needs of children and their families. The waiver operated in all 92 counties and permitted IV-E-eligible and non-eligible children and both child abuse/neglect cases and juvenile delinquents to be served under the waiver.

## Process Evaluation

- In 2005 a new waiver management team sought to increase utilization of the waiver statewide and placed a renewed emphasis on using the waiver to provide intensive, wrap-around services to families. Various organizational and procedural changes were made that included guidelines for appropriate cases, meetings of regional managers, establishment of operational protocols, targeted site visits for technical assistance and staff training, identification of regional 'waiver champions,' and the establishment of a central eligibility unit. During the extension, waiver use increased by 73 percent over the original 1998-2002 demonstration period with 9,699 children assigned to the waiver.
- CHINS child abuse and neglect cases (highest risk level) made up 80 percent of waiver cases while 12 percent were delinquent wards. Slightly more than one in three children were in out-of-home placement settings when assigned to the waiver; the rest were in their homes. Children assigned to the waiver tended to come from families with higher than average levels of unemployment and reliance on public assistance. Nearly two in three respondents to family surveys said that in the last 12 months they had received food stamps, an indicator of poverty.
- In the summer of 2007 a survey of the directors of county DCS programs was conducted. Attitudes towards the waiver were more positive than at the end of the original 1998-2002 demonstration period. Eight in ten directors reported that their staffs had received training or technical assistance; half said that their approach to the waiver had changed because of this. Interviews conducted during site visits indicated that county offices had begun to employ more standardized approaches to the waiver. Children and families that were selected for the waiver

were reportedly those that were likely to achieve prevention of removal or reunification. Services and assistance purchased through the waiver for a family were more often what could not be provided by any other means. In a majority of counties visited for the evaluation, staff described using the waiver to address basic needs that families had which were barriers to keeping a family together or reuniting the child.

- Between 2006 and 2007, the three individuals that formed the de-facto waiver management team left their positions and during the final half of the waiver extension some of the new initiatives established to enhance the waiver all but ceased. At the end of the five-year extension period a final survey of county directors and CPS workers was conducted. These surveys found that attitudes in local offices about the waiver had declined and confusion over the program's policies had increased. Respondents noted the need for training, hands-on administration and policy clarification.
- Forty-three cases were examined in detail as part of a **case studies** project. The case studies showed the level of complexity encountered by CPS workers and their efforts to assist families using the waiver. Assignment of a child to the Title IV-E flexible funding waiver was often triggered by financial need. In these cases, establishing an adequate living environment, through rent or utility assistance or other services, was frequently a central objective in case plans, though this need was frequently enmeshed with other needs, such as childcare, transportation and/or treatment for substance abuse or mental health problems. Absence of these basic necessities created barriers to reunification and threatened family stability. Reimbursement available through the waiver allowed DCS offices to meet financial and service needs directly and without extensive delay. The flexibility of the waiver meant that any need a family faced that threatened child wellbeing or family integrity could potentially be addressed.

## Services

- Services were analyzed through reviews of cases by workers, feedback from families via the family survey and records of service payments for children and families.
  - When responding about specific cases, workers reported that actions had been taken and assistance provided that would not have been provided without the waiver.
  - Waiver family caregivers reported more preventive services than their control counterparts.
  - Payment records indicated substantial changes in service delivery. The waiver led to an increase in both traditional services, such as counseling and therapy, as well as material

assistance and other family support and home based services. Services of these kinds were delivered in waiver cases substantially more frequently than in control cases.

- Waiver family caregivers more often reported being satisfied with the services they received and feeling that they and their children were better off.
- The waiver led to a substantial increase in the number of children receiving services from various community-based providers.
- Juvenile delinquents also received increased services designed to assist their families, such as home-based services and counseling. Special needs children were assisted at higher levels through the waiver.
- Increased preventive and remedial services to waiver children and their families occurred consistently across counties.

## Outcomes

- Several positive outcomes were found.
  - Lower proportions of waiver children were removed from their homes during the original study case.
  - Family reunifications of waiver children in placement occurred at higher rates than among similar control children.
  - Time in out-of-home placement was shorter for waiver children.
  - Waiver children had fewer subsequent substantiated investigations.
  - One negative outcome was found in the relative increase in subsequent removals of waiver children who had previously been reunified with their families.
- Services and Outcomes. Service analysis was integrated into the outcome analysis. There was strong evidence that services reduced time in placement and averted removal of children.
  - Permanency (to reunification) was shown to be facilitated by the increase in services that occurred through the waiver.

- A lower proportion of removals of waiver children was related to increased home-based services.
- Increased delivery of preventive and remedial services facilitated reunification of placed children with their families.
- Family support services were found to be associated with reduced time in placement and thus appear to have facilitated reunification of children with their families.
- Reductions in subsequent substantiated investigations were determined to be related to the delivery of remedial and preventive services during the original waiver case.
- Even regarding the negative finding of increased subsequent removals, it was shown that services were important intervening variables in preventing new removals after reunification.

## Cost Analysis

- The cost study utilized payment records for all waiver and control children and included spending from various categories of federal, state and county sources. Overall, the analysis demonstrated that service costs for waiver children had increased while placement costs had declined, in comparison to control children. In addition, service costs increased substantially for waiver children as a percentage of all costs per child.
  - Analysis of differences among counties demonstrated that this occurred across Indiana counties. Mean spending (over the entire five years of the extension) for services for control children seldom rose above \$2,000 per child and in most counties was less than \$1,000 per child. In comparison, means in about half of counties were \$3,000 or more for waiver children and the majority spent over \$2,000 per child.
  - The overall shift from spending on placement to spending on preventive and remedial services occurred across the different types of cases considered in this study, including delinquents and CPS children, children in placement and not placed, special needs and non-special needs children, higher risk and lower risk cases, boys and girls, and children in different age groups.

## Conclusions

Two general observations of this evaluation reflect positively on the success of the Indiana Title IV-E Waiver and have implications for consideration of its continuation. First, this evaluation has determined that many of the lessons learned from the original demonstration and recommendations of the 2003 evaluation report, which evaluators believe remain valid, were implemented at the beginning of the extension. These led to high positive attitudes among directors and staffs in the 2007 statewide survey regarding the new implementation of the waiver. Second, the evaluation has demonstrated that the waiver also led to overall positive results in services, costs and outcomes, that services were related to outcomes, that costs reflected service changes and that outcomes were consequently cost effective.

However, these positive results are tempered by two other general observations. First, much of the momentum that was generated early during the renewal period was lost later in the extension, as technical assistance and training of county staffs and such initiatives as the waiver champions all but stopped. This was reflected in the final survey of local directors and staff conducted in 2010. A decline was found in positive assessments of the waiver by county directors and their staffs, along with an increase in confusion concerning the demonstration's policies and goals. The original focus of the waiver that had been reestablished and strengthened during the early period of the extension appeared to have dissipated to a great extent. However, local staffs remained positive about the potential of the waiver to assist families and children, and believed that significant help had been provided to families through the waiver.

Second, certain methodological limitations of the outcome/impact study raise questions of how much of the positive services, cost and outcome findings was due to changes brought about under the waiver and how much was a reflection of preexisting differences between waiver and control children that could not be effectively controlled through pair-matching.

The Children's Bureau has given the state another temporary bridge period following the June 2010 end of the waiver extension while formal approval of the continuation of the demonstration is considered. Given the results of the evaluation, evaluators believe the following points should be a part of that consideration.

1. The overall positive findings suggest that the waiver has benefited children and families and suggest that, as a service approach, it should be continued.
2. Positive effects resulted largely from initiatives put in place at the start of the demonstration extension that continued to influence the way the waiver was used during the time a high

percentage of waiver assignments were made. These cases also had the longest tracking periods and, therefore, made the biggest impact on outcome differences.

3. As a continuing demonstration, in which the state is charged with demonstrating the value of the approaches permitted under the waiver, we suggest that the following points should be weighed:
  - a. Flexible funding waivers assume a change in approach to cases in which children are in danger of removal and placement or are already removed with the goal of returning home. The potential for various services to avert removal of children or to reunify children in placement with their families should again be emphasized as the primary reason for waiver assignment.
  - b. A new assessment of needs should be conducted which focuses on the past impact, present status, and future goals of the waiver in the state. A planning group might be convened which would include key central management personnel as well as representatives from local offices that made active use of the waiver during the demonstration. The group should strive to align the vision of the administration with the opinions and ideas of county directors and supervisors regarding the best use for the waiver in case planning and service provision. A primary goal of this group would be to create a statewide waiver plan that successfully met fiscal and programmatic objectives of the state. Ideally, this plan would give uniformity to the program without compromising flexibility at the supervisor-worker-family decision making level. Secondary goals would be to coordinate DCS leadership with the field and reestablish buy-in to the idea and purpose of the waiver among all involved parties. Findings from the present evaluation can be used as a guide for discussion.
  - c. For the waiver to function as a demonstration it must embody a relatively consistent program at the local level. Appropriate cases for the program should therefore be determined by local staff based on assessments of needs and strengths of case families. State level assignment to the waiver should be utilized only in close coordination with local decision makers.
  - d. As a part of this, it will be necessary to ensure that there is a linkage between waiver status and Title IV-E funds, so that local offices and case managers are always aware that children have been assigned to the waiver and that waiver funds are available for the provision of non-traditional and intensive services.



- e. A permanent, full-time waiver management and training team should be established. This team should include a state-level coordinator to provide guidance to local offices and ensure that local programs adhere to the waiver’s fundamental goals. An initial need is for a coordinator to re-articulate clear and coherent policies and procedures for the program, including assessment, selection, and the linkage of services to needs; to re-emphasize the purposes of the demonstration and the underlying intervention strategy, to meet the individual needs of children and families through the provision of preventive and remedial services that will often need to be intensive and wraparound in nature; and to develop an adequate technical assistance and program monitoring system. The process of reestablishing the momentum of the demonstration would be more effective if regional representatives or regional and local teams were established to work together with the state management team.
  - f. Permanent trainers are needed both to provide targeted assistance, as at the beginning of the last extension period, and to organize and conduct an ongoing training program. Because of turnover and other local changes, training can never be considered to be over while the demonstration continues. A trainer that is part of the management team might also help satisfy the technical assistance needs of the waiver. Given the statewide nature of the demonstration, training related to the waiver might be beneficially integrated into the department’s existing training arrangements.
4. Another extension of the waiver would require some level of evaluation. Impact findings of the current evaluation are largely positive but a more controlled evaluation could establish them with greater confidence.
- a. Random assignment should be considered. Certain local offices have been shown to have understood and implemented the demonstration especially well. These offices might be considered for a limited period of random assignment of children to an experimental and a control group. Eighteen months to two years of random assignment in several counties—urban, suburban and rural—should be sufficient to establish a randomized trial of the flexible funding approach. These counties might be offered an incentive to participate.
  - b. Random assignment should be done after a child has been determined to be appropriate for the waiver with procedures designed and monitored by the external evaluator. Experimental children should be offered services available through the waiver while control children should be treated in the traditional fashion. Note that this can only work if the waiver is regarded as a treatment, that is, as an approach that

- children and families would not otherwise receive. Experimental and control cases should be tracked through the end of the waiver extension. A five year extension would permit three to five years of tracking on cases assigned during the first 24 months.
- c. The full process and outcome analysis of the current evaluation should be continued with as much continuity in instruments and data collection as possible—to permit comparison of results. But special emphasis should be given to the process study in random assignment counties and to case studies of experimental and control cases.
  - d. A local (Indiana) external evaluator might be considered for the extension, one which can provide, in addition to the requirements of the evaluation, on-going technical assistance to both the state management team and local area offices. An arrangement with a state university program that has both the technical expertise required and program-level experience and competence needed would seem to be a beneficial option.

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# Chapter 1. Introduction

## A. Overview of the Demonstration

**Context.** Title IV-E of the 1980 Social Security Act provides federal funds to support the costs of room and board that states incur for keeping children from very low-income families in placements outside their homes. In 1994 and again in 1997, the federal Department of Health and Human Services was given authority to approve a set of state child welfare demonstrations. These demonstrations have involved the waiver of specific requirements of the Act and given states the flexibility to design and test a wide range of approaches to improve child welfare.

The state of Indiana responded to the initial announcement for a child welfare waiver demonstration; its proposal was approved in 1997 and implementation began January 1, 1998. The national context for the waiver was well expressed in the February 13, 1998 information memorandum of the Children’s Bureau, in which additional states were invited to apply. The issuance noted that many state and local child welfare officials and advocates for children had long been dissatisfied that the main federal funding stream for child welfare provided unlimited funds to take children from their homes, but only limited funding to keep children with their parents. This was seen by many as a “perverse incentive” to remove children from their homes. At the same time, the numbers of Title IV-E children in foster care was rising at a dramatic rate, from under 1,000 in 1962 to over 300,000 in 1998, the year the Indiana waiver began. In its 1998 issuance, the Children’s Bureau wrote:

“The child welfare system is in a period of great crisis and great challenge....New, creative efforts are needed to stimulate meaningful changes in the delivery of child welfare services and promote more effective methods of service delivery for children and families....In order to meet the existing service needs of families with diminishing resources, more flexibility is needed in devising service programs.... Foster care is a temporary setting and not a place for children to grow up....Innovative approaches are needed to achieve the goals of safety, permanency and well-being....The waiver is a mechanism to allow States greater program flexibility to develop innovative strategies to achieve positive results for children and families.”

**Purpose.** Although more than 20 states have been granted approval to operate Title IV-E-FC waiver projects, Indiana is one of only a small number of states to have implemented a flexible funding

demonstration. The purpose of the state's waiver program was to find more effective and less costly ways of keeping families intact, reducing both the number of children in out-of-home placement and the length of time children spend in foster placements, and improving the wellbeing of children. The goal was to provide home and community-based alternatives to group and institutional care and to insure children were protected in safer environments with supportive services. An emphasis was placed on the provision of intensive and wrap-around services. The waiver program was viewed as both a more cost effective response to child abuse and neglect and adolescent delinquency, and one that was expected to lead to improved family functioning, enhanced child wellbeing, and fewer and shorter removals of children from their homes.

**Time Lines.** The Department of Health and Human Services originally approved the State of Indiana's child welfare waiver demonstration on July 18, 1997. The IV-E foster care project was authorized for five years and it ran from January 1, 1998 through December 31, 2002, administered by the Family and Social Services Administration. A final evaluation report on the demonstration was submitted in September 2003. The project continued after 2002 under an interim understanding and in 2005 the state received formal approval from DHHS to operate the waiver for an additional five years, beginning on July 1, 2005 through June 30, 2010. This is the final evaluation report of the demonstration extension. The state was given approval to continue its waiver program for a limited, additional period that is in effect as this report is being written.

**Terms and Conditions.** Under the original terms and conditions issued in 1997, as well as the renewed terms and conditions of 2005 (modified slightly in 2007), the state of Indiana was allowed to expand both eligibility and services beyond what is otherwise permitted under Title IV-E of the Social Security Act. Through a waiver of Section 472(a) the state was permitted to expend Title IV-E funds for children and families who were not normally eligible under Part E of Title IV of the Act. This included children who were not judicially removed from the home and children who remained in the custody of a parent. It also included children who were adjudicated as juvenile delinquents and children from families who did not meet the income requirements for eligibility under Title IV-E. Through a waiver of Section 474(a)(3)(E) and 45 CFR 1356.60(c)(3) the state was allowed to use IV-E-FC funds for services that were not normally covered under Part E of Title IV of the Act, that is, for services other than foster care that were consistent with the underlying purpose and goals of the demonstration.

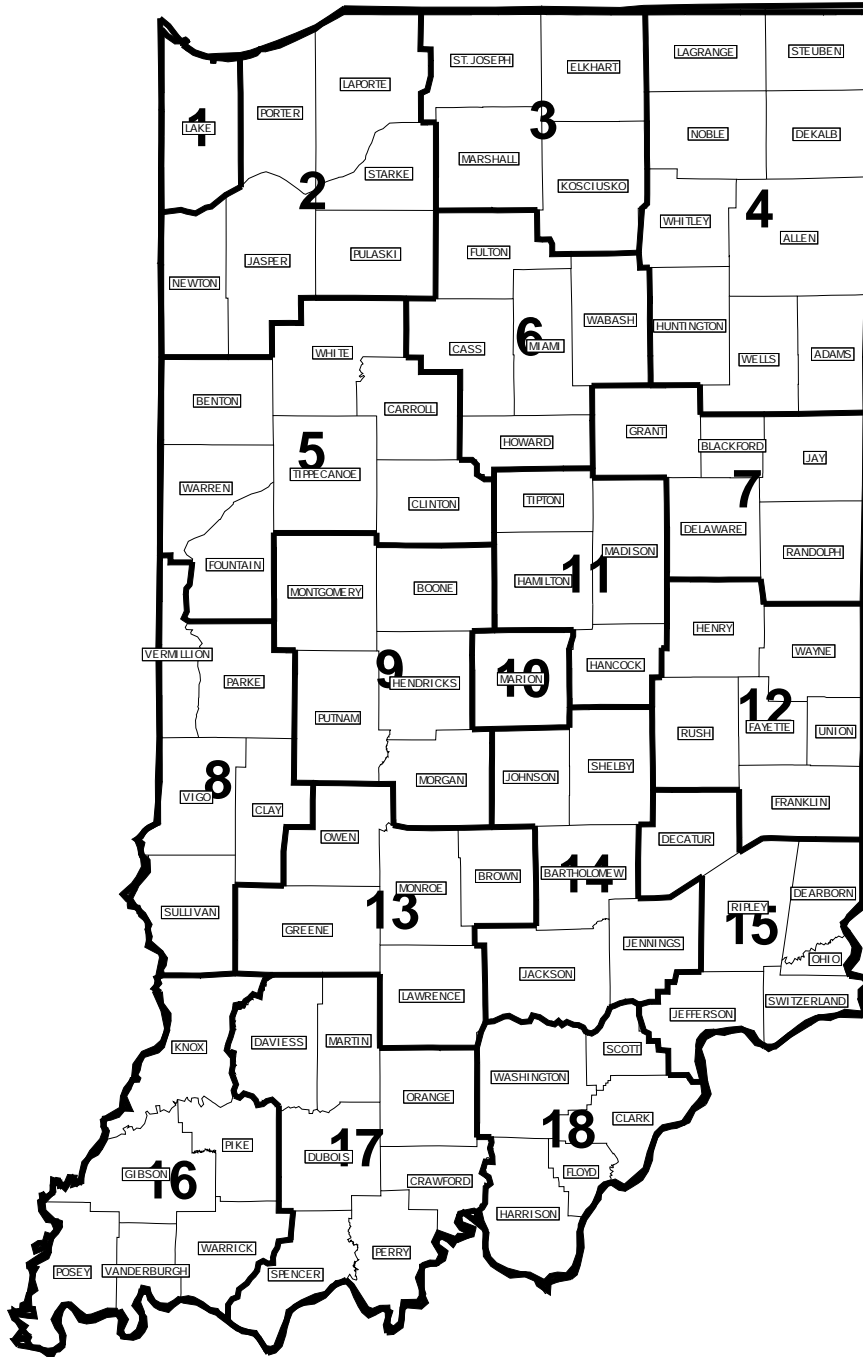
The primary change in the Terms and Conditions for the five-year extension involved the manner in which the cost neutrality of the project was calculated. Costs associated with matched control group cases were used to determine the cost neutrality limit during the extension. The previous cost neutrality formula relied on a baseline of state IV-E foster care cases, augmented by changes in national foster care figures.

**Scope.** The Terms and Conditions specifically allowed the state to operate the demonstration statewide and the waiver project was implemented on a county-by-county basis in each of the state's 92 counties. The state had considerable latitude in which children it included in the waiver. The target population included children who were at risk of removal from their homes or who were in out-of-home placement, along with their parents or other caregivers, whether or not the children were Title IV-E eligible or not. A guideline of 25 percent non-IV-E eligible children was in effect throughout the demonstration, but it was not a formal limit, and the state always took it as a cautionary figure for cost neutrality purposes. From the beginning of the original demonstration, the state also included some adjudicated delinquent children in the waiver in addition to children in child protection cases.

Throughout the entire demonstration, from 1998 to 2010, 16,388 children were assigned to the waiver. The actual number of Title IV-E ineligible children who were assigned always exceeded the number of IV-E eligible children. The Terms and Conditions capped the number of children who could be assigned to the waiver at 4,000 at any one time; but the 4,000 capped limit was never reached.

**Service Intervention Strategy.** A consequence of the flexible nature of the demonstration was that there was wide latitude in the kinds of services provided to children and to their families in order to achieve program goals, as well as differences among counties in program emphasis. The Terms and Conditions (as amended in 2005, Section 2.2) specified that the state must "develop and deliver services to meet the individual needs of each child and family" but did not prescribe nor proscribe what such services may or may not be other than to identify them within the general parameter of being in the nature of "community-based wraparound services." As will be seen, among the services more often provided to waiver children and families, when compared with control children and families, were such things as family preservation services, assistance with basic household needs (such as utility and rent payments), assistance with other basic needs (food, clothing), homemaker services, transportation assistance, money management assistance, housing assistance, and job-related services.

**Governing Structure.** At the beginning of 2005 the governor created the Department of Child Services (DCS), making it a new cabinet level agency. Child Protection Services, foster care, adoption, independent living, and the Child Support Bureau were moved from the Family and Social Services Administration into the new department, along with responsibility for the child welfare waiver demonstration. DCS reorganized the administration of the agency statewide, expanding from 6 to 18 regions. (**Map 1** on the following page shows regional boundaries in effect during the demonstration extension.)



Map 1. DCS Administrative Regions

## B. Evaluation Design and Methodology

**Design.** The design of the evaluation was constrained and shaped by the nature and scope of the waiver demonstration in Indiana. A randomly assigned control group was not possible, nor was a comparison group of children and families from counties not participating in the Demonstration. However, because the number of children that could be assigned to the Treatment group at any one time was limited to 4,000, other children being served by local offices and not assigned to the waiver group were available to serve as control cases. During the original demonstration (1998-2002) a quasi-experimental design was developed based on a pair-matching methodology, and this design continued to be employed during the extension (2005-2010). As each newly assigned waiver group child was identified, the remainder of the ICWIS extract of children never assigned to the experimental group was searched for children that most resembled the waiver group child. The group of never-assigned children was much larger than the waiver group and formed a pool of potential control children. The method for selecting the best pair matches utilized concurrent weighting of cases on a number of relevant variables. The non-waiver child with the most similar score to each newly assigned waiver child was selected as the match for the waiver child. This process was repeated for each new child added to the waiver group.

The impact study utilized a comparison group design. The analysis built upon the prior evaluation, determining whether outcomes achieved during the initial demonstration were sustained, improved upon, and extended across a greater number of counties. It also examined whether additional positive outcomes were achieved as a result of program and management improvements. The underlying goals of the project were translated into a set of research questions that shaped the impact study. These research questions are listed below.

The process study monitored the implementation of the demonstration, assessed the similarities and dissimilarities in the way counties approached and utilized the waiver, and identified procedural and operational factors judged to influence program outcomes. Throughout the evaluation, waiver utilization patterns were tracked and challenges assessed. The process study focused on the extent to which the state was able to achieve the new goals established at the start of the demonstration extension, namely, 1) increasing utilization overall, 2) expanding the effective use of the demonstration treatment to a larger number of counties, 3) improving management and operations of the demonstration, 4) improving model fidelity across all counties, and 5) developing a strategy for replicating lessons learned about permanency during the original demonstration period.

The process and impact studies, while distinct, overlapped in a number of critical ways, including research methods, data collection and analysis.



The matched comparison group design of the impact study formed the basis of both the cost-effectiveness study and cost neutrality analysis. The cost-effectiveness study can be seen as a part of, or as an extension of, the impact evaluation because it involved comparisons of costs for demonstration treatment and control cases. In most IV-E child welfare demonstrations, cost neutrality has been determined by comparing costs incurred by treatment cases with costs incurred by randomly assigned control cases, or by average costs of cases in comparison regions or counties not participating in the demonstration. Because such methods were not possible here, costs incurred by waiver cases were compared to costs incurred by the matched control group.

**Research Questions.** The Indiana waiver demonstration had four major desired outcomes or goals: 1) preventing out-of-home placements, particularly in restrictive institutional settings; 2) reducing lengths of stay in out-of-home care; 3) decreasing the incidence and recurrence of child maltreatment; and 4) enhancing child and family well-being. These goals shaped the research questions that guided the impact evaluation. These research questions are:

1. Are fewer treatment children with substantiated dispositions of child abuse or neglect removed from their homes and placed in substitute care during the original case than control children?
2. Are fewer treatment children with substantiated dispositions of child abuse or neglect removed from their homes and placed in:
  - a) Restrictive institutional settings during the original case than control children?
  - b) Out-of-state facilities during the original case than control children?
3. Do more treatment children achieve permanency through reunification, adoption or guardianship than control children?
4. Considering only children that exit out-of-home placement:
  - a) Do treatment children spend less time in placement than control children?
  - b) Do treatment children that are reunited, adopted or placed with guardians spend less time in placement than similar control children?
5. Considering only children in out-of-home placement, do treatment children spend less time in placement in institutional settings and out-of-state facilities?
6. After case closure, do treatment children experience lower recurrence of (substantiated) abuse and neglect reports than control children?

7. Among children who were placed and exited placement for reunification, do treatment children re-enter out-of-home care less frequently than control children?
8. Do added services made available through the demonstration:
  - a) Facilitate permanency of treatment children?
  - b) Reduce the risk of future child abuse and neglect?
9. Are certain approaches to service delivery taken by particular counties more effective in working with specific types of families or children?
10. Do demonstration treatment children experience improved services relevant to child development?
11. Does the school performance of treatment children improve?
12. Does the well being of treatment children and their families improve?
13. Are caregivers of treatment children more satisfied?

**Data Collection Procedures and Evaluation Activities.** Major data sources for the evaluation included extractions from the Indiana Child Welfare Information System (ICWIS), detailed case-specific information collected from family case managers on a sample of cases, site visits to county offices coupled with interviews of DCS administrative and family case management, surveys of county directors and their staffs, surveys and interviews with waiver and control-group families, interviews with regional administrators of DCS and demonstration ‘champions,’ and a review of documentary material.

**ICWIS Data Extractions and the Research Database.** During the original demonstration, evaluators received monthly ICWIS data extracts. These extracts included data entered into ICWIS beginning in 1997, and for some variables the extracts included data brought forward from the earlier state data system. The evaluators continued to receive these ICWIS extracts through the end of the original five-year demonstration, the bridge period, and into the extension. In April 2005, in consultation with DCS staff, evaluators reviewed changes in ICWIS and proposed changes to the data received covering a broader set of data tables and data fields than previously received, including additional data on child abuse and neglect incidents and new data on the needs and characteristics of children, caregivers, and families. The changes meant that evaluators began to receive data on all cases active in the system. Cost data entered by local offices became included in the extraction as it

was brought into ICWIS. Monthly data extractions and uploads to the evaluators under the new design implemented with the demonstration extension began in September 2006, and the process was corrected and finalized in November 2006. From then until the end of the five-year extension on June 30, 2010, uploads continued on a monthly basis with some additional corrections and additions. The types of children on whom data was received included all children active in ICWIS from January 2002 to the date of the extraction as well as all children ever assigned to the waiver on or after January 1, 1998. The research database was revised and updated as necessary to include new data fields received in the new ICWIS extractions, which came to evaluators in 35 separate data tables.

**Control Group Selection.** Following the research plan, and based on the expanded ICWIS files, evaluators revised and refined the control group selection procedures developed during the original demonstration period. As described above, control group selection was based on pair-matching procedures. Pair matching was accomplished by weighted comparisons of each child assigned to the waiver with the entire population of non-waiver children in active cases in Indiana. New children were assigned to the waiver and entered the experimental study group on an ongoing basis. The control group, correspondingly, was constructed incrementally and continually. Each time a child was assigned to the waiver the evaluators selected and assigned a similar child to the control group. The object of this matching *was not* to produce matched pairs for analytic purposes but to produce matched groups, which are a consequence of pair matching. By incrementally adding to the control group children who were individually matched with children added to the experimental group, the overall characteristics of groups were similar.

As evaluators received monthly ICWIS file extracts, the children who were assigned to the waiver during the previous month were identified and added to the research database. In this process, information on the history and present characteristics of each child was incorporated into the database. The experimental group, accordingly, grew in size as the demonstration proceeded. While experimental group children retained this designation throughout the demonstration, they passed out of active status as their cases closed, although some children later returned to the system in reopened cases. As each newly assigned experimental child was identified, the pool of the ICWIS extract of children never assigned to a study group was searched for children that most closely resembled the treatment child. The method for selecting the best pair matches utilized concurrent weighting of cases on a number of relevant variables. Summary scores were calculated for each child in the non-waiver pool based on weighted matching variables. Using the same method, a summary score was also developed for each newly assigned waiver child. The non-waiver child with the most similar score was assigned as a match to the experimental child. This process was repeated for each new child added to the experimental group.

Concurrent weighting means that some variables were considered more important for matching purposes than others. For example, IV-E eligibility was a critically important variable, particularly because the control group was used for cost neutrality calculations. Thus, this variable was assigned a larger relative weight. A software program was developed to determine the pair matches and was run each month after a new ICWIS extraction was received. Because many variables were used in this process, the procedure was not expected to yield perfect matches for each waiver-control pair. Over the course of the project, and because of the large number of children involved, differences tended to even out with the result that the experimental and control groups were highly comparable.

The following variables were used in the pair-matching procedure, weighted as indicated in parentheses:

1. IV-E eligibility. This variable had a 100 percent weight, that is, IV-E eligible waiver children were only be matched with IV-E eligible non-waiver children. Conversely, non-IV-E eligible waiver children were only be matched with non-IV-E eligible non-waiver children
2. Case Type (weight=64). These included service (voluntary, court request, court ordered), service (adoption, AG, DOC, IL), SRA, IA, CHINS, and Delinquent.
3. Special Needs (64): psychological, medical, developmental disabilities and disabilities.
4. Case Begin Data (50).
5. Placement/Removal status (36).
6. Case County (32).
7. Age (16).
8. Physical Abuse (12).
9. Sexual Abuse (12).
10. Neglect (8).
11. Gender (8).
12. Number of Caregivers (8).

**Case-Specific Worker Data Instrument.** The research design called for intensive data collection for random samples of experimental and control cases. The instrument that was utilized during the original waiver period was updated. The procedure was changed from a mailed survey to an email/web-based form accessed on the evaluator's website at a private web address. The instrument collected information on case characteristics, problems related to children and their families, services provided, and updated contact information. The sample of cases was selected as children were assigned to the waiver and as the matching control cases were chosen. The sample was restricted to cases that entered the study population after the beginning of the extension in July 2005. When cases in the sample closed family case managers were sent an email asking them

to access the web-based survey via a link that was provided. Information was requested of only one child in any selected case and no caseworker is asked to complete more than one survey within a two-month period.

A total of 1,324 case reviews were completed in this survey. Case workers provided detailed information in these case reviews about 726 waiver cases and 598 control cases. About one-half (48.2 percent) of the children selected in this sample were in out-of-home placement settings when they entered the study population, and 51.8 percent were living in their homes.

**Family Surveys.** As waiver and control cases closed families were surveyed. They were asked for information in three general areas: 1) their satisfaction with the way they were treated and their involvement in case planning; 2) the services they received; and 3) issues related to child and family well-being. Efforts were made to survey 4,702 families in the two study groups. Of these, 1,105 could not be contacted with information available to evaluators. Of the remaining, 848 (23.6 percent) responded to the survey in time to be included in this report. Of these, 537 (63.3 percent) were families of waiver children and 311 (36.7 percent) were families of matched/control children. More than three in four (77.1 percent) respondents involved child protection cases, while the others (22.9 percent) involved juvenile delinquency cases.

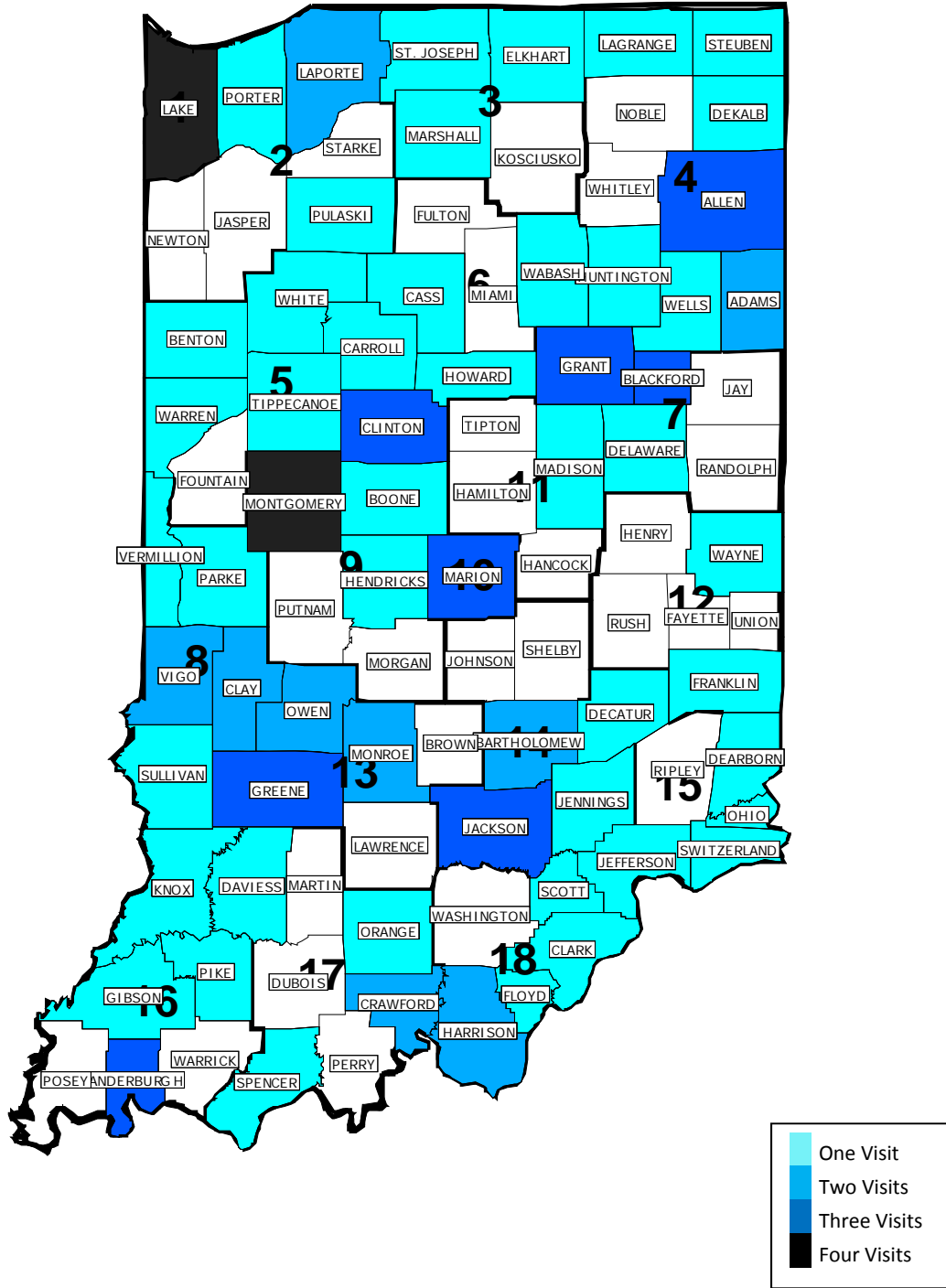
**Site Visits.** During the extension period, from July 2005 to July 2010, 92 site visits were made to 61 counties and interviews conducted with local DCS staff. Most of the site visits involved gathering information related to the implementation and utilization of the waiver; some visits were made for interviews in connection with case studies that were also conducted. Some counties were visited more than once to track changes over time. **Table 1.1** lists counties visited and the number of site visits that were made. This information can also be seen in **Map 2**.

During site visits, interviews were completed with more than 150 staff including county DCS directors, supervisors, family case managers, and accounting managers and bookkeepers. In addition, researchers met with the former waiver field manager on several occasions, attended a region-wide waiver training session with staff in Region 3 and observed Regional Service Council meetings in Regions 1, 6, 13 and 14.

The evaluator also made seven trips for meetings with state administrators, technical support staff, and financial management and ICWIS staff, participated in numerous telephone meetings and conference calls and attended the annual Child Welfare Demonstration Projects meetings in Washington DC with representatives from Indiana.

**Table 1.1. Counties to Which Site Visits were Made**

County	Visits		County	Visits
Adams	2		LaGrange	1
Allen	3		Lake	4
Bartholomew	2		La Porte	2
Benton	1		Madison	1
Blackford	3		Marion	3
Boone	1		Marshall	1
Carroll	1		Monroe	2
Cass	1		Montgomery	4
Clark	1		Ohio	1
Clay	2		Orange	1
Clinton	3		Owen	2
Crawford	2		Parke	1
Dearborn	1		Pike	1
Decatur	1		Porter	1
DeKalb	1		Pulaski	1
Delaware	1		Scott	1
Daviess	1		Spencer	1
Elkhart	1		St. Joseph	1
Floyd	1		Steuben	1
Franklin	1		Sullivan	1
Gibson	1		Switzerland	1
Grant	3		Tippecanoe	1
Greene	3		Vanderburgh	3
Harrison	2		Vermillion	1
Hendricks	1		Vigo	2
Huntington	1		Wabash	1
Howard	1		Warren	1
Jackson	3		Wayne	1
Jefferson	1		Wells	1
Jennings	1		White	1
Knox	1			



Map 2. Counties to Which Site Visits were Made

**Surveys of County Directors and Staffs.** At the conclusion of the five year demonstration extension in June 2010, two surveys were conducted to collect systematic information about attitudes and perspectives of DCS county staffs towards the waiver. One survey was distributed via mail and email to county directors and one by email only to workers and supervisors. DCS directors had also been surveyed in 2007, at the mid-point of the extension, as well as at the end of the initial five-year demonstration period in 2003. The final 2010 survey was completed by 75 DCS county directors, or about 90 percent of active administrators, and 139 workers and supervisors. The 2007 interim survey of directors was completed in 68 counties.

**Cost Analyses.** Evaluators conducted two cost analyses as part of this evaluation, one involving the cost neutrality of the project and a second pertaining to the program's cost effectiveness. The cost neutrality analysis involved federal Title IV-E funds only, while the cost effectiveness study involved any and all costs for which data were available. Both analyses utilized the pair-matching design that was originally developed for the impact study. Costs associated with waiver cases were compared with costs associated with matching control cases. For the cost effectiveness analysis the primary data source was the state's financial billing system, which contained records of payments for services and placements of waiver and control children. This was also important as a source of data for the cost neutrality analysis, including the numbers of waiver and control children and the Title IV-E costs associated with control cases. Additionally, the actual amounts of claims for IV-E maintenance and administrative costs were obtained from the state's quarterly federal claim reports for the cost neutrality analysis.

**Special Project: Case Studies.** During the extension period a Special Project was undertaken in addition to the process, impact and cost studies that formed the formal evaluation of the project. In the case studies, a closer, more detailed look was undertaken at the utilization of the waiver in a limited set of cases involving a family with at least one child assigned to the waiver. These case studies, it was hoped, would provide a greater understanding of the uses and effects of the waiver, its potential and its challenges, and shed light on what was being found in macro-level analyses involving either the full population or very large samples of study cases.

Case studies were conducted on 43 cases with a total of 51 waiver children, selected to represent the diversity of case types and family characteristics and circumstances that composed the waiver population. The cases selected were originally identified by county supervisors and case managers as examples of successful cases that demonstrated the potential of the flexible funding waiver as used in Indiana. While the report includes an overview of all the cases as a group, 20 case narratives were chosen for inclusion to eliminate redundancy and increase the likelihood that more will be read by those interested in the program. Four of the narratives have been included in Chapter 2 of this report.



## Chapter 2. Process Study

This chapter presents the results of the process study of the demonstration. Its primary focus is the extension period, from July 2005 through 2010. However, as an “extension,” the program during these years was a continuation of the demonstration implemented originally in 1998. As with any program that extends over as many years as the Indiana demonstration, operational alterations were inevitable. Some changes arose from the different perspectives of administrators coming and going, the re-organization of the agency, and the greater or lesser involvement of various contractors; some were due to the ebb and flow of the political and budgetary contexts in which the program operated; some were introduced as a result of lessons learned as the program continued or in response to feedback from local officials responsible for its day to day operation; and some were made in response to the findings and recommendations of the external evaluators after the initial five-year demonstration period. This is the short list of influences on the program and suggests a need to set the current five year extension period into its own context and history, particularly for readers who may not be familiar with the entire arc of the demonstration.

The first part of this chapter, then, is a review of the demonstration up to the starting point of the extension, ending with the results of the previous comprehensive evaluation (Part A). Part B describes the implementation of the extension, the programmatic and operational responses to the recommendations of the evaluation and the lessons learned within the agency itself, some interim evaluation findings and adjustments in the program. Part C reviews the utilization of the waiver during the extension period, but within the context of the entire demonstration period. Section D contains a breakdown of the characteristics of children placed on the waiver, and a comparison of waiver and matching control children. Section E provides summaries of a sample of site visits made during the waiver extension. Section F is a summary of waiver-related experiences, perspectives and attitudes of DCS county directors, supervisors and family case managers. And Section G is a review of four of the 43 case studies conducted as part of the evaluation.

### A. Background and Program History

**The First Beginning.** In 1996, a new director was named to head the Family and Social Services Administration (FSSA), which was the largest umbrella agency in Indiana. FSSA included the Division of Family and Children (DFC), the state agency responsible for child protection, with county offices called Offices of Family and Children (OFCs). Indiana had transitioned from a county to a state administered social services system in 1987, with child protection staffs changing from county to state employees. Nonetheless, a number of organizational vestiges of the prior county-based system remained in 1996. The change to a centralized system occurred through many steps taken

over many years, in changes in policies, procedures, roles and responsibilities, and in the culture and psychology of the system. The agency's central office was never over-populated with administrative staff, and the view that local administrators were selected because they were capable people who knew best what was needed in their counties and could be largely left to do what needed to be done, was deeply entrenched at all levels of the system, had real consequences, and lean central administrative staffing made it a practical need.

The new director of FSSA had previously been the Director of Corrections where he had been responsible for providing services to the state's delinquent child population. When he took over at FSSA, child welfare costs of out-of-state placements were crippling the agency budget, the IV-E Foster Care penetration rate was low and IV-E FC reimbursement received by the state was dependent on the initiative of local counties. He saw the recently released announcement of the Administration for Children and Families for child welfare waiver demonstrations as an opportunity to address these and other concerns. He believed that, if CPS children could be kept in state and services were provided closer to their homes, there would be better outcomes for children and their families, and it would cost less. Waiver funds could provide a development tool for community-based services and be used to address local needs and issues. The waiver also could allow for preventative services to be provided to children and families in their own home. The waiver might also be able to be used to provide services to the juvenile delinquent population, for whom 'services' were limited primarily to different forms of detention.

Indiana submitted a proposal for a child welfare waiver demonstration and the Terms and Conditions were negotiated in the first half of 1997. For FSSA, it was important that delinquent children could benefit from the project, and the Children's Bureau permitted this by expanding eligibility and allowing the state "to expend Title IV-E funds for children and families who are not normally eligible under Title IV-E." The operating assumption was that the state would try to keep the non-IV-E portion of children to 25 percent of the waiver group and that the cost neutrality requirement would make this a necessity. The state agency wanted the demonstration to be statewide, so that all counties would participate in the agency's agenda and the program would help to consolidate the system. But it also wanted flexibility that allowed local waiver plans that met local needs. For the Children's Bureau, the statewide aspect of the demonstration was appealing, as similar waiver demonstrations to that point encompassed only a few counties or regions within the states. Moreover, the promised collaboration between county Offices of Family and Children and the local social services community, including the court, was viewed as having potential benefits for children and families. The Terms and Conditions specifically required that "children will be assigned to the experimental services based on criteria in the amended Interagency Agreement between the local juvenile court judge, the local Office of Family and Children, the mental health center, school corporation, and the Step Ahead council."

The Children's Bureau was concerned about the state's relatively low IV-E penetration rate<sup>1</sup> and wanted to see an increase in the rate nearer to the national figure (c. 57 percent) as a condition for approving the demonstration. The state penetration rate was complicated by procedural arrangements. One of the carryovers from the county-based service system was that IV-E eligibility determination was largely a local matter. Counties varied in the extent to which they claimed the federal share of foster care costs for IV-E eligible children. A county social services budget was derived from a local tax levy and a county OFC might decide to pay for the child's placement with "county money" and avoid what was sometimes considered to be a lengthy and complex eligibility application process at a time when staffs were stretched by expanding caseloads.

The Children's Bureau approved Indiana's application for a waiver demonstration on July 17, 1997 and implementation began on January 1, 1998. The state was permitted to operate the waiver in all 92 counties. The Terms and Conditions limited the state to no more than 4,000 waiver children at any one time, a figure never reached.<sup>2</sup> The state agency referred to the figure as 4,000 slots, apportioned to counties based on the number of CPS cases and county poverty rates. One-quarter of the slots assigned to each county were set aside for children not eligible for Title IV-E services while the remaining slots could be used only for IV-E eligible children. Counties found it easier to identify and assign non-eligible children and tended to use up these slots while leaving the majority of their slots for IV-E eligible children unfilled; the effect overall was that there were more non-eligible children assigned to the waiver than eligible children throughout the first five years of the demonstration. The concept of slots caused a great deal of confusion and was never fully understood across the state. (In the demonstration extension, slots were replaced by a budget allotment to counties; slots were retained in the formula for determining allotment amounts.) Nonetheless throughout the entire demonstration, including the extension, more ineligible than eligible children were assigned to the waiver.<sup>3</sup>

With the cost neutrality ceiling in mind, the state limited the amount that could be expended annually for one or more children assigned to each slot to a maximum of \$9,000. The \$9,000 slot cap was determined by assessing the approximate average cost of servicing a child in foster care for one year.

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<sup>1</sup> The percent of children in foster care who have been determined to be IV-E eligible.

<sup>2</sup> During the first five-year period of the demonstration, the total number of unduplicated children assigned to the waiver was 5,277. During the five-year extension, 8,877 children were assigned to the waiver and 822 waiver children were carried in from the bridge period.

<sup>3</sup> During the first five-year period the percentage of waiver children who were IV-E eligible was 43.4 percent. From 2005-2010 the percent was 48.8.

**County Plans.** OFCs were required to submit an implementation plan for approval by DFC. The official start date for the waiver program in a county was the date its waiver plan was approved by the DFC Director. Tippecanoe was the first county to submit its waiver plan, which was approved in December 1997. A plan template was included in informational packets distributed to counties in early 1998. All 92 counties had their waiver plans formally approved between January 1998 and January 1999.

County waiver plans specified the population targeted for services, the services to be provided, and the collaboration expected among key county institutions and agencies. This last requirement was viewed as an important aspect of the demonstration in Indiana and, in most counties, was built upon existing community-level, inter-agency collaboratives. The role of county judges was particularly critical because the legal charge for assignment of children to the waiver group resided with Circuit Court Judges. This role was purposefully created to include Juvenile Courts and juvenile delinquents in the waiver program.

The waiver plans of all counties allowed for the probability that a broad set of services would be provided under the waiver—including individual and group counseling, behavior management, substance abuse treatment, conflict resolution, respite care, caretaker support services, independent living services, etc.—with the determination of which services to provide to be made through a case management approach on a case-by-case basis. Counties with specific targeting plans sometimes emphasized certain services that were expected to be needed, particular in-home services or independent living services, for example. Other, more unique services considered by some counties included per diems for guardians, English as a second language and interpreter services, one-to-one care-giving, electronic monitoring, and the development of alternative school programs.

The plans of most counties indicated an intention to assign children to IV-E waiver slots who were either in out-of-home placement settings or at risk of out-of-home placement, trying either to shorten the length of time in placement or preventing it altogether. The plan of Wabash County, for example, indicated that it would target children in placement who were within one or two months of returning to the community and children at home who were at risk of placement without intensive in-home services. Even more sharply focused, Marshall County's plan set a goal of shortening or preventing institutional placements. A number of county plans identified specific subsets of children in out-of-home placement or at risk of it, and in this can be seen the diversity of the waiver across the state. For example, juvenile delinquents were specifically targeted in five counties, Cass, Delaware, Madison, Wabash and Wayne counties. Youths who were substance abusers and at risk of placement were targeted in Brown, Gibson, Howard, Knox, and Posey counties. Children expelled or suspended from school or at risk of being expelled or suspended

were targeted in Fountain, Vigo, Gibson, Knox, and Posey counties. Children at risk of abuse or neglect although no reports had been substantiated were to be a special focus in Dubois, Owen, Parke, Putnam, Spencer, Sullivan, Warren, and Warrick counties. Children in adoptive placement and/or at risk of adoption disruption were targeted in Dubois, Owen, Parke, Perry, Spencer, Sullivan, Vigo, and Warrick counties. Children preparing for independent living were a focus in Dubois, Owen, Parke, Perry, Spencer, Sullivan, Vigo, and Warrick counties. Pregnant teens were targeted in Gibson, Knox, and Posey counties. Families who voluntarily request supportive services were identified in Gibson, Knox, and Posey counties. And runaway children at risk of placement were targeted in Vigo County.

Once their plans were approved, counties were free to begin assigning cases to the waiver. During the first year of the demonstration, 44 of the state's 92 counties used the waiver, assigning at least one child to it. For counties that utilized the waiver, the number of assigned cases during the first year ranged from 1, in 10 counties, to 229 in Lake County. By the end of the second year, the number of counties using the waiver had risen to 74. By the end of the third year, the figure was 84 counties. By the end of the five-year waiver demonstration period, all but three counties (Fountain, Fulton, and Starke) had assigned at least one family to the waiver.<sup>4</sup>

**Program Variability.** Given the statewide nature of the demonstration and the flexibility granted to counties in the design of the program to fit local conditions and priorities, it was not surprising to find significant variations in the way the waiver was approached from one county to another. While there were many similarities in the waiver plans of a large number of counties, there were also important differences in their focus. There were differences in the types of cases targeted, services emphasized and inter-agency agreements entered into. There were differences as well in the composition, strengths and histories of the county collaboratives that formed the basis of most planning groups. For a variety of reasons, there were also differences in how quickly counties were able to implement the waiver as well as differences in the degree to which the waiver was integrated into local child protection systems. Some of the quick starters requested additional waiver slots beyond what they were originally allocated, most often slots for non-eligible cases. Such re-allocation was possible because there were other counties that were slower to begin using their waiver slots and many that were using fewer than they were given.

A number of factors affected the ability and the inclination of local OFCs to get the waiver off the ground. These included: the resource base within the county, the receptivity of Juvenile Judges, the willingness of the local probation offices to participate in the program, the extent of prior inter-

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<sup>4</sup> During the demonstration extension, 2005-2010, waiver utilization increased overall by 74 percent. Of the 92 counties, 75 assigned more children to the waiver during the extension than they had in the original five-year period from 1998-2002. Only 1 county did not assign any children to the waiver during the extension period.

agency collaboration involving schools and other key institutions, the local OFC office culture and the experience and receptivity of local OFC administrators, pre-existing caseload demands, and the economic health of the county. All of these factors and more impacted the utilization of the waiver throughout the five-year period and, especially, in the first few years of the project.

**Six Counties.** In the original research design, six counties were identified as the primary focus of the process study. Six were chosen in order to include one county in each of the six DFC administrative regions and to represent the geographic and population diversity of the state as a whole. The group included Lake and Marion, the state's two most populous counties, Delaware, a mid-sized county, and three small, primarily rural counties, Gibson, Scott and Wabash. An initial site visit to each of these counties indicated how varied the waiver program was in the state, and how differently the waiver was viewed and understood.

Scott County was very slow to implement the waiver. At the start of the demonstration, the prevailing perception was that additional or different services were not needed and thus the waiver was not a high priority. This in a county where, proportionately at the time, there were more child abuse and neglect reports than in any other in the state and where the number of reported instances of sexual abuse exceeded reports of other types of physical abuse. Over the course of the first five years of the demonstration the Scott County OFC would utilize 39 percent of its allocated slots.

Delaware County, like Scott, did not see a need for an increase in its service capacity and did not know what to do with the waiver. The OFC decided to limit the waiver's use to probation cases, and, within this group, to focus on delinquent youths from families with a history of substance abuse. Through the first five years of the demonstration, Delaware County used just 6.8 percent of its allotted waiver capacity.

Gibson County, by contrast, operated in a different waiver dimension completely. There the OFC built its waiver program onto an effective, pre-existing community collaborative. Cases were "teamed" by this group and OFC staff, and cases were selected for the waiver that the group judged would benefit most from the additional service capacity provided through the new program. Intensive, wrap-around, community-based services were emphasized. Throughout the first demonstration period, the county used all of its waiver slots and asked for more.

Wabash County was a second example of how the waiver could contribute significantly to a county's child protection program. Wabash County was one of the first to implement the waiver and the OFC director provided waiver-related training in other counties. The county consistently utilized the waiver slots allocated to it and requested and utilized another 10 percent. The county's

slots for non-IV-E eligible children were handed over to the Juvenile Judge who saw the waiver as an effective tool for reducing the need for detention and reducing its length.

Lake County OFC was hobbled by persistent staff shortages coupled with a high percentage of complex and high risk cases and high rates of family and child poverty. There was confusion over waiver policies among the staff, uncertainty about what waiver funds could and could not be used for. Although needs of many families with open cases were great, the service array permitted by the waiver was assumed to be very limited and to exclude addressing the basic needs of families. The demands of everyday crises pushed the waiver into the background. Lake County used 28 percent of its allotted waiver capacity through the first five years of the demonstration and placed fewer children on the waiver in the fifth year than the first.

Marion County was very slow in starting its use of the waiver and it took some time for the program to appear on the OFC's programmatic radar screen. Eventually, the county would utilize two-thirds of its allocated slots. But the benefits of the program tended to be narrowly channeled; the waiver was used less to deflect children from out-of-home placement than to fund and maintain a costly project. During the first demonstration period, the decision on waiver usage was in the hands of fiscal rather than program or child protection staff.

**Design Change.** The review of county plans, initial site visits to counties selected for the process study, interviews with state and regional DFC administrators, and a review of waiver utilization data for the first 18 months, convinced evaluators a change was needed in the design of the study. The first decision was to expand the focus of the process study beyond the scope of the original six counties targeted. The state was too big and differences among counties were too great to limit the examination of implementation to so small a sample. The process study, then, had to be expanded to include all 92 counties. Secondly, as only two of the original counties picked for the process study appeared to be using the waiver as designed, the design of the impact study had to be reconsidered. An experimental study of the effects of a treatment presumed the treatment was being provided; this appeared not to be the case in many counties. Accordingly counties were split into two groups, those referred to in progress reports as "early implementers," with "active" waiver programs, and other counties. While still examining effects among all waiver and control children, the main impact and cost effectiveness analyses would be contracted and focus on outcomes in counties with active waiver programs. These design changes were first explained in detail in the second annual report submitted by the evaluator in January 2000. It was further described, along with initial program outcomes in the Interim Report of September 2000, and presented at a plenary session at the 5<sup>th</sup> Annual Child Welfare Waiver Meeting in Washington, DC in February 2001. In the



end, 25 ‘program’ counties<sup>5</sup> were included in the final analysis of impact study findings in the final evaluation report of September 2003 (“to better understand the effects of the waiver when it was implemented more fully and with greater fidelity to the original vision”). The final report stated:

“The recognition of certain counties as early implementers had implications for the evaluation of the project. The research design of the impact study was quasi-experimental in nature. The program variations represented differences in the “experimental treatment” within the quasi-experimental design. There were essential assumptions in that design— that the flexibility allowed through the waiver would result in new or different types of case planning, new or different menus of services, and/or new or different modes of service delivery that would be available to cases assigned to the waiver but not to non-waiver cases approached in the traditional manner. Only on this basis would one expect to detect outcome differences between waiver and matched control cases. Where these elements of the program were undeveloped or not fully implemented, case-specific experimental effects could not reasonably be expected.”

**Findings from the First Evaluation.** The process study of the evaluation of the first five-year demonstration identified a subset of counties, referred to as program counties, that made good use of the IV-E waiver. OFC directors, supervisors and family case managers in these program counties spoke of the usefulness of the waiver in providing services to children and their families that better suited their situation and needs and about being able to prevent placement through the provision of in-home services, a central goal of the waiver in Indiana. As the staffs of these program counties became increasingly knowledgeable of how the waiver could be utilized, more comfortable with its usage, and more familiar with its potential benefits, they also became more liberal with it, in the assignment of cases and in the breadth of services provided. They became more proactive in engaging families and more inventive in identifying services that would make a difference in difficult or complex situations. Case workers in program counties described significant breakthroughs in their work with families that had been long-term cases because they were able finally to bring to bear the type and level of services that were needed to make a difference. These often involved meeting very practical but long-standing needs that were barriers to allowing a child to remain in the home and cared for by his or her natural parents.

Program counties augmented their child protection programs in specific ways to take advantage of opportunities presented by the waiver. Frequently this involved expanding ongoing, local

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<sup>5</sup> The 25 counties designated “program” counties in the first evaluation report in 2003 were: Allen, Bartholomew, Boone, Brown, Cass, Clinton, Crawford, DeKalb, Gibson, Greene, Hancock, Jefferson, Knox, LaGrange, Lawrence, Madison, Monroe, Montgomery, Owen, Parke, Pike, Randolph, Shelby, Vanderburgh, and Wabash.



initiatives, most often focused on community-based and in-home services. It involved new initiatives to bring needed services to children who would not have otherwise received them. Virtually always it involved finding new ways to increase the nature and extent of available services aimed at avoiding or shortening out-of-home placements. Administrators and family case managers in program counties had more positive attitudes toward the waiver than their counterparts in other counties, and they tended to see the flexibility afforded by the waiver as enabling case managers to intervene more effectively. In addition, community stakeholders from program counties were more likely to be knowledgeable about the waiver, to report that it had led to new service and programming opportunities, and to want to see it continued.

The process study analysis attempted to answer the question: Why was the waiver not used more? Among the chief factors identified were these: 1) There was persistent confusion about the waiver among OFC staffs in many counties throughout much of the demonstration due to insufficient training and support. 2) There was limited overall cross-county or cross-region communication about the waiver and its usage. There were relatively few structured opportunities for OFC staffs to learn about exemplary practices in other locations or how particular problems were successfully dealt with. 3) The juggling of slots and capped expenditure limits slowed waiver assignment. 4) The process of reimbursing counties for waiver expenditures restricted waiver use in counties with significant financial problems and lacked funds to purchase services up-front. 5) The full pool of eligible families was not known to most case managers at a time when this information might have influenced case planning because eligibility determination was typically not done until after placement or assignment to the waiver.

Impact analyses found the waiver to be positively associated with certain immediate experiences of the child and his or her family, such as increased services, increased community-based services, increased family-oriented services, placement avoidance, shortened length of time in placement, increased reunification, and improved educational experiences. While statistically significant, such differences between waiver and non-waiver cases were often modest and often found only when cases from program counties were compared with their matched non-waiver cases. On the other hand, analyses of more remote outcomes tended to be inconclusive, finding either no differences between waiver and control groups, as in the case of child abuse/neglect recidivism, or mixed and uncertain results, as in the case of subsequent placement episodes. Evaluators thought one reason for this was the diverse nature of the cases and agency responses represented among the program county children and families. Because of the sheer scale of the study, it was necessary to group together children and families in the waiver group that were quite different from one another. Moreover, the waiver response varied from family to family and office to office.

The following is a list of the major findings of the 2003 impact study:

1. Waiver children and their families received significantly more services in several important categories than children and families in control cases. Most of the difference involved services to families while a child was in the home such as homemaker, childcare, respite care, recreational. Waiver families received significantly more community-based services overall.
2. The waiver had a statistically significant impact on placement avoidance although the statewide impact could not be described as programmatically substantial.
3. The percentage of children placed outside the state declined throughout the demonstration period, however the amount that can be attributed to the waiver was unclear.
4. The average length of placements outside the home was somewhat shorter for waiver children than control children.
5. Following placement outside the home, waiver children were more often successfully reunited with their parents, although the average time it took to reunify was somewhat longer in waiver cases. Termination of parental rights occurred with somewhat greater frequency in control cases. Children in control cases were somewhat more likely to be placed with prospective adoptive parents when the case was closed.
6. There was no statistically significant difference in the number of new reports of child maltreatment once the case had closed, nor in the number of substantiated reports. There were somewhat fewer new placements outside the home among waiver cases between the time the original case had closed and the end of the demonstration period.
7. Children over the age of six who were assigned to the waiver were somewhat more likely to be in school when their case was closed than were control children.
8. No significant differences were found on measures of family satisfaction between all waiver and all control families. Within program counties, however, waiver families were significantly more likely to report that their children were better off because of the involvement of the child protection agency and that they themselves had been involved in decision making and case planning.

The cost study found modest increases in cost-effectiveness in three of the four outcome measures (placement avoidance, reduction in days in placement, and reunification with family) and a modest decrease in the fourth (out of state placement).

In many ways the state agency treated the waiver as a kind of block grant to counties, providing an initial prototype plan and controlling waiver usage through allocated slots and a per slot expenditure cap, but with limited ongoing oversight, direction, and technical assistance. The result was an uneven program, ranging from exemplary models of waiver use, to its use primarily as a fiscal device, to nearly nonexistent waiver programs in many counties.

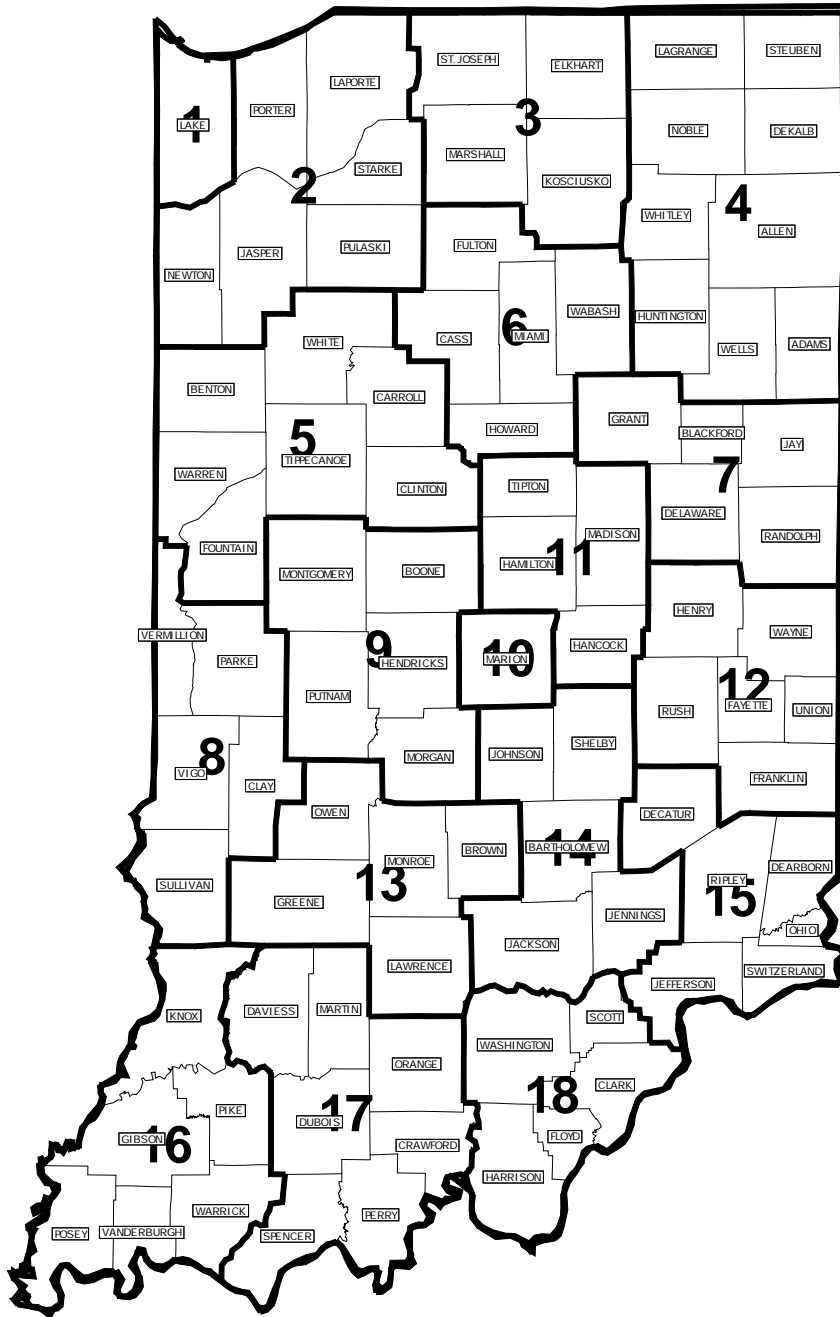
**Recommendations.** The following list is a summary of recommendations made in 2003 by the evaluator:

1. Provide increased and more pro-active monitoring and oversight of county waiver programs.
2. Ensure that clear, concise guidelines are provided to counties on how the waiver may and may not be used.
3. Review all reporting and accounting procedures and, where possible, clarify and simplify them.
4. Provide on-going training to county administrators, family case managers and bookkeepers.
5. Make more technical assistance and support available to counties to assist them on an individual, as-needed basis. Ensure that counties know whom to contact for specific programmatic, financial or reporting questions or problems.
6. Identify specific counties that are greatly underutilizing the waiver, especially those with high rates of child poverty, for special technical assistance and support.
7. Provide structured opportunities for county administrative and field staffs to share waiver experiences, positive and negative, so that they may learn from one another.
8. Provide structured opportunities for counties to learn about exemplary programs and best practices that have been identified in other parts of the state or in other states.
9. Insist that counties with highly restrictive waiver programs review and justify their plans.
10. Consider whether the existing practice of allocating waiver slots and capping slot expenditures should be replaced with another device for managing waiver assignments and expenditures.
11. Examine the possibility of establishing some method for identifying IV-E eligible families at a point in time when this knowledge can impact case planning and decision making.
12. Consider how key community stakeholders may be kept better informed about the waiver.

## **B. Planning and Implementation of the Extension**

**The Second Beginning.** In 2004, a new group of state administrators made a public commitment to improve child welfare and child welfare programs in Indiana. At the beginning of 2005 the governor created the Department of Child Services, making it a new cabinet level agency. Child Protection Services, foster care, adoption, independent living, and the Child Support Bureau were moved from the Family and Social Services Administration into the new department, along with responsibility for the child welfare waiver demonstration. A commitment was made to the hiring of many new caseworkers, and new maximum caseloads were established consistent with national best practice standards. In addition, DCS reorganized the administration of the agency statewide with the expansion of DCS regions from 6 to 18. (See **Map 3.**)

The beginning of the new agency also meant a second beginning for the waiver, which received concentrated attention. The waiver began to be viewed as part of the new effort to improve child



**Map 3**  
**Indiana Regions of the Department of Child Services**

welfare programs in the state. A new waiver management team was put into place in 2005 that began to act systematically on lessons learned within the state during the initial demonstration and on evaluation findings and recommendations. The core of the team consisted of the Deputy Director of Programs who was placed in charge of the waiver in the central office, an organizational consultant hired to help revitalize the program, and the agency's single functionally full-time waiver staff person (with working knowledge of ICWIS and the waiver from its beginning). The Deputy Director took steps to provide more vigorous oversight of the demonstration and to place greater emphasis and focus on it within the new department.

An increase in the utilization of the waiver statewide was given a high priority as was a fuller integration of the demonstration into child welfare practice at the county level. A renewed emphasis was placed on using the waiver to provide intensive, wrap-around services to families and to help DCS become more effective in achieving its goals of child safety and permanency and family integrity. In a word, the goal of the extension became to turn all counties in the state, or at least the great majority, into "program" counties. The waiver management team sought to do this by strengthening the state-region-county program structure, energizing and engaging county and regional administrators to make greater and more effective use of the waiver, developing a proactive technical assistance capacity to support the efforts of counties to improve their waiver programs, and linking the waiver when possible to other, intensive services initiatives (implemented with assistance from the Casey Foundation).

The Terms and Conditions for a formal renewal of the waiver demonstration were renegotiated during early 2004. There were no changes of significance stipulated in the waiver program itself, but major changes were made in the cost neutrality formula, the original one being seen as flawed in the state's favor. Rather than relying on an Indiana baseline expanded annually by the national growth rate in foster care, the new formula would use costs associated with matching control children to establish the cost neutrality limit. It was thought that cost neutrality would now be linked directly to program outcomes; positive outcomes were believed to ensure cost neutrality. In the spring of 2005 counties were required to update their waiver plans and all were submitted and accepted by July 1, 2005, the beginning of the formal, five-year renewal period.

The waiver management team sought ways to make the waiver more effective in achieving its goals, increase its overall usage, emphasize its use for IV-E eligible children, and make it more of a program tool than a funding vehicle. Guidelines were established to identify which types of in-home and out-of-home cases the waiver should target. Regarding cases involving children in placement, the team wanted to stop the practice of using the waiver as a mechanism simply to pay for expensive programs, particularly for non-IV-E children in long term care. To ensure counties

would use the waiver to work actively with the child and family to support the return of the child, counties were told to limit the waiver for out-of-home children to those with a prospect of being reunited within a 60-day period. A central problem using the waiver for in-home children, as identified in the evaluation, was that a IV-E determination was routinely made only for children who were removed. Before the waiver existed there was no compelling need to collect any financial information on a case involving a child who had not been removed. This reality made the waiver much easier to use on in-home children who had not been determined to be IV-E eligible. With this problem in mind, ICWIS was modified in 2004 to better facilitate the IV-E eligibility determination process of waiver children. Ultimately, a central eligibility unit was created and IV-E eligibility was to be determined for every child assigned to the waiver.

Regional managers were brought together on a recurring basis by the waiver management team to discuss and review waiver policies and operations. Other central office staff members also attended these meetings, which were also open to DCS county directors and division managers from the large, metropolitan counties. The regional managers and the waiver-focused meetings were viewed as important in directing the new agency's agenda and priorities, the waiver being one. A top-down educational tutorial on the waiver was created and provided to the regional managers.

A new training program for DCS management and staffs was implemented across the state. The program was multi-tiered, beginning with regional managers, but also aimed at local DCS supervisors, family case managers and bookkeepers. Because DCS regional managers were viewed as a lynchpin in the implementation and operation of the demonstration, initial training was focused on this group. The training was seen as involving a culture change and related the waiver to the broader mission of DCS; it sought to ensure that managers understood the waiver's programmatic and fiscal impact on the agency. Training provided to child welfare supervisors and case managers emphasized best practice lessons learned from the initial demonstration period. Training of bookkeepers addressed the new cost neutrality requirements of the demonstration and new procedures to ensure prompt and comprehensive transfer of fiscal data on waiver and control cases.

Operational protocols were developed for all levels of DCS county staff other than clerical. Those for family case managers and child welfare supervisors were designed to guide local-area decision making about waiver assignment and make the process more coherent and uniform across the state. The protocols provided a detailed, step-by-step guide about who should do what, when, where and why, and with what documentation. An internal "sharepoint" website was developed through which waiver experiences and successes could be shared, questions asked and publicly answered, and best practices made available to all counties. Targeted site visits were made and

technical assistance provided to counties that had underutilized the waiver in the past or used it inappropriately.

Providing waiver-related training to counties was a problem for the agency. Part of the legacy of the county-administered system was that there was no state-level training unit during the first five years of the demonstration. When developed the unit was small and intended primarily for new employees. In 2006, through the initiative of the organizational consultant on the waiver management team, a partnership was established between DCS and the Social Work School of Indiana University/Purdue University at Indianapolis (IUPUI). Part of the goal of this partnership was to create a leadership center at the school through which state administrators and child welfare professionals would receive training related to best practices in child welfare and current state policies and procedures.

Another tool to promote waiver utilization and understanding was the development of a group of “waiver champions” from across the state. The goal was to identify three champions of the waiver program within each region, including a supervisor, case manager, and bookkeeper. Regional managers were asked to select these individuals who would be trained by the member of the waiver management team responsible for providing training and technical assistance. The champions were to become a local cadre of knowledgeable professionals who could provide additional assistance to county offices and staffs. Initial training of the champions lasted three days and covered IV-E in general, eligibility, ICWIS waiver-related usage, program goals and protocols.

An additional operational change begun near the start of the extension period was a reframing of the waiver ‘slots’ that had been in place for the first five years of the program. These slots were translated into a waiver allocation for each region and county, which then freed counties from the limitations of assigning children to a set number of slots. Children assigned to the waiver were still considered waiver children for the duration of the demonstration,<sup>6</sup> but counties now had flexibility in the number that could be assigned. Modifications were made in ICWIS to facilitate program oversight and monitoring, and waiver resources were reallocated from under-using regions and counties to areas with more active waiver programs.

All of these initiatives—put into place in 2005 and 2006, with technical assistance provided through much of 2007—were meant to revitalize the demonstration, create greater consistency and increased utilization of the waiver across the state, and make the program a more effective instrument in achieving improved outcomes for children and their families.

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<sup>6</sup> All costs accrued for the child during the case or any subsequent episodes were to be submitted for reimbursement under the waiver.

**County Response.** In the summer of 2007 evaluators conducted a survey of the directors of county DCS programs. Eight in ten (80.6 percent) of the directors reported that their staffs had received training or technical assistance. Half (49 percent) said that their approach to the waiver had changed because of this, and 63 percent said their utilization of the waiver had increased. It became clear during evaluation site visits and interviews that county offices had begun to employ more standardized approaches to the waiver. While some appreciable differences still remained among county programs, especially in terms of the degree of waiver utilization and types of services provided, nearly all counties began to focus on assigning the cases emphasized in the guidelines. These were children that were classified as in-home Informal Adjustments, in-home CHINS cases, or children in CHINS cases who were in out-of-home placements in which reunification was seen as possible within two months.<sup>7</sup>

As will be seen in Section C, waiver use during the extension was greatest from January 2006 through January 2009. In interviews conducted during site visits to county DCS offices during this three and a half-year period, staffs typically reported they employed a “case by case” waiver assignment process. This meant that the needs of the family were discussed in case staffing sessions between workers and supervisors, and if the services or resources that were necessary for the family were determined to be a good fit for waiver funding, a child from the family would be assigned, usually following director approval. Judges were no longer required to sign off on waiver assignments; the elimination of this requirement allowed the decision process to take place more efficiently and completely inside the county office. In nine offices visited, staff described more formal processes; for example, all open cases that had children in-home were systematically reviewed for waiver inclusion or all Informal Adjustment cases were automatically assigned. Rarely would someone outside of DCS make recommendations for the waiver. Community teams, like those originally organized for waiver decisions in the earlier phase of the demonstration, continued to be involved in only a small number of counties visited (7). Close to half of the directors (46 percent) who completed a survey in 2007 reported that the waiver was used for juvenile delinquent cases, though for many these were still a small proportion of their assignments.

**Services.** Services, assistance and items purchased through the waiver for a family were more often what could not be provided by any other means. In a majority of counties (47 of 61) visited, staff described using the waiver to address basic needs that families had which were barriers to keeping a family together or reuniting the child. Practical assistance of this type included utility and rent payments, help cleaning or maintaining a home through pest extermination or repairs, essential furniture, and child care costs. During interviews, it was these cases—where a major need was met through concrete assistance—that stood out in the minds of supervisors and case managers as successful waiver cases.

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<sup>7</sup> There is a discussion of Indiana child protection case types or classifications in Section D.



But while some counties felt very free to buy anything necessary for the stabilization of a family, other counties were more reserved in using the waiver, and in these latter counties families rarely received more than a deposit and first month's rent. One director expressed this hesitation:

“There are a limited number of cases (that are right for the waiver), because you have to use the money for something that is going to be short-term. You've got a special needs child that needs a ramp to modify the house. In that case there is something specific that can be purchased that actually solves the problem. Like a problem with bug infestation. Shelter, utilities, are usually iffy. [What we provide through the waiver] needs to be a finite thing.”

Universally, county agencies wanted to promote family accountability, even in locations where waiver use was more frequent and less restrictive. The agency wanted to be sure that what was provided to a family would make a concrete difference for them, and that families had demonstrated motivation to accomplish the goals in their case plan. A DCS supervisor said:

“That sustainability factor is important. It does no good to help somebody now if they don't have the means to keep it going. We don't want to 'enable.' Our system has a tendency to do that. Some cases have been helped. We have been able to get case closure soon after. But for others, it really didn't do any good. You have to weigh all those factors.”

Along these lines, county DCS directors and staff also stated that it was not the purchases of basic needs alone that allowed the case to be successful. Families required support in sustaining improvements made within the family unit.

DCS staff interviewed in a number of counties described using the waiver to supplement in-home services for family preservation or reunification, by paying for additional sessions, or to secure counseling providers that did not accept Medicaid. A few unique counties used the waiver to develop new service opportunities, such as an alternative school for juvenile delinquents, or to establish novel relationships with existing service providers. However, only one in five (22 percent) of the DCS offices where interviews were conducted suggested that the waiver was only or primarily a way to pay for these types of services. In most locations, the ability to secure concrete resources was seen as a main purpose and benefit of the waiver.

**Waiver Assignment Decision Making.** Children and families that were selected for the waiver were those that were likely to achieve prevention of removal or reunification. The vast majority of

county directors surveyed in 2007 said that a case was more likely to be assigned to the waiver if ‘out-of-home placement could be prevented’ (94 percent), if ‘family circumstances allowed for creative use of services’ (87 percent), if the ‘family required assistance with basic needs’ (87 percent), ‘if the family had clear and achievable goals’ (81 percent), ‘if reunification was highly likely’ (78 percent), or if ‘the family exhibited a high level of cooperation’ (76 percent).

Since children with longer-term placement needs were excluded by the new state guidelines, counties often targeted children in families where one or two things could be efficiently addressed with a purchase that could avert placement, facilitate reunification, or increase family stability. County staff tended to think of the waiver as a way to provide items or services that could directly impact immediate barriers to family integrity, well-being or safety. Often these barriers were related to a family’s low income, and could be addressed through financial assistance or material items. Meeting a family’s need in this manner was often a key reason for waiver assignments. The decision point for placing a child on the waiver was often at the same point when a decision needed to be made about a certain type of assistance or purchase for the family. This decision point can be thought of as a waiver assignment ‘trigger’—the primary circumstance or need that prompted the agency to assign the case to the waiver. As a county director said in an interview:

“On occasion we would use waiver early [in a case], but usually it was later, after we saw the family making progress on some other aspects of their plan—when the family has run into a snag that they can’t get out of by themselves. At that point it becomes more of a financial issue for them.”

Given that most agencies had a strong culture within the office to avoid spending funds ‘needlessly’ and emphasized use of other community resources first, the waiver was viewed as a way to provide only those things that were truly necessary to move the case forward. Therefore, when considering the waiver, workers and supervisors would look for signs of family progress and cooperation before assignment, and determine whether the service was something that the agency would not otherwise be able to provide. As one supervisor said:

“[We look for] the parent’s willingness—if they are completing services, if they are making progress, if they are cooperative, if they are really intent on becoming a better parent and getting their children back, and needing their rent paid because they are starting a new job soon....I think basically their level of progress.”

Additionally, since children that were placed on the waiver were “always waiver” once assigned and claims could not be submitted to regular IV-E FC if longer-term placement was needed, many directors were very cautious about selecting children for the waiver. It meant that before assigning

a child, staff needed to analyze each case for the likelihood that the child would need placement now or in the future. Some counties were uncertain of how to approach this policy and found it to be a disincentive to waiver use. As a director in a small, rural office remarked:

“If the kid was going to be a Title-IV E kid, we had to ask ourselves if there was a good chance he was coming out of the home....We would go through all our kids to see which ones would be good candidates.”

**Community Resources.** The motivation of a family was partly measured by a caregiver’s initiative to explore existing community resources to meet their needs first. Most county agencies had a strong belief that families should exhaust other potential resources before the agency stepped in to provide financial assistance or fulfill a material need. Several DCS offices tended to see the agency as having limited responsibility to help in financial matters. Family case managers would more often try to get the family connected to community resources before using the waiver. As a DCS family case manager said:

“We have lots of other places around here—like Lutheran Family Services, Catholic Charities—that they can go to for other assistance. The in-home worker can help the family through a different agency. We keep the waiver dollars as a last resort.”

However, this attitude was somewhat less pronounced in rural or economically depressed counties where resources were not as available. And, even if resources were available, sending families into the community did not always mean they would find help. Some directors and supervisors in these counties tended to see the role of DCS as more broad, and therefore tended to intervene and support families more often and more directly:

“What we find is that no community resource is picking it up. County trustees run out of funds...no one really provides cribs or beds...the buck gets passed. No one is really picking it up and now the families don’t get it at all. Sometimes the trustees call us when they are out of money, hoping we can help a family.” (DCS county director)

“Some of these families have no way of ever turning their heat back on without help. They’ve used their names, their kids’ names, grandma’s. There’s no way they can get out of that hole. They will never find housing. Sometimes it is \$1,700, and we could just pay it and give them a fresh start, teach them to budget and maintain. We would draw as much from waiver as possible”. (DCS supervisor)

The tendency of each county to assign children to the waiver depended a lot on the culture of the office and its staff, as well as the other resources that might be available in the community. But when a family was actively working to make improvements, case managers and supervisors were likely to try as hard as possible to make sure the family succeeded. In these circumstances, the waiver became a tool that allowed the case manager to go above and beyond what would normally be done for a family:

“Sometimes they (the family) are very decent people that just need help until they can get things in order. We had one family—very good people, supervised their kids—had an incident where they just needed help with their rent until they qualified for a housing voucher. We paid their rent for 10 months. It was something like \$5,000 of waiver funds. But they both worked minimum wage jobs. They could pay for everything else. They just needed to maintain until the voucher.” (DCS director)

**Program Counties.** In the Interim Evaluation Report (2007), 36 counties were identified as ‘program’ counties,<sup>8</sup> an increase from the 25 counties so identified in the 2003 evaluation report. By the end of the extension, however, differences between program counties and other counties had largely faded, judging by both the views and attitudes of county directors and CPS personnel and the analyses of outcomes, as will be seen.

**Challenges and Changes.** Uniform protocols, technical assistance and training provided early in the extension enhanced use of the waiver across the state and positioned the waiver as a tool for counties to improve service options for families. For those counties that used the waiver actively and broadly, it was a way to facilitate positive changes for families. Nevertheless, inconsistent use across counties remained a challenge for the state. Counties prioritized the waiver more or less depending on the perceived need for it and the level of understanding among directors, supervisors, and field staff. When assessing factors that hindered their use of the waiver, the most salient of issues identified by directors in the 2007 surveys and during site visit interviews were simply the need for ongoing and consistent information about the waiver demonstration.

The momentum of the new beginning of the waiver demonstration was slowed by a series of personnel losses at the central office level in 2006 and 2007. In March 2006, the consultant brought in to help revitalize the program, and who was part of the de-facto three-person waiver

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<sup>8</sup> The 36 counties were: Adams, Allen, Benton, Blackford, Boone, Cass, Clark, Clay, Clinton, Daviess, Dearborn, Decatur, Floyd, Grant, Greene, Hendricks, Jackson, Jefferson, Lake, Madison, Marion, Monroe, Montgomery, Owen, Pike, Pulaski, Putnam, Ripley, Tippecanoe, Union, Vanderburgh, Vigo, Wabash, Warren, Wayne, and White. Thirteen counties were identified in both 2003 and 2007 as program counties: Allen, Boone, Cass, Clinton, Greene, Jefferson, Madison, Monroe, Montgomery, Owen, Pike, Vanderburgh, and Wabash.

management team, left. In August 2006, the Deputy Director placed in charge of the program statewide stepped aside and took another position within the department. In August 2007, the key staff person responsible for waiver-related training and the provision of technical assistance to county staffs left the agency. Within an 18-month period, then, the three people at the center of the operational changes and support system of the demonstration had gone, and a number of the program's initiatives—such as the waiver champions, promotion of wraparound services, and targeted local training—all but stopped. These individuals had understood well the dynamic relationship between the program's theoretical and historical input and outcome cycle: an increase in expenditures (in this case, in intensive support services) would generate improved outcomes (children spending less time in foster care), which, in turn, would reduce average costs (other services being less expensive than foster care costs); cost savings then would become available to continue making investments in intensive, support services. The simple good idea at the heart of the state's demonstration was that savings would be realized if the program was successful in achieving its outcomes.

In September 2008, a large number of children in unlicensed, relative placements were assigned to the waiver by central office. These children constituted 21.3 percent of all IV-E eligible children (and 9.3 percent of all children) placed on the waiver during the extension. Although counties were notified who these families were, fewer of them received support services than did other families with waiver children (49.2 percent vs. 68.5 percent).

In 2009, in addition to the budget-stressing economic downturn, three things shaped the waiver for the duration of the extension. 1) At the beginning of the year DCS implemented a statewide accounting system controlled by the central office. Regions received an allotment from which counties could draw to purchase services. Funding streams were pooled and it mattered less to the case worker whether or not a particular family had a child assigned to the waiver. 2) In the first half of the year, and consistent with the Terms and Conditions, the agency began making plans to phase down the demonstration and cautioned counties not to place children on the waiver who might have expenses beyond June 30, 2010. The result of these first two events was a sharp decline in waiver assignments beginning February 2009. 3) In mid-summer 2009, the agency strictly limited the kinds of services that could be provided to client families; many of the services once provided to waiver families were now disallowed. While it was still possible to provide such services to waiver families, to do so now was complicated by an administrative appeal process.

By the end of 2009, the state reconsidered its decision to terminate the waiver and initiated conversations with the Children's Bureau regarding a possible second extension of the demonstration.

As it turned out, when county DCS directors were surveyed in the summer of 2007, the waiver was at its high-water mark—in its usage, coherence as a program, and comprehension in the field. In the second half of 2010, after the five years of the extension had ended, evaluators conducted a final survey of county DCS directors. Judging by their responses, many of the gains observed in the earlier survey had faded. Attitudes about the waiver had declined; the waiver was less often than before seen as an effective tool; confusion over waiver policies was at an all-time high, as was confusion over what services could be funded through the waiver; confusion over IV-E eligibility requirements was also high; many directors reported insufficient training was being provided to their supervisors and case managers, who were reported to have become less positive about the program.

At the same time, directors continued to see the potential of the waiver to make a positive difference in the lives of the children and families on their caseload. Nine in ten directors observed that the waiver had resulted in significant benefits for children or families in their county and had helped case managers intervene effectively in child abuse/neglect cases. Most directors saw the waiver as something the agency needed in order to provide appropriate and timely services to families. Asked if they would like to see the waiver continued after the current demonstration extension period was over, a high percentage of directors, as in earlier surveys, said “yes.”

The child welfare waiver demonstrations arose, as described on the first page of the introduction of this report, as an attempt to address the “great crisis” in the child welfare system involving the dramatic increase in children placed in foster care over the previous three decades. Nationally, according to AFCARS data submitted by states as of July 29, 2010, there was a decline in entries of children into foster care of about 13 percent from 2002 through 2009. In Indiana, however, despite the availability of the waiver program with the purpose to reduce foster care, the data indicate foster care entries had increased by 66 percent, higher than any other state. (cf. [http://www.acf.hhs.gov/programs/cb/stats\\_research/afcars/statistics/entryexit2009.htm](http://www.acf.hhs.gov/programs/cb/stats_research/afcars/statistics/entryexit2009.htm))

## C. Waiver Utilization

During the initial five-year demonstration period (January 1, 1998 to December 31, 2002), the number of children assigned to the waiver was 5,123.<sup>9</sup> A cap of 4,000 children at any one time had been placed on the waiver in Indiana by the Terms and Conditions. Actual waiver usage fell well below this figure. Throughout the five-year period, the average daily number of waiver children was 1,112. It rose from 641 during the first year to 1,348 during the fifth year. While the number

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<sup>9</sup> Originally, it was reported that 5,277 children had been assigned to the waiver during this period. However, 154 were removed by the state as erroneously counted.

of cases assigned to the waiver fell below what was permitted under the Terms and Conditions, this primarily involved cases of families who met Title IV-E eligibility criteria. While it was expected that 75 percent of children assigned to the waiver would be IV-E eligible, the actual percentage was just under half (49.4 percent). Over the course of the first five years of the demonstration, there were 2,530 children assigned to the waiver from families who met IV-E eligibility criteria and 2,593 children from families who did not.

Between the end of the first five-year period and the start of the formal extension, the demonstration continued essentially unchanged and cases were regularly assigned to the waiver across the state, although at a somewhat reduced rate. During this 30-month bridge period (from January 1, 2003 through June 30, 2005), 2,388 children were assigned to the waiver. However, the percentage of children from IV-E eligible families declined to 35.0 percent (835 families), while 65.0 percent (1,553) of the children were from non-eligible families.

During the five-year demonstration extension (July 1, 2005 to June 30, 2010), an additional 8,877 children were assigned to the waiver, an increase of 73 percent over the first five-year period. During the extension, 48.8 percent of the children assigned to the waiver were IV-E eligible, while 51.2 percent were ineligible. In addition, there were 822 children assigned to the waiver during the bridge period that were in active cases as of July 1, 2005, bringing the total number of waiver children during the extension period to 9,699.

Altogether, over the 150 month period from the start of the original demonstration, Indiana assigned 16,388 children to the waiver, including 7,697 (47.0 percent) who were IV-E eligible and 8,691 (53.0 percent) who were not. There were 627 waiver children in active cases at the end of the demonstration extension on June 30, 2010.

Five figures that follow show the pattern of waiver usage across the entire waiver demonstration. **Figure 2.1** shows the cumulative number of children assigned to the waiver each month from the beginning of the original demonstration in January 1998 through the completion of the demonstration extension. The figure also shows the number of active waiver cases in each project month.

The number of active waiver cases by month can be seen more clearly in **Figure 2.2**. The number of active cases began a steady decline during the bridge period when the number of new cases assigned to the waiver dropped from a monthly average of 85 to 40. Then there was a sharp decline in waiver assignments just at the start of the renewal of the demonstration in July 2005. This decline was reversed at the beginning of 2006 and the number of waiver assignments grew

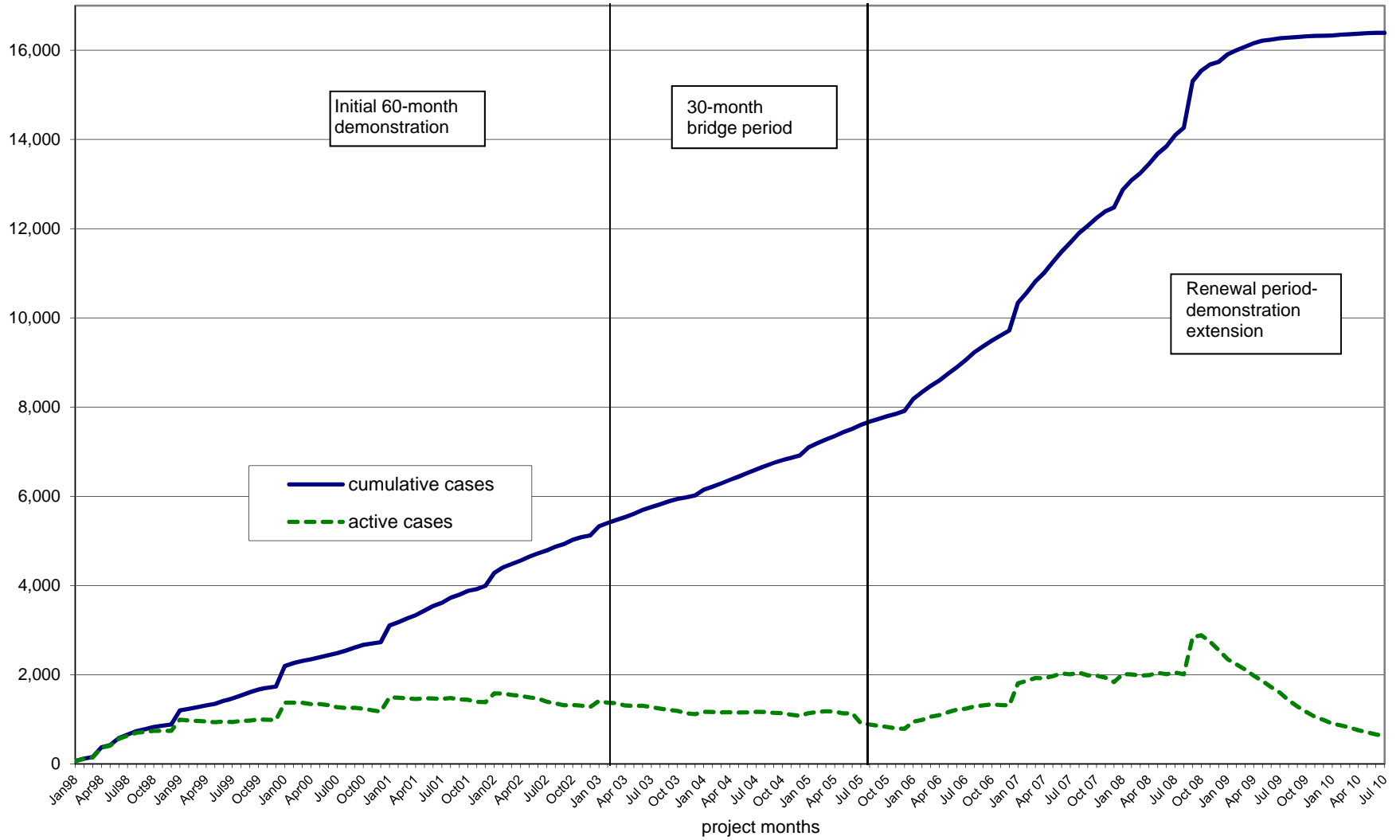


Figure 2.1. Cumulative number of children assigned to the waiver and active waiver children by month, 1998-2010



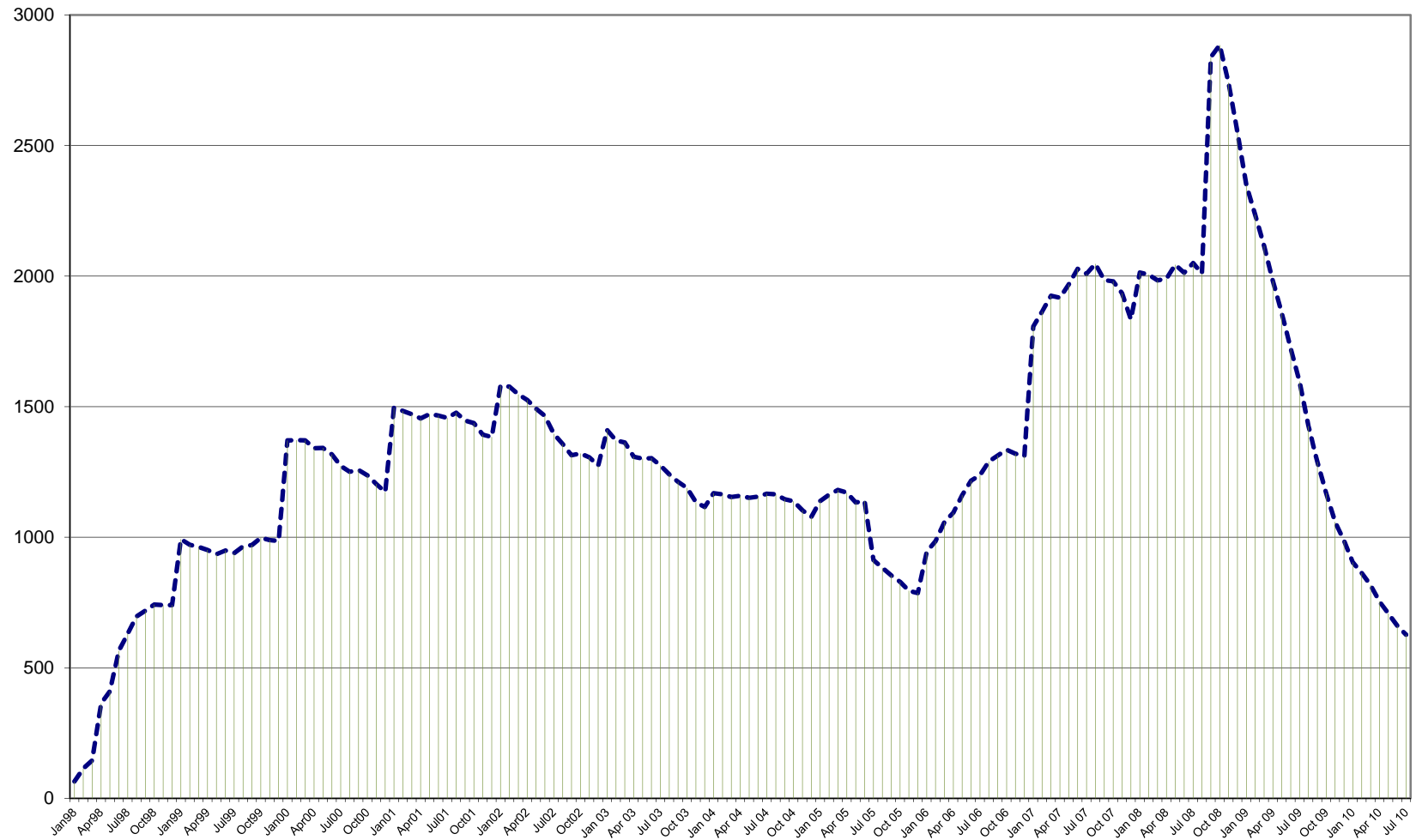


Figure 2.2. Active waiver children by month, 1998-2010

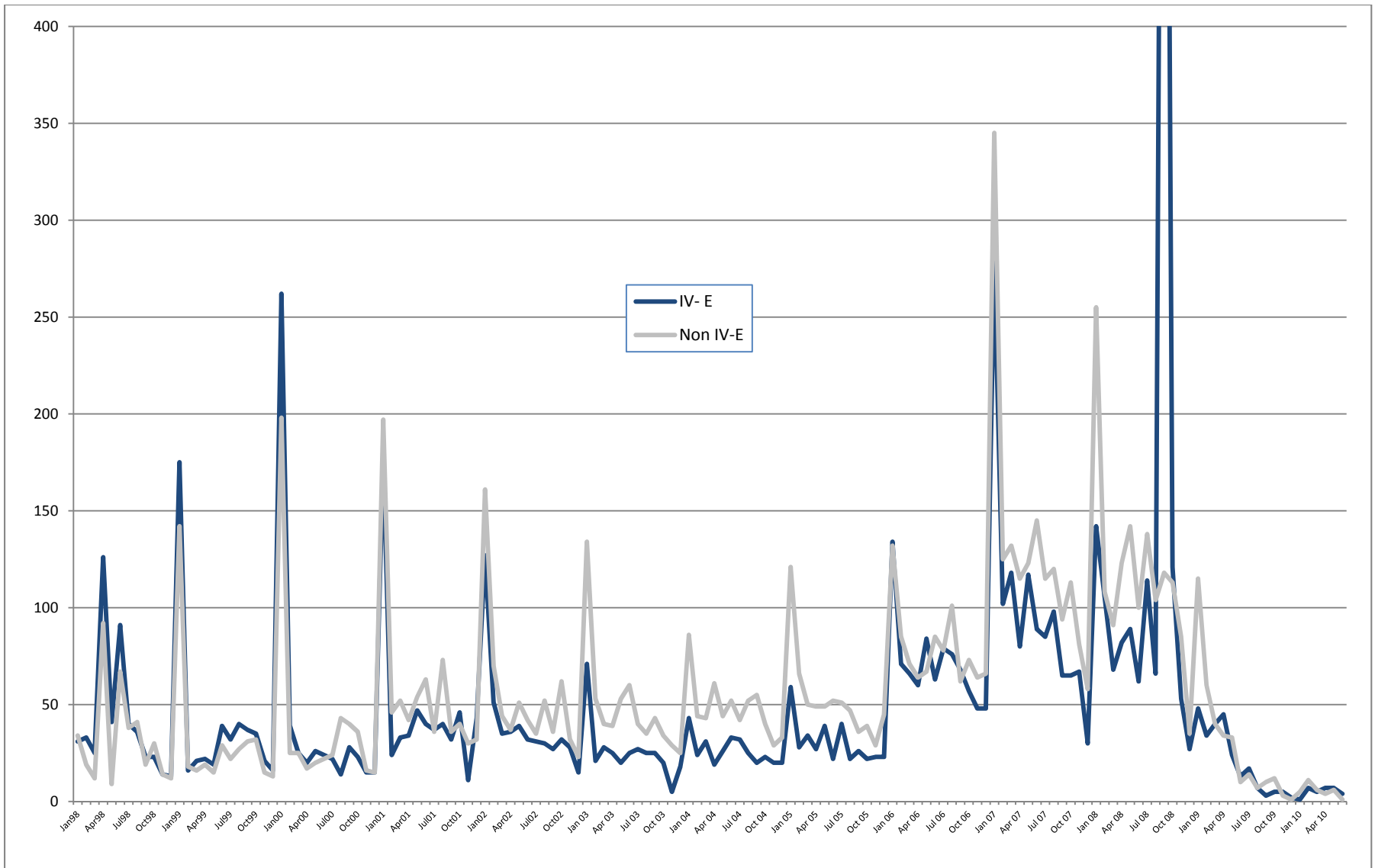
steadily, flattening at around 2,000 active cases in the spring of 2007 until the summer of 2008. In September 2008 there was a sudden increase in waiver assignments followed by a steep decline until the end of the formal renewal period.

The assignment of IV-E eligible and non-eligible children is shown in Figures 2.3, 2.4 and 2.5. **Figure 2.3** shows the number of IV-E and non-IV-E children assigned to the waiver each project month. As can be seen, there were nearly always spikes in assignments in January. This was related to the restriction in the Terms and Conditions that no more than 4,000 children could be assigned to the waiver at any one time. During the original demonstration, the state agency converted the 4,000 into the number of annual slots that could be filled. Counties were allocated a particular number of slots based on their population and a poverty index. When a decision was made to assign a child to the waiver, the child would be inserted into one of the slots—a county was given a number of slots for IV-E children and another number for non-IV-E children, originally based approximately on the 75-25 split that was assumed between the two groups of children. If a case of a child in a waiver slot closed during the year, another child could be placed into that slot for the duration of the year. There was no theoretical limit to the number of children who might be placed in the same slot, only a practical one.

While most counties did not use all of their IV-E slots, many used up all of their non-IV-E slots, for which eligibility determination was not necessary, and it is where most juvenile delinquency cases were placed. Some counties wanting to maximize their waiver dollars for services often placed their most expensive children in waiver slots. Because the state ran on a calendar fiscal year, it was financially effective to have as many slots filled as many days of the year as possible, which made January the most important month. Likely waiver candidates were sometimes kept off the waiver until the first of the year when the county's budget allocation would be renewed. Frequently, there was also institutional pressure during regional meetings in the last quarter of a year to maximize use of the waiver and this would lead to new assignments at the beginning of the new year.

In September 2008 there was the largest spike overall, when 1,043 children were placed on the waiver. Most of these (89 percent) were IV-E eligible children in relative placements. One in five (21.3 percent) IV-E eligible children assigned to the waiver during the demonstration extension were added in this single month. (Note: The top of Figure 2.3—the y axis—has been foreshortened in order that other month-to-month variations can be more easily discerned.)

**Figure 2.4** shows the cumulative number of children assigned to the waiver from 1998 split into the two IV-E sub-groups. **Figure 2.5** shows the number of IV-E and non-IV-E assigned plotted separately across the months of the demonstration. The ebb and flow of waiver assignments across the calendar year is again noticeable in the latter graph. During the initial demonstration period, there



**Figure 2.3. Number of IV-E and non IV-E eligible children assigned to the waiver by project month**  
 (note: not shown are 925 IV-E eligible children in September 2008)

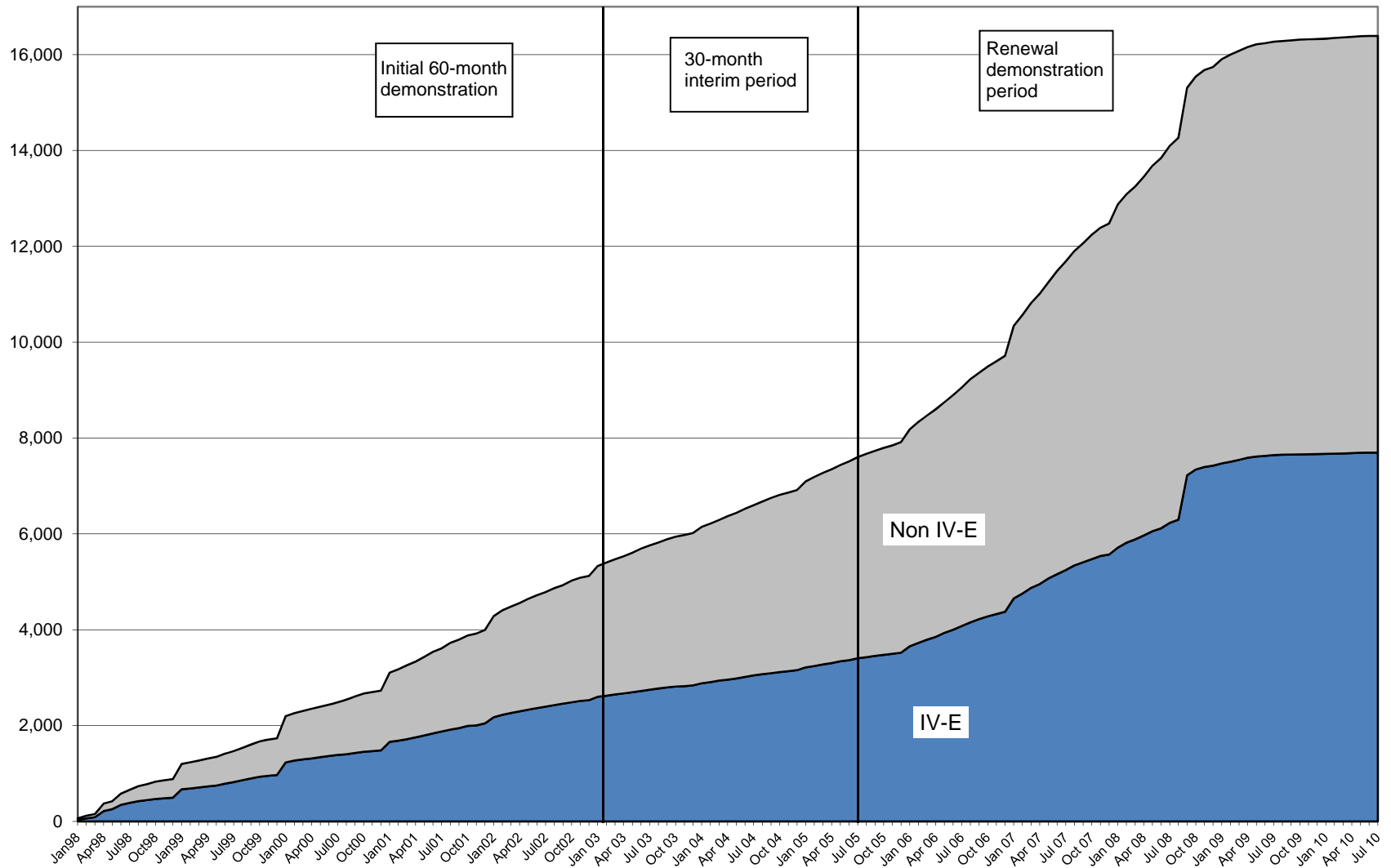


Figure 2.4. Cumulative number of children assigned to the waiver by IV-E eligibility status

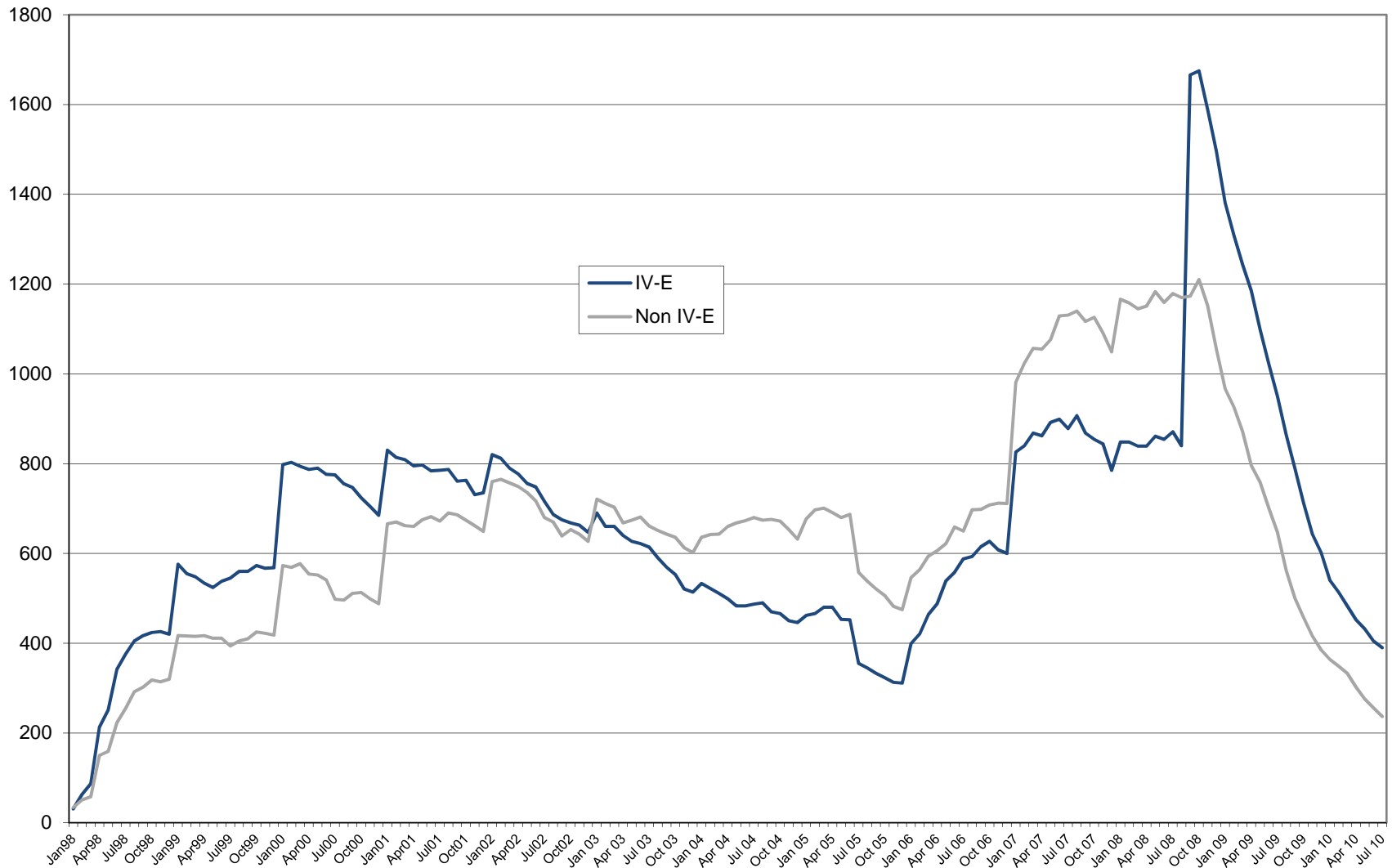


Figure 2.5. Number of active IV-E and non-IV-E waiver cases by month

were always more active IV-E waiver children than non-IV-E waiver children. Beginning in the bridge period and into the extension, until September 2008, the opposite was true.

**Utilization of the Waiver by Counties.** As discussed earlier in the chapter, counties varied considerably in how much they utilized the waiver. **Table 2.1** provides waiver usage figures for each county. The table shows three things:

1) It shows the number of children assigned to the waiver by each county overall (total) and for each of the major periods of the demonstration: for the initial five-year period (January 1, 1998 to December 31, 2002), for the two and one-half year bridge period that followed (January 1, 2003 to June 30, 2005), and for the formal five-year extension (July 1, 2005 to June 30, 2010).

2) The table also shows the percent of children assigned to the waiver for each of the periods that were IV-E eligible.

3) Finally, Table 2.1 also shows the number of waiver slots the state agency originally allocated to each county. As previously noted, this allocation was based on a formula that took into account the relative population of counties and the local poverty rate. While the allocated figure was revised during the demonstration extension, and the concept of slots replaced completely, the original allocation figure provides a broad frame of reference for the relative potential for waiver usage. The revision in the number of slots allocated to counties, which was subsequently translated into a budget allocation, was based partially on the usage of the waiver by counties. So, counties that failed to use their slots over a period of time had some of those slots taken away and given to counties who wanted more opportunity to use the waiver. Whether the original allocated number was wise or sound, it did attempt a rational apportionment of slots, or waiver funds, by taking population and poverty into account.

**Figure 2.6** shows utilization of the waiver by individual counties during the demonstration extension (2005-2010) as a percentage of potential usage. For the purpose of this figure, and to allow a comparison among counties, a county's potential was based on its original allocation times four (allowing six months of build-up and six months of phase down.) Counties are listed in Figure 2.6 from highest to lowest on this utilization index.<sup>10</sup>

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<sup>10</sup> Other possible scales were considered for comparing counties on waiver usage, such as the number of children assigned as a percentage of all children in the county or as a percentage of all children below poverty in the county. In the end, all scales tried, including one based on the new allocation for the demonstration extension, yielded approximately the same results in the general ranking of counties with respect to waiver usage.

**Table 2.1. Number of Waiver Cases by County and Program Period**

county	original allocation	1998-2002		2003-2005		2005-2010		total	
		waiver children	% IV-E	waiver children	% IV-E	waiver children	% IV-E	all waiver children	total % IV-E
Adams	24	19	26.3%	31	6.5%	80	27.5%	130	22.3%
Allen	223	439	48.5%	91	36.3%	289	48.8%	819	47.3%
Bartholomew	47	77	39.0%	21	28.6%	40	47.5%	138	39.9%
Benton	5	9	22.2%	9	22.2%	37	29.7%	55	27.3%
Blackford	8	13	38.5%	6	50.0%	40	47.5%	59	45.8%
Boone	8	27	55.6%	36	41.7%	90	33.3%	153	39.2%
Brown	7	19	63.2%	17	17.6%	23	43.5%	59	42.4%
Carroll	7	12	41.7%	1	100.0%	12	25.0%	25	36.0%
Cass	24	63	20.6%	49	20.4%	116	25.9%	228	23.2%
Clark	74	28	17.9%	27	40.7%	140	53.6%	195	46.7%
Clay	12	9	66.7%	13	76.9%	29	58.6%	51	64.7%
Clinton	15	100	55.0%	71	32.4%	158	39.2%	329	42.6%
Crawford	9	26	53.8%	3	66.7%	29	44.8%	58	50.0%
Daviess	15	5	20.0%	4	25.0%	40	40.0%	49	36.7%
Dearborn	18	16	43.8%	5	20.0%	40	57.5%	61	50.8%
Decatur	12	14	28.6%	17	35.3%	97	41.2%	128	39.1%
DeKalb	28	60	23.3%	63	25.4%	79	27.8%	202	25.7%
Delaware	142	159	14.5%	59	8.5%	210	58.6%	428	35.3%
DuBois	16	29	31.0%	17	29.4%	29	10.3%	75	22.7%
Elkhart	155	17	11.8%	20	45.0%	172	51.7%	209	47.8%
Fayette	30	34	23.5%	23	39.1%	30	60.0%	87	40.2%
Floyd	59	15	73.3%	13	53.8%	87	60.9%	115	61.7%
Fountain	7	1	0.0%	0		17	17.6%	18	16.7%
Franklin	14	7	42.9%	6	0.0%	15	66.7%	28	46.4%
Fulton	8	1	0.0%	0		11	63.6%	12	58.3%
Gibson	18	106	47.2%	65	30.8%	180	46.1%	351	43.6%
Grant	38	22	54.5%	3	100.0%	69	71.0%	94	68.1%
Greene	25	78	44.9%	44	52.3%	248	34.7%	370	38.9%
Hamilton	13	7	42.9%	0		57	71.9%	64	68.8%
Hancock	16	49	36.7%	41	36.6%	30	63.3%	120	43.3%
Harrison	20	4	75.0%	0		29	89.7%	33	87.9%
Hendricks	30	10	20.0%	5	20.0%	41	41.5%	56	35.7%
Henry	34	6	83.3%	4	25.0%	42	73.8%	52	71.2%
Howard	66	23	39.1%	2	0.0%	32	40.6%	57	38.6%
Huntington	19	3	0.0%	1	0.0%	40	17.5%	44	15.9%
Jackson	12	17	35.3%	5	20.0%	86	51.2%	108	47.2%
Jasper	10	13	61.5%	11	72.7%	36	41.7%	60	51.7%
Jay	13	5	0.0%	3	33.3%	22	59.1%	30	46.7%
Jefferson	12	26	42.3%	13	38.5%	48	58.3%	87	50.6%

Table 2.1, continued

county	original allocation	1998-2002		2003-2005		2005-2010		total	
		waiver children	% IV-E	waiver children	% IV-E	waiver children	% IV-E	all waiver children	total % IV-E
Jennings	28	29	62.1%	11	27.3%	52	48.1%	92	50.0%
Johnson	33	40	40.0%	14	0.0%	51	58.8%	105	43.8%
Knox	25	94	67.0%	48	60.4%	132	50.0%	274	57.7%
Kosciusko	23	4	0.0%	0		28	28.6%	32	25.0%
LaGrange	20	42	45.2%	24	12.5%	99	44.4%	165	40.0%
Lake	509	423	67.8%	110	27.3%	696	60.8%	1229	60.2%
Laporte	75	118	55.9%	92	27.2%	259	47.1%	469	45.4%
Lawrence	20	31	29.0%	14	28.6%	47	44.7%	92	37.0%
Madison	130	281	38.8%	146	32.2%	201	49.3%	628	40.6%
Marion	398	960	56.8%	244	38.5%	1060	63.0%	2264	57.7%
Marshall	33	2	0.0%	1	0.0%	44	38.6%	47	36.2%
Martin	8	21	42.9%	3	0.0%	5	20.0%	29	34.5%
Miami	23	81	23.5%	49	16.3%	67	38.8%	197	26.9%
Monroe	47	192	64.6%	48	43.8%	173	44.5%	413	53.8%
Montgomery	15	37	64.9%	26	80.8%	96	62.5%	159	66.0%
Morgan	28	30	46.7%	3	33.3%	21	81.0%	54	59.3%
Newton	9	10	10.0%	21	42.9%	45	35.6%	76	34.2%
Noble	22	9	22.2%	10	20.0%	28	46.4%	47	36.2%
Ohio	5	8	50.0%	5	0.0%	8	37.5%	21	33.3%
Orange	19	2	50.0%	1	0.0%	11	27.3%	14	28.6%
Owen	19	31	48.4%	8	25.0%	162	45.7%	201	45.3%
Parke	12	35	31.4%	28	32.1%	29	27.6%	92	30.4%
Perry	9	2	100.0%	0		41	41.5%	43	44.2%
Pike	6	20	55.0%	23	47.8%	115	33.9%	158	38.6%
Porter	86	6	83.3%	10	20.0%	67	52.2%	83	50.6%
Posey	5	14	71.4%	8	75.0%	32	71.9%	54	72.2%
Pulaski	10	17	47.1%	24	58.3%	29	55.2%	70	54.3%
Putnam	17	28	53.6%	19	26.3%	56	50.0%	103	46.6%
Randolph	18	31	74.2%	8	62.5%	30	70.0%	69	71.0%
Ripley	19	23	52.2%	25	40.0%	70	45.7%	118	45.8%
Rush	9	6	33.3%	3	0.0%	16	87.5%	25	64.0%
Saint Joseph	139	33	27.3%	62	19.4%	305	38.4%	400	34.5%
Scott	25	43	55.8%	35	51.4%	77	40.3%	155	47.1%
Shelby	32	47	48.9%	30	46.7%	34	47.1%	111	47.7%
Spencer	8	9	33.3%	2	100.0%	33	21.2%	44	27.3%
Starke	15	1	0.0%	0		20	50.0%	21	47.6%
Steuben	16	16	25.0%	11	54.5%	71	33.8%	98	34.7%
Sullivan	14	8	62.5%	8	50.0%	22	77.3%	38	68.4%
Switzerland	7	4	0.0%	4	25.0%	18	50.0%	26	38.5%
Tippecanoe	99	212	62.3%	72	36.1%	490	30.0%	774	39.4%



Table 2.1, continued

county	original allocation	1998-2002		2003-2005		2005-2010		total	
		waiver children	% IV-E	waiver children	% IV-E	waiver children	% IV-E	all waiver children	total % IV-E
Tipton	9	23	39.1%	9	88.9%	16	43.8%	48	50.0%
Union	5	3	0.0%	0		18	61.1%	21	52.4%
Vanderburgh	124	213	58.7%	171	36.8%	578	53.1%	962	51.5%
Vermillion	8	5	0.0%	2	50.0%	0		7	14.3%
Vigo	69	47	51.1%	29	72.4%	130	68.5%	206	65.0%
Wabash	19	92	34.8%	46	15.2%	76	25.0%	214	27.1%
Warren	6	7	14.3%	7	71.4%	28	21.4%	42	28.6%
Warrick	19	3	100.0%	1	100.0%	53	39.6%	57	43.9%
Washington	13	11	72.7%	6	33.3%	26	26.9%	43	39.5%
Wayne	66	30	23.3%	10	20.0%	114	50.9%	154	43.5%
Wells	22	33	27.3%	33	30.3%	50	40.0%	116	33.6%
White	6	9	66.7%	3	33.3%	16	43.8%	28	50.0%
Whitley	7	12	16.7%	6	66.7%	14	7.1%	32	21.9%

Twenty-five counties had a utilization score of over 100 percent, meaning that the number of children they placed on the waiver was equivalent to or more than four times the number of allocated slots that were originally apportioned to them in 1998. Seven had scores of over 200 percent, and one, Pike County, had a score of 479 percent. Pike County was 1 of the 25 counties categorized as an active program county in the 2003 evaluation report. The six counties with the highest waiver usage scores during the extension were among this group of 25 counties: Boone, Clinton, Gibson, Greene, and Owen, in addition to Pike. Of the 25 counties with a utilization score over 100 percent or higher during the extension period, 12 of them had been in the original group of 25 counties program counties in 2003 (including, in addition to those already mentioned, Montgomery, Knox, LaGrange, Cass, Vanderburgh, Wabash, and Jefferson counties; another active program county, Monroe, had a utilization score of 92 percent). At the other end of the spectrum were counties that made minimal use of the waiver; six had utilization scores of under 20 percent (Vermillion, Howard, Orange, Martin, Morgan, and Porter).

The majority of counties (74 of 92) increased waiver usage during the five-year extension period compared with the first five years of the demonstration. Fifteen counties used the waiver less during the extension. Considering waiver utilization during the two demonstration periods (1998-2002 and 2005-2010) we can cluster counties by the pattern of their waiver use into a set of groups:

- There were three counties with utilization scores of over 100 percent during both the first and second demonstration periods: Clinton, Greene, and Wabash.

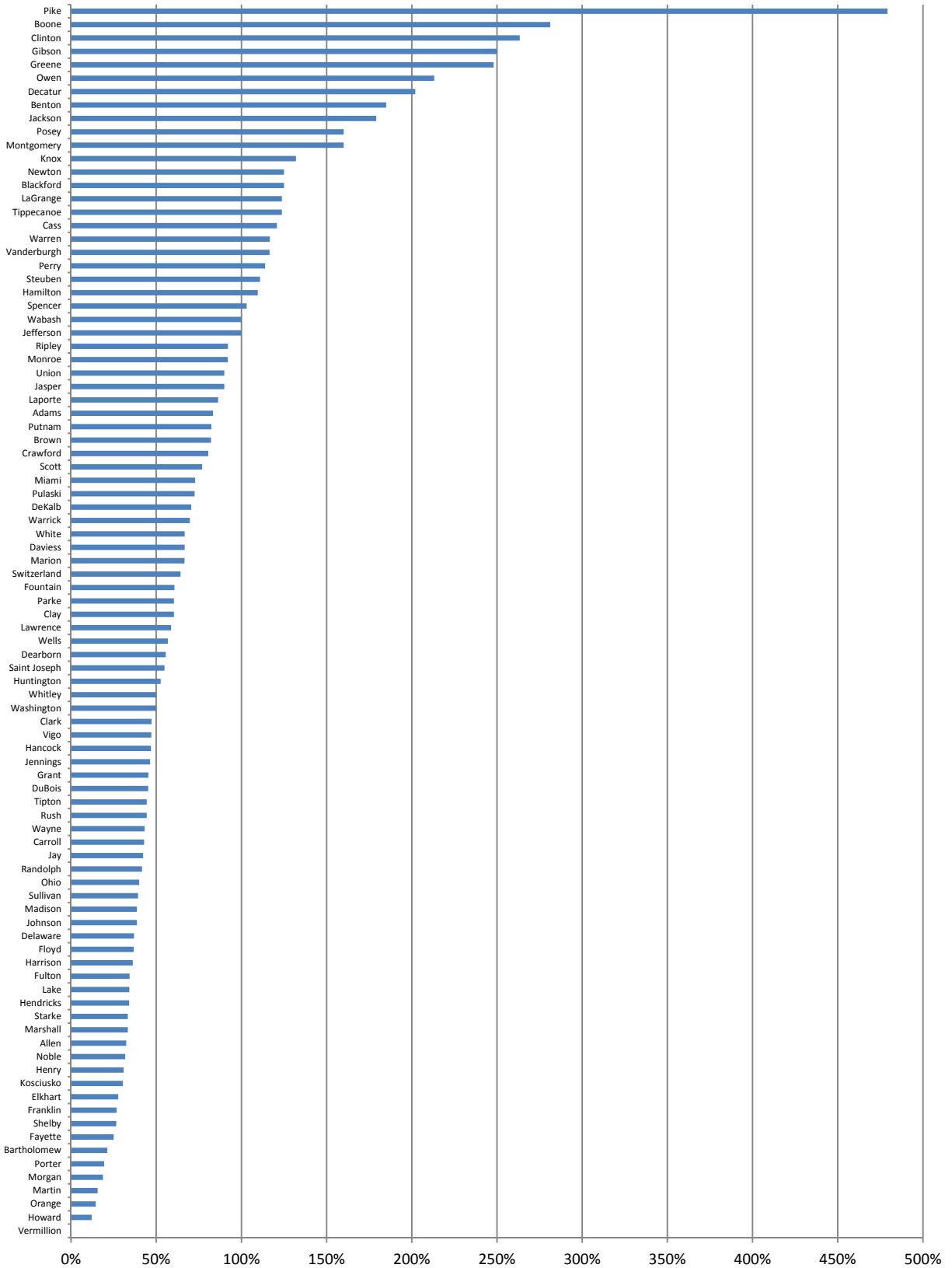


Figure 2.6. Counties waiver usage on utilization index

- A number of counties that were among the bigger users of the waiver during the initial demonstration increased waiver utilization substantially during the extension; this list included Pike, Boone, Clinton, Gibson, Greene, and Knox counties.
- Other counties with moderately high usage scores (over 50 percent) in both five-year periods included Posey, Montgomery, LaGrange, Tippecanoe, Cass, Jefferson, Monroe, Brow, Crawford, Miami, DeKalb, Marion, and Parke.
- Counties that had a relatively low usage score (under 30 percent) during the first demonstration but a high score (over 100 percent) during the extension included Decatur, Newton, Warren, Perry, Steuben, Hamilton, and Spencer.
- Eight counties had low utilization scores (under 30 percent) during both periods: Vermillion, Howard, Orange, Morgan, Porter, Fayette, Franklin, and Elkhart.

There were only four counties in which the percentage of IV-E children assigned to the waiver was 75 percent or higher: Harrison (90%), Rush (88%), Morgan (81%), and Sullivan (77%). All had overall utilization scores that would be described as modest (Rush, Sullivan, Harrison) or low (Morgan).

There were 15 counties for whom IV-E eligible children made up between 60 and 74 percent of their waiver children: Henry (74%), Hamilton (72%), Posey (72%), Grant (71%), Randolph (70%), Vigo (69%), Franklin (67%), Fulton (64%), Hancock (63%), Marion (63%), Montgomery (63%), Union (61%), Floyd (61%), Lake (61%), and Fayette (60%). An additional 17 counties assigned more IV-E than non-IV-E eligible children to the waiver during the extension.

Fifty-five counties assigned more non-IV-E children than IV-E eligible children to the waiver. For nine counties, IV-E eligible children made up 25 percent or fewer of the children they assigned to the waiver: Whitley, DuBois, Huntington, Fountain, Martin, Spencer, Warren, Carroll, and Wabash. **Figure 2.7** shows the percent of children assigned to the waiver by each county who were IV-E eligible.

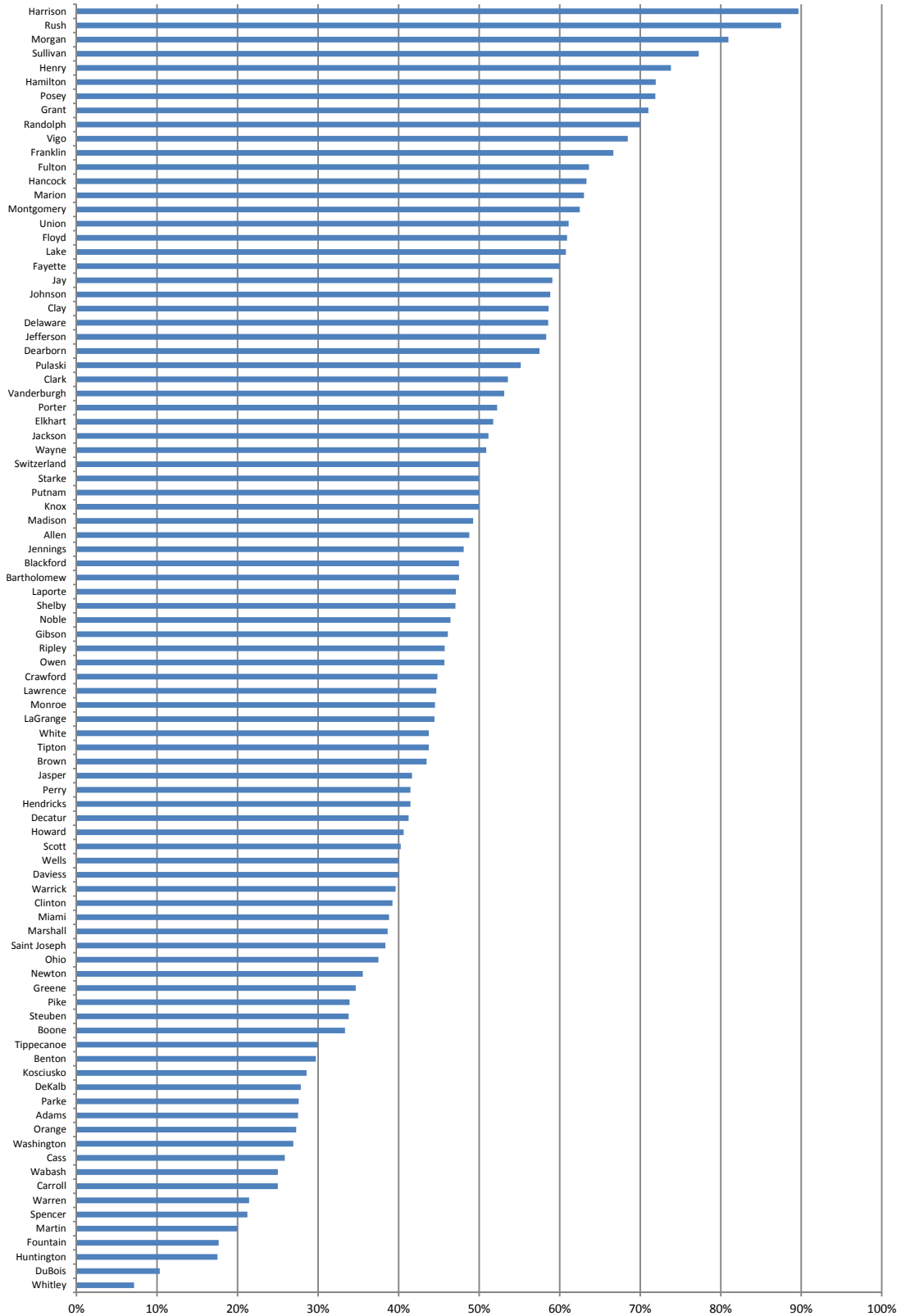


Figure 2.7. Percent of waiver children who were IV-E eligible by county

## D. Case Characteristics

This section provides a breakdown of the characteristics of cases assigned to the waiver during the demonstration extension, as well as a comparison of the characteristics of waiver cases with matching control cases.

**Case Types.** At the start of the demonstration, Indiana classified CPS cases into four categories: Children in need of Services (CHINS), Informal Adjustment (IA), Service Referral Agreement (SRA), and Services.<sup>11</sup> These categories can be thought of as a risk-level classification system from most serious to least serious. The most serious cases were classified as CHINS cases and these could involve children removed and placed outside the home or children remaining in their homes. Delinquent wards represented a fifth case type assigned to the waiver.

Children in cases of all five types were assigned to the waiver during the first demonstration period, the bridge period and the demonstration extension period. However, mid-way through the extension, changes were made in the categorization of cases and in what types of cases would be considered appropriate for the CPS agency and for the waiver. In 2007 the decision was made to eliminate two categories of cases, SRA cases and Service cases. As of July 1, 2007, SRA cases were eliminated functionally and legally from the state's child protection system. Children in this type of case already in the system were shifted over the next few months into another category, generally CHINS or IA, if their cases were expected to remain open any length of time. The last child with an SRA case type was assigned to the waiver on October 2007. Service cases were considered preventive in nature or arising from poverty conditions, and outside the scope of CPS. The plan was for families with reports that would formally have been classified as Service cases to be referred to the newly established Community Partners who would help get the families the help they needed. The last child in a Service case was assigned to the waiver in May 2009, although the effective date for all practical purposes was October 2008 (after which time only three Service-case children were assigned).

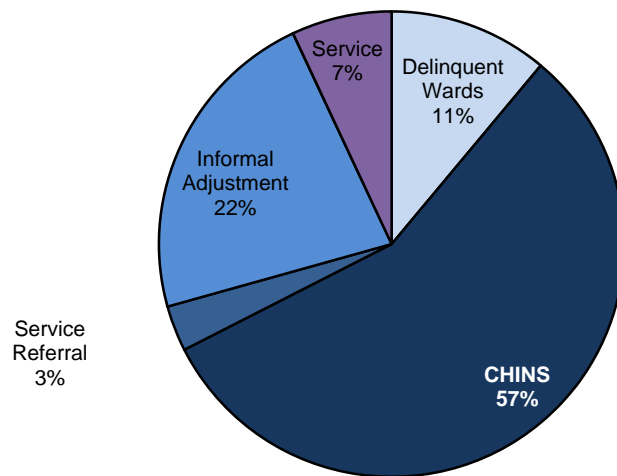
In 2009 the state began planning for phasing down the child welfare demonstration. Counties were notified that no new children should be assigned to the waiver unless their cases were expected to

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<sup>11</sup> CHINS (children in need of services) cases involved children with substantiated maltreatment reports at the highest level of criticality and who have been made wards of the state or county. These children could either be in out-of-home placement (foster care, group homes or residential facilities) or remain in their own homes. Informal Adjustment cases involved less severe but substantiated reports of abuse or neglect in families with a limited history of maltreatment. Service Referral Agreement cases involved less severe but substantiated reports of families with no previous CPS history. Services cases were those in which the safety of children was judged not to be at risk but services might be provided to families on a voluntary basis. Case type was never a static thing but could change while the case was open.

close by June 30, 2010, and emphasis was placed on IV-E eligibility. In the last 10 months of the extension, from September 2009 through June 2010, the number of children placed on the waiver averaged 10.5 per month. No juvenile delinquency youths were placed on the waiver from January 2009 on. (In June 2010, the state having been granted a temporary bridge to a possible second demonstration extension, counties were informed they could continue making waiver assignments.)

**Figure 2.8** breaks down the case types for children in the waiver group during the extension period. This includes children assigned following the beginning of the extension as well as those carried in from the bridge period, which was the central study population for the renewal phase of the demonstration. More than half (56.4 percent) were CHINS cases. About one in five children (22.4 percent) were in Informal Adjustment cases, 3.2 percent were in (the discontinued) SRA cases, and 7.0 percent were in (the also discontinued) Service cases; 11.1 percent of the cases involved delinquent wards.



**Figure 2.8. Percent of waiver children by case type**

Case type was not a static thing but could change while the case was open. Six percent of waiver cases became CHINS after the case was opened; 15.6 percent of Service and SRA cases had been CHINS at an earlier point in time; and 11.0 percent of delinquent cases had been CHINS at an earlier time. Some of these re-categorizations occurred because of changes within a case, while some happened due to changes in DCS policies. **Table 2.2** shows the percentage of waiver cases by case types for each semi-annual reporting period during the demonstration renewal. As Service Referral and Service cases were phased out, the proportion of CHINS and IA cases assigned to the waiver

increased. During the last year and a half of the demonstration, delinquent wards were no longer assigned, pushing the relative percent of CHINS cases up further.

**Table 2.2. Percent of Children Assigned to the Waiver by Case Type for Each Semi-Annual Reporting Period**

Semi-Annual Report Period	CHINS	Informal Adjustment	Service Referral Agreement	Service Cases	Delinquent Wards
1st	30.6%	16.2%	9.5%	27.6%	16.2%
2nd	43.6%	19.6%	3.9%	16.6%	16.4%
3rd	45.3%	21.7%	4.8%	12.9%	15.2%
4th	54.3%	19.4%	8.8%	5.8%	11.7%
5th	50.0%	29.8%	1.1%	4.1%	14.9%
6th	54.2%	28.1%	0.0%	5.0%	12.8%
7th	77.5%	15.8%	0.0%	1.2%	5.7%
8th	66.5%	32.9%	0.0%	0.7%	0.0%
9th	72.7%	26.5%	0.0%	0.0%	0.0%
10th	87.5%	12.5%	0.0%	0.0%	0.0%

**Figure 2.9** shows the number of children assigned to the waiver by case type each month during the extension. As in the case of Figure 2.3 previously, the y axis in Figure 2.9 has been shortened so that so that month-to-month differences in assignment by case type can be more easily discerned. (What cannot be viewed in the chart is that 925 (88.7 percent) of the 1,043 cases assigned to the waiver in September 2008 were CHINS, 6.5 percent were IA cases, and 1.0 percent were Service cases.)

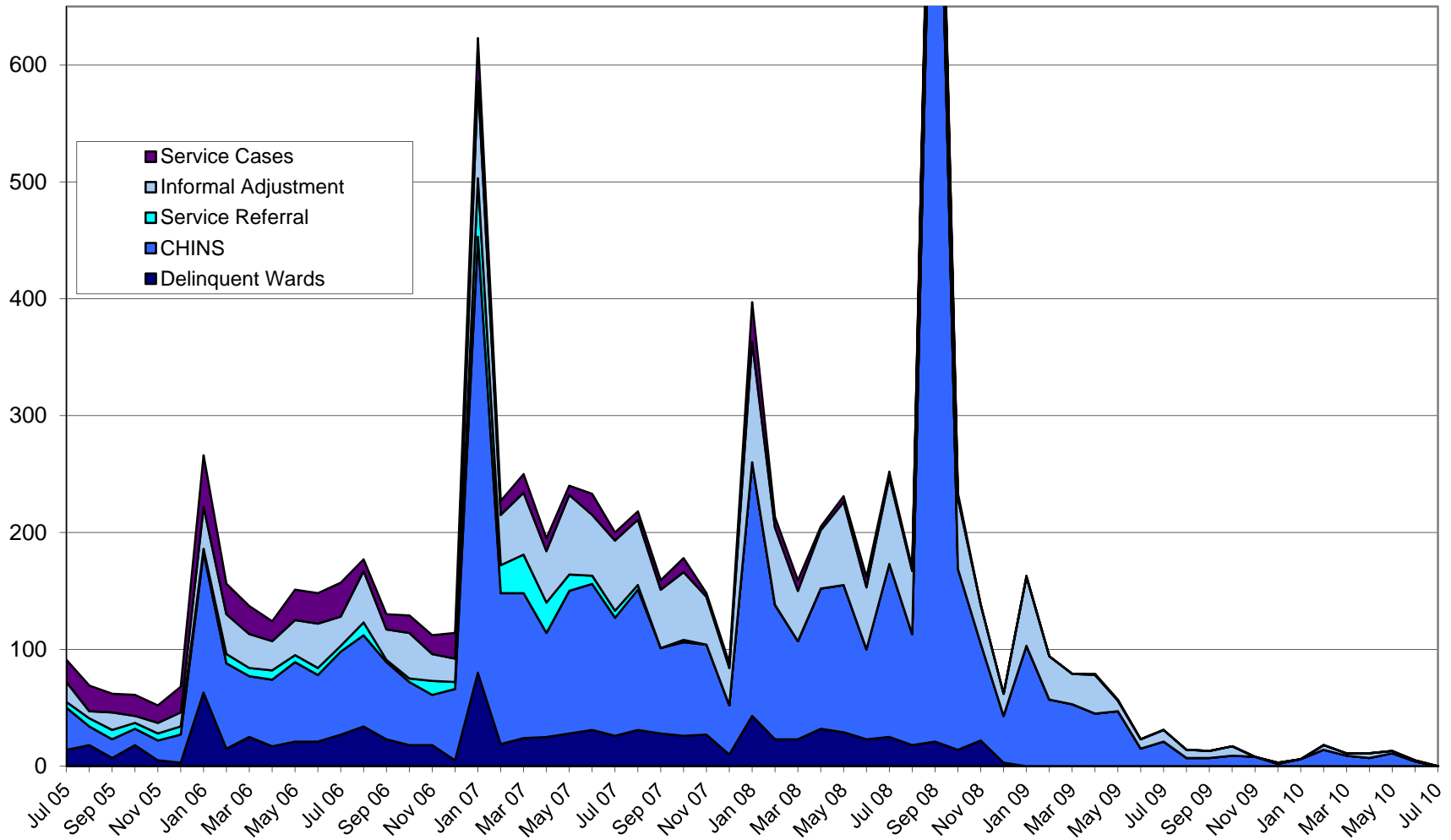


Figure 2.9. Number of children assigned to the waiver by case type, from July 1, 2005 to July 31, 2010



The following is a breakdown of other characteristics of children and families assigned to the waiver. Unless noted otherwise, it should be assumed the data refers to the state of affairs at the time of waiver assignment.

**Age and Gender.** The mean age of children assigned to the waiver during the demonstration extension was 8.6 years. About 1 in 3 waiver children (31.1 percent) were 13 years of age or older and a little more than a third (35.3 percent) were younger than 6 years. The remaining waiver children (33.5 percent) were aged 6-12. There were a few more boys (53.9 percent) than girls (46.1 percent) assigned to the waiver. Data in ICWIS related to race and ethnicity was not reliable and, therefore, this characteristic cannot be reported with confidence.

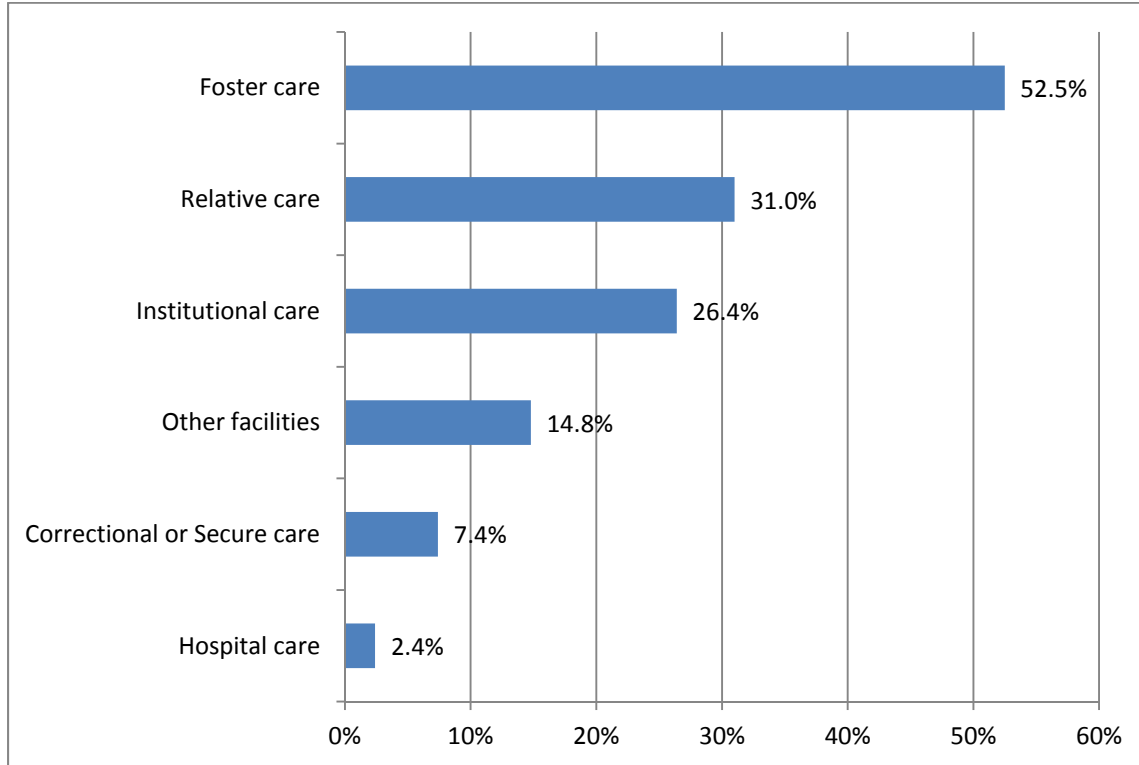
**Special Needs.** One child in seven (14.7 percent) assigned to the waiver had special needs. This included 2.9 percent with a physical disability, 4.8 percent with mental retardation or another developmental disability, 10.5 percent with a serious psychological problem and 0.3 percent with a medical illness or condition; 4.2 percent of the children had more than one of these types of conditions.

**Household and Caregivers.** Six in ten (64.4 percent) waiver children came from households with two adult caregivers and 35.5 percent were from households with single caregivers. In most situations (86.2 percent) involving a single adult, the caregiver was a single mother (and, thus, 30.6 percent of all waiver children came from single-mother households). The average size of the households was 5.2 persons, including all adults and children.

**Removal and Placement.** The waiver was intended to be used both to prevent the removal of children that remained at home and to help facilitate and expedite the return or permanency of children who had been placed outside the home. There were, as a result, children who were both in their homes (49.5 percent) and in out-of-home placement settings (50.5 percent) at the time they were assigned to the waiver. Slightly less than half (48.3 percent) of all children assigned to the waiver had been removed and placed outside their homes at some time in their past lives; 41.0 percent had been removed one time, while 8.2 percent had been removed two or more times. The mean number of days spent in placement prior to waiver assignment, across all types of placement, was 194.

Either at the time of waiver assignment or after it, about half of the waiver children (58.9 percent) experienced an out-of-home placement. Of these children, 52.5 percent were placed in foster care, 31.0 percent stayed with a relative, and 26.4 percent were in institutional care. Smaller numbers of

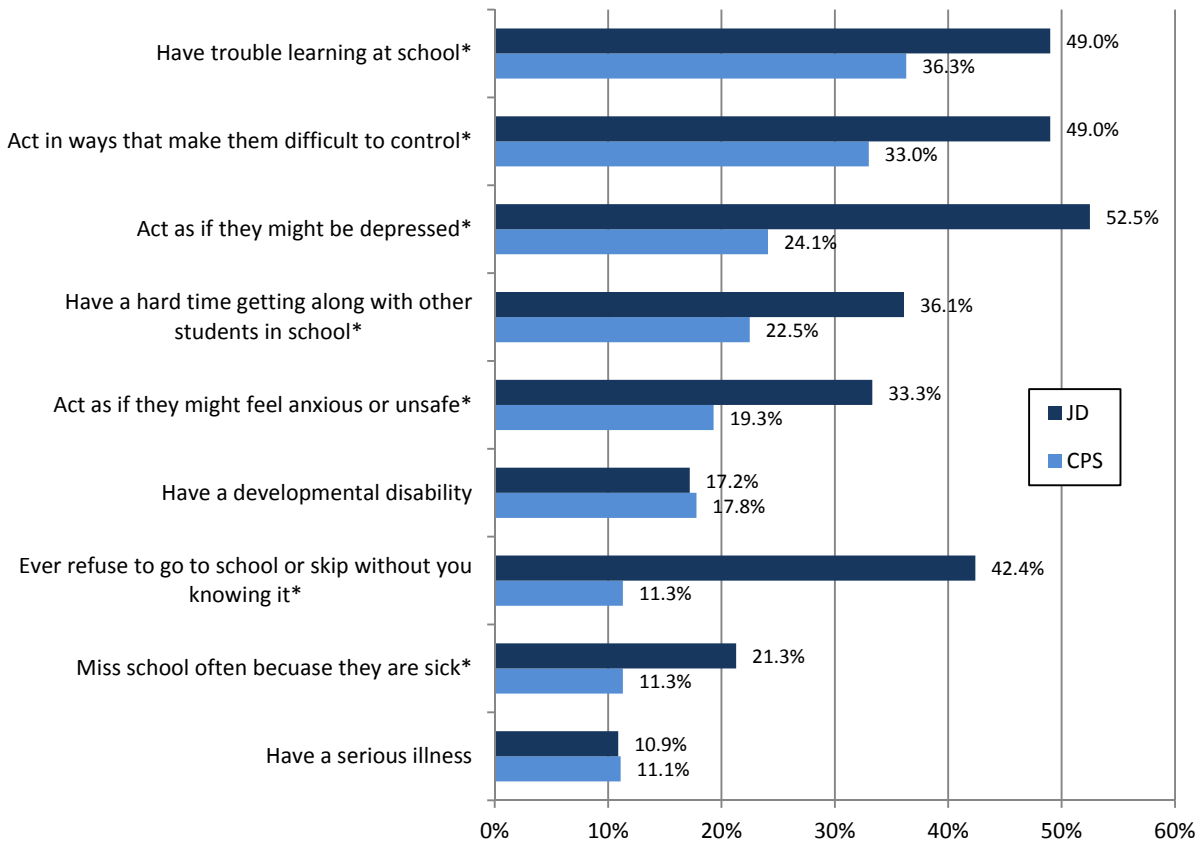
children were in correctional or secure care (7.4 percent) or resided in a group home or other facilities (14.8 percent). (See **Figure 2.10.**)



**Figure 2.10. Placement settings of children assigned to waiver and placed outside of their homes**

**Abuse and Neglect Incidents and Findings.** All children assigned to the waiver through a maltreatment report had an investigation that substantiated the report. These children may have experienced previous or subsequent investigations related to other allegations. As part of the pair-matching process to create the control group, data about substantiated findings of child abuse and neglect were extracted in a 60-day window prior to and 10 days after the opening of the case for children assigned to the waiver. The most prevalent type of allegation received in waiver-related cases was for environmental neglect. Lack of supervision followed as the next most typical allegation. Less frequently seen but still common neglect allegations were lack of food, shelter and clothing and drug-related conditions. Physical abuse was reported and substantiated much less often, and when it was, it typically involved bruises/cuts/welts or inappropriate discipline.

**Behavioral and Physical Health.** Following case closure, families who were surveyed reported on certain problems that children in the household were experiencing. Caregivers reviewed a list of nine particular behavior and health issues on the survey instrument and indicated whether or not any child living with them had any of these problems. These included things like skipping school, having trouble learning, acting depressed or anxious, or having a developmental disability. For all families that reported on this item, about a quarter had children in the home that ‘had a hard time getting along with other students’ (25.2 percent), and 30.4 percent had children that ‘acted as if they might be depressed,’ while more than a third had at least one child that ‘acted in ways that made them difficult to control’ (36.4 percent) and/or ‘had trouble learning in school’ (38.3 percent). Response rates were very similar between waiver and control groups. Between CPS children and delinquent children, however, significant differences were found. Caregivers in waiver cases involving delinquent youths were more likely to report that their children had a number of the problems listed (see **Figure 2.11**). While much of the difference can be attributed to differences in



**Figure 2.11. Percent of caregivers with CPS and juvenile delinquent (JD) children who reported their children experienced certain problems (\*p<.02)**

the ages of the two groups of children,<sup>12</sup> it nonetheless represents differences in these subpopulations requiring differences in intervention strategies and services.

**Employment.** Unemployment was high in the families with waiver children who responded to the survey. Less than one in three of these respondents (28.5 percent) said they worked full time; less than half (43.8 percent) said they had a full-time or part-time job. Less than half (47.9 percent) reported that anyone in their household had a full-time job, and less than two-thirds (64.3 percent) said anyone in their household had either a full-time or part-time job. Reported employment rates among control family respondents were similarly low, although slightly higher than the waiver group overall: 53.7 percent said someone in their household had a full-time job and 66.6 percent said someone in the household had either a full or part-time job.

**Public Assistance and Income Support.** Given the high levels of unemployment in waiver households it is not surprising that many received various forms of public assistance and support. Nearly two in three (65.1 percent) waiver family respondents said they had received food stamps in the last 12 months; food stamps may be taken as a general proxy for poverty. Just under half (45.6 percent) of the waiver group respondents said a child in the family participated in a school breakfast or lunch program. Over a quarter (27.6 percent) reported receive WIC assistance in the previous year 27.4 percent said their household had received assistance with utilities, 24.6 percent said they received TANF benefits, and 16.9 percent said they received housing assistance. Overall, respondents in the control group somewhat less often reported that their household received various forms of public assistance.

**Waiver and Control Group Comparison.** **Table 2.3** provides a comparison of the characteristics of children in the waiver and matching control study groups. The table includes variables used in the matching program discussed in the first chapter. On most variables the two groups are very similar.

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<sup>12</sup> In families surveyed, the average age of delinquent wards was 7 years older than CPS children. While one in five CPS children were under the age of six, the youngest delinquent ward was 9, and 98 percent were aged 13 and older.

**Table 2.3. Characteristics of Waiver and Control Children**

Characteristics of Children in the Study Population	Waiver	Control/ Match
Title IV-E Eligible	47.9%	49.3%
Title IV-E Not Eligible	52.1%	50.7%
Male	53.9%	53.7%
Female	46.1%	46.3%
Mean Age	8.6 yr	8.8 yr
Mean Age of CA/N children only	7.7 yr	7.7 yr
Mean Age of Delinquent children only	15.48	15.57
<i>Household Characteristics</i>		
Mean household size	5.2	5.1
Two or more adult caregivers	64.4%	63.7%
One adult caregiver	35.5%	36.1%
Single mother households	30.6%	30.1%
<i>Special Needs</i>		
Psychological Problems	10.5%	11.5%
Medical Conditions	0.3%	0.3%
Mental Retardation/Developmental Disabilities	4.8%	5.2%
Physical Disabilities	2.9%	2.8%
Any Special Need	14.7%	15.7%
Multiple Conditions	3.3%	3.4%
<i>Case Type at Assignment</i>		
CHINS	54.7%	61.5%
Informal Adjustment	21.5%	16.2%
Service Referral	3.1%	2.2%
Service	8.5%	6.8%
Juvenile Delinquent	12.2%	13.1%
<i>Placement History of Children</i>		
Placed at time of waiver assignment	36.6%	40.4%
Placed prior to waiver assignment	54.3%	66.8%
Removed more than once prior to waiver assignment	10.3%	9.4%
<i>Placed children who spent time in:</i>		
Foster care	65.6%	70.4%
Relative care	29.4%	20.0%
Institutional care	25.3%	32.0%
Correctional facilities	4.2%	6.4%
Other facilities/settings	17.8%	13.4%
One type of facility	59.8%	61.1%
Two or more types of facilities	40.1%	38.8%

## E. Site Visit Observations: Variations and Similarities in County Waiver Programs

During the extension period, from July 2005 to July 2010, 92 site visits were made to 61 counties, and interviews were conducted with more than 150 DCS local office staff, including county directors, supervisors, family case managers, accounting managers and bookkeepers.

Counties were selected for site visits based on the degree of waiver utilization in the DCS agency, as well as the geography and population of the community. Evaluators were interested in learning about the differences in waiver programs among counties that were assigning children to the waiver to different degrees, as well as interested in discovering trends in the perceptions, use, and organization of the waiver across the state. Factors that influenced waiver assignments, service decision making, and spending were considered in order to develop an understanding of the statewide initiative and a context for analyzing outcomes. Forty one counties were visited during the first half of the program (2006-2007), and another 20 visited during 2008 and 2009.

Synopses of waiver programs in each county where a site visit was conducted have been provided in progress reports and the interim evaluation report during the demonstration extension, and these continue to be available to the interested reader. However, in an attempt to avoid excessive redundancy, eight counties were selected for inclusion in this report. The counties were selected to provide a representation of how the waiver was used across the state. Included in this group of eight is Marion County, the largest urban area in Indiana. In terms of number of waiver assignments, Marion County made moderate use of the waiver throughout the demonstration. Four counties with relatively high and consistent use of the program are included—Greene, Jackson, Montgomery, and Vanderburgh. Two counties that used the waiver very little, Howard and Porter, are also included. The eighth county, Cass, is included due to its emphasis on assignment of probation children to the waiver. A very short synopsis of these eight counties follows through which can be seen the similarities and variability among programs, the impact of training and guidelines, the role of or absence of the courts and probation, as well as the service patterns, successes, and challenges to waiver use. Financial and waiver assignment numbers for 2008, the peak year of the demonstration, are included in the county summaries for comparison purposes.

**Cass County** (Region 6, pop. 41,000). In Cass, a small rural county, the Juvenile Court was very involved with waiver assignment and service provision. Because the Court emphasized services over placement for juvenile delinquent children, the majority of the cases that were assigned to the waiver were probation cases. As a result, nearly all of the county's non IV-E eligible waiver cases were juveniles. Additionally, many families in the county who were involved with DCS had incomes

above the poverty line, so the county found it difficult to find IV-E eligible families for the waiver. The few child protection cases that were assigned to the waiver were selected by standard criteria of being an Informal Adjustment or in-home CHINS, where interventions were likely to keep the child in the home. A designated family case manager in the office was responsible for determining eligibility, and this individual generally reviewed all new cases for inclusion in the waiver.

Throughout the extension, the county maintained its original waiver plan and Memorandum of Understanding with service providers that were established at the beginning of the demonstration. Using the waiver opened up service opportunities to support home based counseling for juvenile delinquents and strengthened relationships between DCS, the court and probation. Prior to the waiver, the county was often sending children out of town to receive services. Two main agencies, Four County Counseling Center and Cass County Alternative School have been the backbone of their service approach. DCS personnel in Cass stated that they would not have been able to send children to the Alternative School without the waiver reimbursement to offset the cost. Waiver funds facilitated a stronger services system in the community; the only concern was that capacity at these institutions was limited. During 2008, Cass billed \$225,300 to the waiver and had a monthly average of 44 waiver children, 36 of which were probation cases.

**Greene County** (Region 13, pop. 33,000) is a low income county where IV-E eligible children are not difficult to find. Unemployment has historically been high, and Wal-Mart has functioned as the largest employer and center of the community. Challenges the county faced during the years of the demonstration were a high level of substance abuse (an estimated 80 percent of child abuse or neglect cases involve drug use), unaffordable mental health services, and the remoteness from social service providers—due to their rural location, many of contracted service providers were located in Evansville, two hours away.

Despite being a small county and experiencing county budget decreases, Greene utilized the waiver to the fullest extent for many years. The office established a protocol to review all Informal Adjustment and in-home CHINS cases for possible waiver assignment. Many children that were likely to be reunified within 60 days were placed on waiver as well. A close relationship was built with the Probation Department and a local home-based treatment provider to increase the number of juvenile delinquent children that received in-home services as an alternative to placement. Delinquents comprised a little less than a third of the county's waiver assignments but it was significant in helping them pay for services to probation kids. At the beginning of 2008, their residential placements for juvenile delinquent children had been reduced from 20 to 9. To assign a child protection case to the waiver, the supervisor and family case manager staffed the case together and discussed needed services. One particular case manager was in charge of eligibility, and this individual would send an email to the assigned case manager and supervisor stating

whether the child was IV-E or non IV-E. All the family case managers knew the basics about the waiver, mainly from informal training from the supervisor.

A large non-profit that specialized in home-based services, which included parenting and homemaking assistance, therapy, and juvenile mentoring was the main agency serving waiver children. In addition, the waiver was especially helpful for families with neglect cases. These “home-condition” families required concrete goods and services to improve the environment. Rent, utilities, day care, pest extermination, cleaning, and furniture were all common purchases. The county also paid for some evaluations that they would not be able to obtain otherwise, and drug screens. Families were often asked to do a budget before the office would agree to help them financially, and an assessment of the family’s history with payments was done to project where the family would be with income and expenses in a few months.

For Greene, the waiver made a large positive impact on their budget and their services. A supervisor gave this example: “When we are able to say “yes” to a parent that asks for assistance with daycare until they receive their IV-C voucher, instead of no, which puts them right back to where they were, it opens you up to creatively working with the family. These people deserve that. And it’s helped us build relationships in the community, with businesses, daycares. They don’t question that they are going to get the money from us.” Use of the waiver was so frequent and important in Greene, that the county surpassed their annual waiver assignment and spending “goals.” At the height of demonstration extension, in 2008, Greene had a monthly average of 57 children and expended \$834,000 for waiver services; their original allotment for the year was \$414,000 and 46 ‘slots’ for waiver children. Before waiver reimbursement was available, the county had periods where they were unable to pay for home-based services because they had too many children and too small a budget. Greene found the waiver to be invaluable for securing needed services for families.

**Howard County** (Region 6, pop. 85,000). Historically, Howard used the waiver only infrequently. Low usage has principally been because the county has been able to rely on other community resources to meet most families’ needs. Utilization increased, however, during the demonstration extension when the economy of the county shifted, and community resources were not as readily available. The average number of waiver children increased from just a handful in 2007 to 11 per month for 2008.

Case managers asked for waivers when they saw a need in the family arise that could not be met through external means. Assignment of children to the waiver was initiated through the county’s “Early Intervention Team.” Even though the state lifted many of the requirements for community teams and judges to be involved with assignment, Howard still used this group of providers to



review all the requests to use the waiver. Each worker wrote a case plan and filled out all the paperwork, then retrieved a signature from the director, supervisor, chief probation officer, and judge. Monthly meetings of the Intervention Team were held and each waiver proposal considered. DCS viewed this as a good opportunity to learn about what other resources have been offered to the family, and who else might have been involved with the case. The waiver was seen as a way to prevent removal, or facilitate reunification.

Total waiver billing for Howard in 2008 was \$59,800. This was well below their allotment of \$414,000. When the waiver was used, it helped to purchase items like appliances, household goods, or furniture, and services like in-home parenting. In one particular case, a mother that had lost her job after 15 years was placed on the waiver to assist with outstanding bills, including electric and car insurance, as well as food and linens. Help secured through the waiver stabilized the family and allowed the mother an opportunity to find new employment. The waiver had also been used successfully with guardianship cases to help with legal fees and other costs.

**Jackson County** (Region 14, pop. 42,000) is a mid-sized county 90 minutes south of Indianapolis. For some time, this county had the highest waiver utilization rate in the region. To increase general knowledge about the waiver and encourage its use, a senior FCM talked about eligibility and the waiver at all staff meetings. Caseworkers staffed cases with their supervisor and decided whether a case was appropriate for waiver. Once the decision was made, the case was sent to the office's eligibility worker and then signed off by the director. Informal Adjustment cases were most often assigned, along with in-home CHINS. The county usually did not assign reunification cases that were still out of home. Cases that were appropriate for the waiver were those that had a financial need, especially since the county was finding it harder to meet these needs without additional funding.

A broad range of basic household issues have been addressed through use of the waiver. Utility assistance and trash pickup were common purchases. Auto and home repair, appliances, rental assistance, and necessary items for children were also used frequently to stabilize families. This DCS county office also used waiver to maintain children in unlicensed relative placements. This occurred while the children's parents were participating in services in hope of having their children returned, or were incarcerated for a short term stay. Waiver dollars provided more concrete services for the children that allowed them to remain in the relative home until their parents were ready to resume care of their children, or another permanency goal was achieved. The waiver was also occasionally used for counseling and therapy. Total waiver expenditures for 2008 was \$192,845. This was 119 percent of their target for the year.

**Marion County** (Region 10, pop. 880,000), which contains Indianapolis, is the largest metropolitan area in the state and has the largest number of child welfare cases. Marion therefore assigned the greatest number of waiver children to the study population of any individual county.

Waiver usage increased steadily in Marion County since the demonstration began. Focused training provided in 2006 was the primary cause for the boost in appropriate assignments seen during the extension. Since this time, the county has worked to develop consistent ways to use the waiver. The agency, for instance, conducted an in-house training to encourage workers to place all children on the waiver that were in-home and receiving services. In addition, any requests for services or funds that fell outside of existing contracts were reviewed for possible waiver inclusion. Delinquency cases were not often assigned during the extension period. The waiver was most often used after a formal case was opened. As the waiver became more integrated into existing practices, it also became easier to use. Although Marion County is resource rich, the waiver enabled the DCS office to meet immediate needs more quickly and consistently.

Marion County DCS has accommodated several changes in its staff and delivery system during the course of the waiver demonstration. As a Practice Reform pilot county, Marion made several practice changes in the last five years that focused on involving the family more deeply in decision making and matching services more accurately to family needs. This has been a good change but has been a major cultural shift for child welfare in the organization. Child protection practice is now less adversarial and the workers more flexible. The practice model change and team meetings have provided a way to explore family needs, and the waiver provided a means to immediately address those needs. According to the supervisor interviewed, the waiver has helped workers think more creatively about services.

While waiver assignments and spending did improve over time, Marion's usage was still low compared with their size. The 2008 target waiver spending amount allocated to Marion by central office was more than \$3.3 million. Billing to the waiver at the end of that year was close to \$1 million. Although an average of 239 children were assigned to the waiver at any given time, the county had the capacity to assign at least a hundred more children.

Commonly obtained waiver services included concrete items to meet basic needs, home-based services, and creative, non-traditional interventions. Rent, car repairs, furniture and recreation activities for kids were examples given. The waiver has also been used for pre-adoptive cases, as for relative placements to assist them in preparing to maintain the child in the home.

**Montgomery County** (Region 9, pop. 38,000) is located in central Indiana and has been using the waiver frequently for many years. One of the long-term supervisors in the Montgomery office served as the waiver point person for the region and was key in maintaining a high level of use

throughout the project. As a method of keeping workers thinking about the waiver, this individual would send out emails periodically that encouraged staff to consider the waiver for children on their caseload. Family case managers therefore had some knowledge of the waiver, and recognized that it could be used to address deprivation in families. CHINS and IA cases were targeted; the eligibility of probation children remained an unresolved problem and few of these children were ever assigned. Several waiver case successes were observed in the county. Children returned to their parents' homes in weeks rather than months, or avoided placement altogether. These successes were attributed to the provision of services that were unavailable before the waiver.

Montgomery County has excelled at using the waiver for resources that are not traditional in case-management. Though many cases assigned to the waiver received counseling and home-based services, a strong proportion of families also received utility assistance, concrete goods, and assistance like house cleaning and extermination services. Other creative uses of the waiver included rental of a storage unit and credit counseling. The director and supervisor here stated that a larger time period to use the waiver for reunification (perhaps 90 days rather than 60) would have lessened the pressure on workers and perhaps resulted in more use. Services purchased with help from the waiver are "the last piece of the puzzle to get the child back home," they said. In 2008, Montgomery spent \$95,000 in waiver funds for a monthly average of 22 waiver children.

**Porter County** (Region 2, pop. 148,000). A suburban tourist county near Lake Michigan, Porter has used the waiver only infrequently over the course of the extension. The office has had two major issues to contend with, according to the director interviewed in 2007: First, the population of the county has been comparatively more well-off than other counties in Indiana, leading to a smaller pool of IV-E eligible children (Porter ranks 83<sup>rd</sup> out of 92 for child poverty). Second, the county council had historically not supported the local child welfare budget, so cash flow for up-front service purchases was an issue until the state took over the DCS finances in early 2009. Past problems with utilization stemmed from the leadership and communication styles of the previous director and supervisor, and lack of training for all levels of staff. After training was received in 2007 and the requirement for judicial approval removed, Porter was able to increase usage. At that time, the office was able to organize a semi-formal internal process for waiver approval. FCMs proposed a case to a designated supervisor, and she would approve it and notify the bookkeeper. Most of the children who were assigned were not IV-E FC eligible, and the office primarily saw the waiver as a way to recover some money for the county.

Throughout the extension, Porter used the waiver on the rare occasions when it could, often for reimbursement for services they were required to provide by court order. Many payments were made to the Youth Services Bureau for probation youths. Families received mainly traditional therapeutic-related services, as the county's limited service budget restricted purchases to meet

basic needs. Of the \$675,000 of allocated waiver funds for the county in 2008, Porter used only 4.5 percent, or \$30,000.

**Vanderburgh County** (Region 16, pop. 172,000) is a mainly urban county located on the Southwestern border of Indiana. Approximately three-fourths of the population lives in Evansville, Indiana's third largest city. Servicing a fairly large population, the DCS office has 50 family case managers when fully staffed. Waiver usage in Vanderburgh increased throughout the demonstration period. At the time of the interview, the Regional Manager was extremely involved with the local offices and encouraged all of the counties to use waiver avidly. The supervisor in Vanderburgh was a regional "waiver champion" and provided coaching for other staff. As caseloads reduced with the addition of new workers and the understanding of family case managers increased, the waiver became more standardized and routine. It was a common discussion in staffing meetings, and most of the case managers were familiar with how and why to assign children. Assignments were made through an internal team-based process, and a waiver was seriously considered on cases that had children who remained in the home and for children in placement who were judged able to be reunited with remedial and support services. Though Vanderburgh always had used the waiver, they believed the regional trainings in 2006-2007 did help boost their utilization. Staff also saw the value in having a manual of waiver protocols to refer to for answers to policy questions. Family case managers handled their own eligibility entry, and the County felt that they were able to maintain a good number of eligible kids on the waiver.

In 2008, Vanderburgh County averaged 92 active waiver children per month. Many of these cases received services from the main counseling and home based provider in the area. Most families received a parent aide, substances abuse and/or a psychological evaluation. Though the bulk of waiver spending was for these services, the staff and supervisor in Vanderburgh believed that the waiver enhanced their creativity in case planning. Each family circumstance determined how the situation would be handled. Staff believed that things like rent and utilities were hugely important, and were often the main barrier for families. Local funds were restricted so that they could not pay for these types of things outside of the waiver. Waiver funds were tapped consistently for all types of services. Examples include home-based services, utilities, rental deposits, childcare, and activities for children. Services billed to the waiver totaled \$462,000, or approximately \$5,000 per child.

## F. County Perspectives and Attitudes, 2010

At the conclusion of the five year demonstration extension in June 2010, two surveys were conducted to collect systematic information about attitudes and perspectives of DCS county staffs towards the waiver. One survey was distributed via mail and email to county directors and one by email only to workers and supervisors. DCS directors had also been surveyed in 2007, at the mid-point of the extension, as well as at the end of the initial five-year demonstration period in 2003.<sup>13</sup> The final 2010 survey was completed by 75 DCS county directors, or about 90 percent of active administrators, and 139 workers and supervisors. The interim survey of directors was completed in 68 counties.

Case managers and supervisors who answered the staff survey had varying degrees of experience with the waiver. Some had been with DCS for decades, while others were just starting their careers. About 30 percent of respondents conducted investigations as part of their job duties, while 55 percent were responsible for ongoing case management, which often included foster care and adoption; and 40 percent performed some level of staff supervision. Seven in ten staff (72.9 percent) reported that they at least occasionally had children assigned to the waiver, and 35.3 percent said these waiver assignments were frequent for them. Ten percent had never had a waiver assignment and 3.8 percent did not know whether they had.

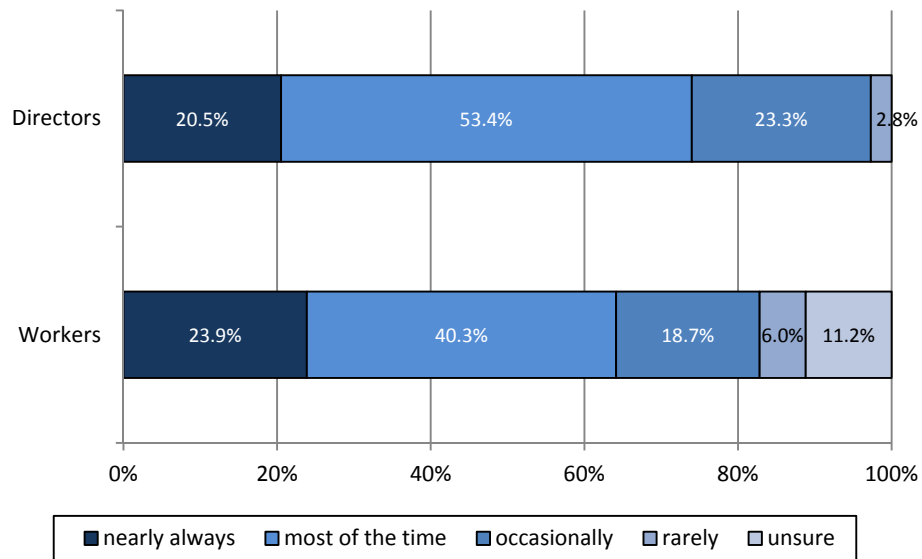
Half the staff (50.0 percent) who participated in the survey stated that they always knew which children on their caseload had been assigned to the waiver and 30.6 percent knew 'most of the time'. Other workers (13.5 percent) were only informed of waiver assignments 'some of the time' or 'rarely', while a few (6.0 percent) reported they never knew. Knowledge of which families are in a program or eligible for it would seem always to be a precondition for using the program in case planning.

Directors who participated in the 2010 survey had worked with the waiver for an average of 7.8 years. A few were fairly new to the waiver, but most had had experience with it for at least four years. Four in ten administrators (44.0 percent) reported that their county assigned children to the waiver 'whenever possible' and one in four (25.3 percent) said the county 'often' did so. At the other end of the spectrum, 3 in 10 county directors reported they assigned children to the waiver either only 'occasionally' (28.0 percent) or that they had 'never' assigned children to the waiver or were uncertain how often the waiver was used (2.6 percent) in their county.

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<sup>13</sup> A full presentation of the results of the 2003 survey can be found in the Final Evaluation Report of the Indiana Title IV-E Child Welfare Waiver Demonstration Project, September 2003. Results and discussion of the 2007 survey form part of the Indiana Child Welfare Demonstration Extension: Interim Report, December 2007.

**Benefits of the Waiver.** In their respective surveys in 2010, both county directors and their staffs were asked how often assigning a child to the waiver really made a difference for the case. The perceptions of directors and field staff were similar but not identical, as can be seen in **Figure 2.12**. Workers were given the option of indicating ‘unsure,’ whereas directors were not, and this affected the overall response percentages. About 1 in 10 workers answered ‘unsure’; these were predominantly those workers who had said they often did not know if a child on their caseload had been assigned to the waiver. Among directors 73.9 percent judged the waiver to have made a real difference either ‘nearly always’ (20.5 percent) or ‘most of the time’ (53.4 percent); among workers these percentages were 64.2 percent overall, with 23.9 percent saying ‘nearly always’ and 40.3 percent saying ‘most of the time.’ One in four respondents in both groups said the waiver made a real difference only ‘occasionally’ or ‘rarely.’

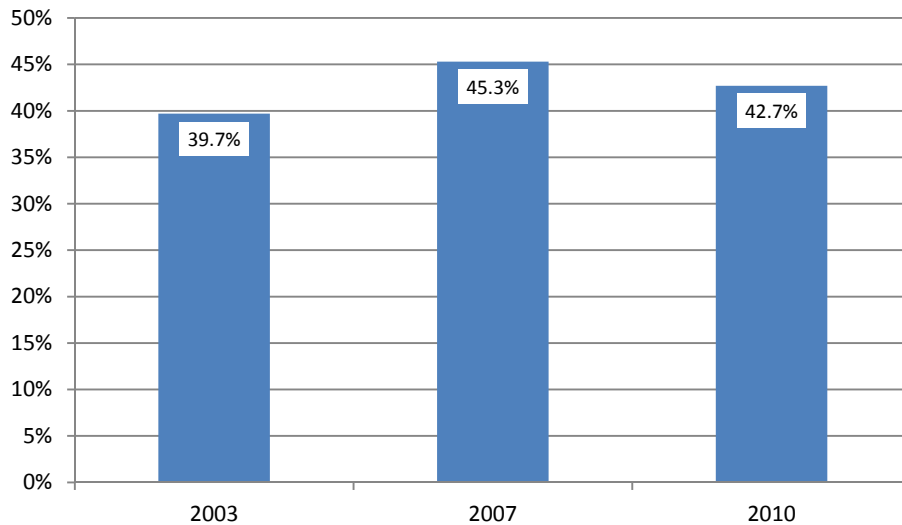


**Figure 2.12. How often did assigning a child to the waiver make a real difference for the case? (surveys of directors and workers, 2010)**

County directors were asked this question in 2010 in a second way: Has the waiver resulted in significant benefits to children or families? About half (45.3 percent) of the county directors reported in the 2010 survey that the waiver had had significant benefits for ‘many’ of those assigned to it. Slightly more directors (46.7 percent) indicated the benefits of the waiver had been significant for at least ‘some’ children and their families. The remaining (8.0 percent) directors answered that they did not think the waiver had any significant benefits. Interestingly, directors from the so-called ‘program’ counties were not more positive in their assessment of the waiver: 44.7 percent of administrations from program counties reported the waiver as having significant

benefits for many children and families compared with 45.7 percent of directors from other counties.

County directors were further asked whether the flexibility of the waiver helped their staff intervene more effectively in child protection cases. In the 2010 survey, 42.7 percent of county directors said this was the case for ‘many’ waiver CPS children and families, and 48.0 percent said the waiver had made intervention more effective for ‘some’ cases. The percent of directors who said the flexibility of the waiver improved the effectiveness of interventions for ‘many’ CPS children and families was a decline from 45.3 percent in the 2007 survey. **Figure 2.12** shows the percent of directors who responded that the waiver had improved the effectiveness of interventions in ‘many’ child protection cases in the 2010 survey, as well as in the previous survey in 2007 and the survey at the end of the original demonstration period in 2003. This graph shows an arc in the trajectory of the waiver program over time that can be seen in other evaluation results.



**Figure 2.12. Percent of county directors who reported the flexibility of the waiver helped staffs intervene more effectively in CPS cases in surveys conducted in 2010, 2007 and 2003**

While the percentage change between 2003 and 2010 was in the positive direction – 39.7 percent to 42.7 percent – the change among directors from program counties was not. In 2003, the percentage of directors from the 25 designated program counties who said ‘many’ CPS families were aided by the flexibility of the waivers was 61.9 percent; in 2010 this percentage had dropped to 37.9 percent among the 36 program counties, a smaller percentage than even among non-program counties in the last survey (which was 45.7 percent). This suggests a pessimism may have set in about the waiver in the second half of the extension in locations in which it had been well used previously. Despite this, however, both directors and workers continued to see the waiver as

having the potential to benefit children and their families, as will be seen in the two sections that follow.

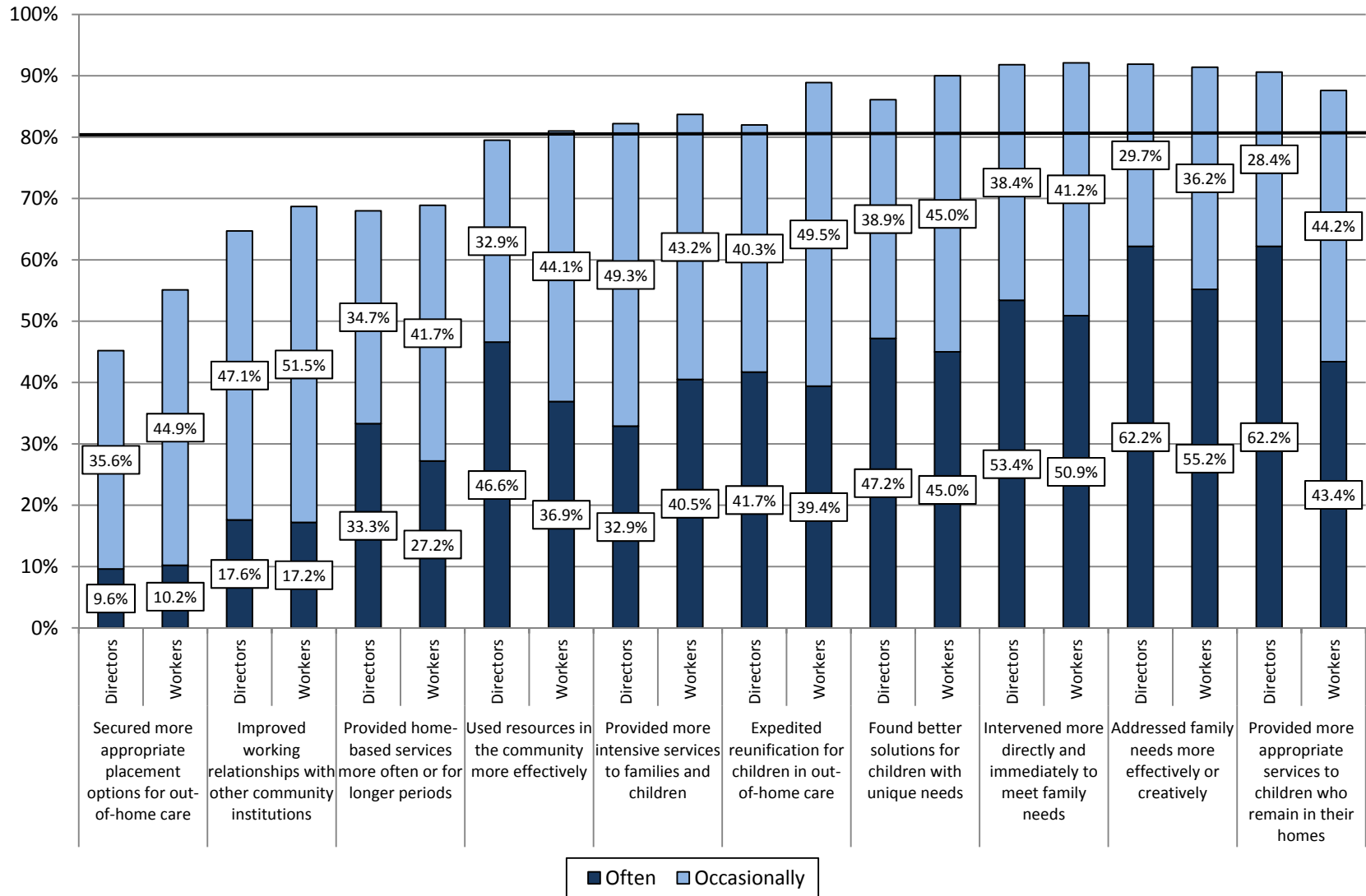
**Improvements in Case Management.** In the 2010 surveys, directors and workers were asked a series of questions about particular ways in which the waiver might have improved case management in child protection cases. These items asked the respondent to indicate how often the waiver enabled workers to accomplish particular things with families. Specifically, survey participants were asked, Has the waiver enabled Family Case Managers to:

- Secure more appropriate placement options for out-of-home care?
- Improve working relationships with other community institutions?
- Provide more intensive services to families and children?
- Provide home-based services more often or for longer periods?
- Expedite reunification for children in out-of-home care?
- Use resources in the community more effectively?
- Find better solutions for children with unique needs?
- Intervene more directly and immediately to meet family needs?
- Address family needs more effectively or creatively?
- Provide more appropriate services to children who remain in their homes?

**Figure 2.13** shows the percent of directors and workers that answered ‘often’ or ‘occasionally’ to each of the items. Around one quarter of worker respondents were not familiar enough with the waiver to answer these questions with confidence; for the sake of comparison, therefore, responses of ‘not sure’ in both groups were treated as missing values in the analysis. The results show that opinions of directors and workers who were familiar with the waiver were very similar. Most areas of practice were perceived as being impacted positively by the waiver.

Eighty percent or more of all workers and directors said that the waiver at least occasionally enabled workers to better serve families in seven of the ten areas. Four practice improvements (on the right hand side of the graph) were most likely to be viewed by respondents as happening ‘often’ because of the waiver: finding better solutions for children with unique needs, intervening more directly and immediately to meet family needs, addressing family needs more effectively or creatively, and providing more appropriate services to children who remain in their homes. Fewer, but still more than 60 percent of respondents, said that the waiver enabled workers to improve working relationships with community institutions and provide home-based services for longer periods. Survey participants were less likely to view the waiver as helping to secure more appropriate out-of-home placements.





**Figure 2.13. Improvements in CPS casework attributed to waiver (directors and workers surveys, 2010)**

**Improvements for Families and Children.** Also included on the director and worker surveys were a series of questions related to types of improvements for families and children that might have been made possible through use of the waiver. Areas of improvement that were considered included:

- Facilitation of guardianship or adoption
- Prevention of recurrence of CA/N reports
- Increased well-being of child
- More timely achievement of family goals
- Increased family functioning
- Improvement in economic stability of family
- Prevention of out-of-home placement
- Increased satisfaction with DCS services
- Improvement of home or living environment

These nine items were checked by respondents as occurring for ‘many’ families’, ‘a few’ families, or ‘no’ families as a result of the waiver. Results are shown in **Figure 2.14**. Answers of ‘not sure’ were dropped from the analysis to avoid including individuals that were not knowledgeable enough to form an opinion.<sup>14</sup>

For five items, 90 percent (see top dark horizontal line in figure) of both directors and workers agreed that at least a few families experienced improvement because of the waiver. In all but one area, ‘Facilitation of guardianship and adoption’, improvements were seen in families by 80 percent of directors and workers. Perhaps more informative, though, is the proportion of respondents that reported that ‘many’ families were helped. A second horizontal line has been added to the graph at 40 percent. In four improvement areas, more than 40 percent of both directors and workers indicated many families were impacted positively by the waiver. These areas were: ‘More timely achievement of family goals’, ‘Prevention of out-of-home placement’, ‘Increased satisfaction with DCS services’, and ‘Improvement of home or living environment’.

**Services.** The perceived effectiveness of the waiver and improvements in case management were associated with the ability of family case managers to provide services families needed. In the 2010 surveys, directors and workers were both asked, ‘Has the waiver allowed children and families to receive services or assistance they otherwise would not have received?’ Large majorities of both groups answered ‘yes.’ (See **Figure 2.15**). Among directors, 90.6 percent answered affirmatively to this question, including 37.3 percent who thought this was the case for ‘many’ families and 53.3

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<sup>14</sup> It should be noted that the item with the greatest number of directors and workers who were ‘not sure’ (6.7 percent and 37.0 percent, respectively) was also the area of improvement that would be hardest to predict or track without data: Prevention of recurrence of CA/N reports.

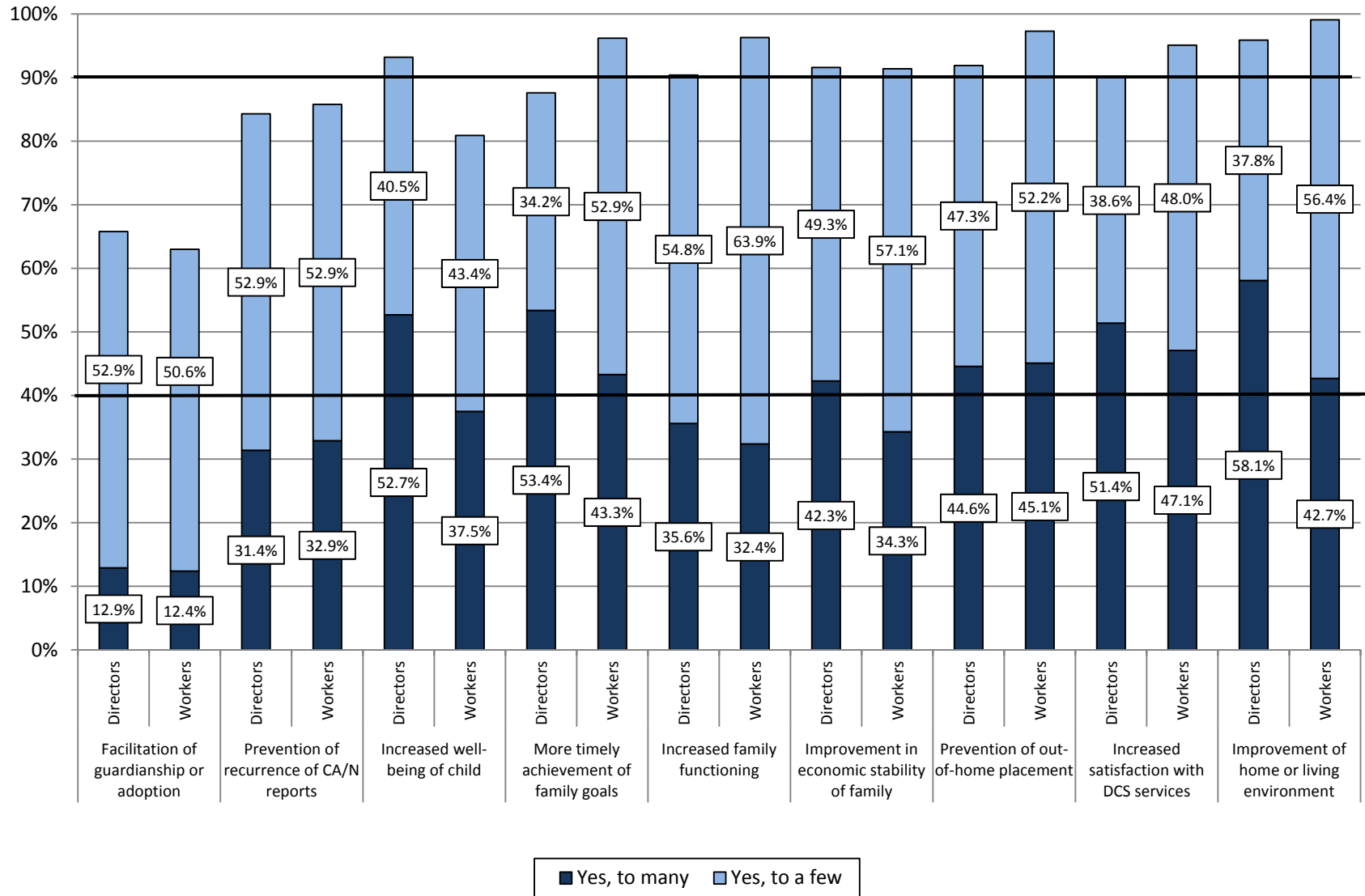
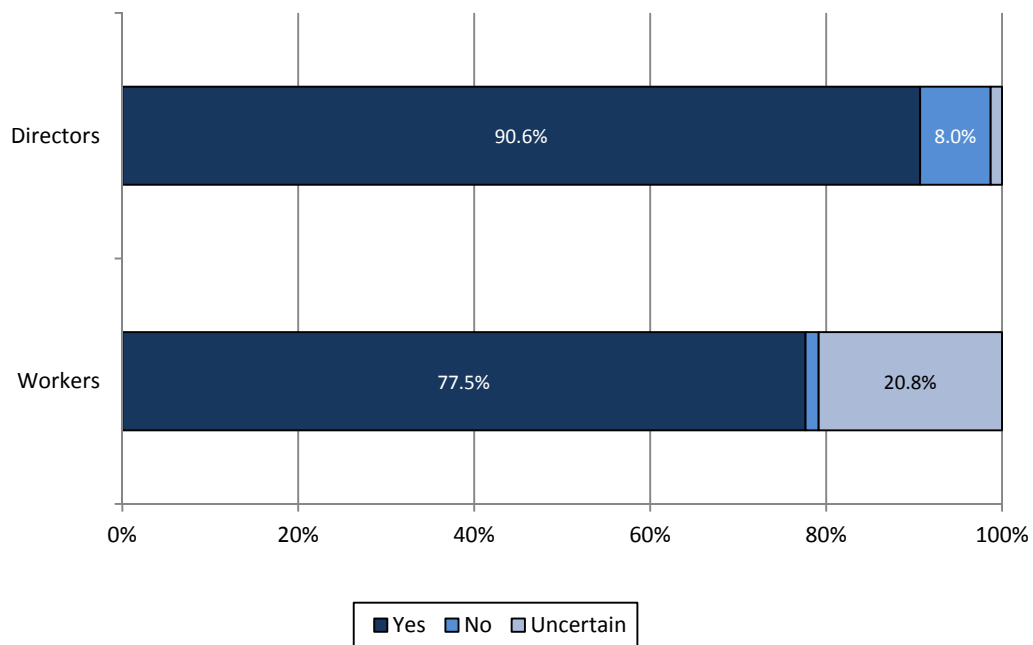


Figure 2.14. Benefits to children and families attributed to waiver (directors and workers, 2010)

percent who thought it was likely for ‘some’ waiver families. While 8 percent answered ‘no’ to this question, only one respondent was ‘uncertain.’ While this question was not asked on the director’s survey in 2007, it was included in the 2003 survey. At that time, while still a large majority (75 percent), fewer directors answered positively to this question.

Workers who participated in the 2010 survey were more likely to be uncertain (20.8 percent) about whether additional or different services were provided, and this might have been due to some workers’ lack of knowledge about the sources of service funding or from not knowing whether particular cases had been assigned to the waiver. Most of those who were familiar enough with waiver cases to have an opinion answered ‘yes’ (77.5 percent); only two workers said ‘no’.



**Figure 2.15. Has the waiver allowed children and families to receive services or assistance that they otherwise would not have received? (directors and workers, 2010)**

**Comments.** In the 2010 surveys, many workers, supervisors and directors wrote comments describing the types of services that waiver assigned children and families received that they otherwise would not have. Most often, the things listed were, as one director stated, “Durable goods, items not allowed under fiscal restraints.” These items frequently included rent, security deposits, utilities, food and clothing, home or car repairs, and household goods of various kinds. Some also mentioned increased hours for home-based services. Typically, the comments had a theme like this one:

“Our families tend to be very needy. If it were not for waiver funds we would not have been able to reunify a significant number of the families that we provide services to.”

Directors and workers sometimes wrote in a generic description of what was purchased with waiver funds, such as “essential household furnishings” or “basic necessities.” But many also included specific lists. Here is a sampling of some of the particular and unique types of assistance (in alphabetical order) that DCS employees and directors said the waiver allowed them to provided to families:

Activity fees	Dumpsters
Alleviated allergens in a home	Fence
Alternative school	Flooring replacement
Assistance with guardianship custody change	Fumigation, exterminator
Attorney costs	Insurance co-pay for counseling
Bedding	Lice treatment kits
Bread machine	Maintenance for vehicle
Child care while parent worked	Medical and dental not covered by Medicaid
Clothes for work interviews	Relocated trailer home
CNA certification	Respite care for MRDD child
Cookware	Replacement windows and doors
Dance lessons to build self-esteem	School supplies
Dentures	Stove
Door alarms for autistic child	Water holding tank
Door locks	

Several workers wrote about a specific family problem addressed with waiver funding that stood out in their minds. These were typically cases where a significant change was made in the family circumstances that allowed either a child to remain in the home, or for a child to be returned home more quickly. The following are four examples of such vignettes:

“A few years ago I had a client who needed individual counseling by a professional who specialized in working with victims of domestic violence. Our office did not have a contract with this professional, so it would have been an out of pocket expense for the client. The IV-E waiver permitted the client to be able to receive counseling from this professional and her children were able to remain in the home.”

“In one case we were able to assist the family with repair of their furnace, which prevented removal of five children.”

“We used waiver funds to help a child get dental work done that Medicaid denied. This helped lead to an adoption. We used waiver funds to help fund an out of state treatment program which was designed especially for the diagnosis our child had.”

“I was able to assist a single mother of four children with repairing her vehicle. Without her vehicle, she would have lost her employment due to an inability to get to work. Without her job, she would have not been able to pay the rent on her apartment and then the children would have been removed.”

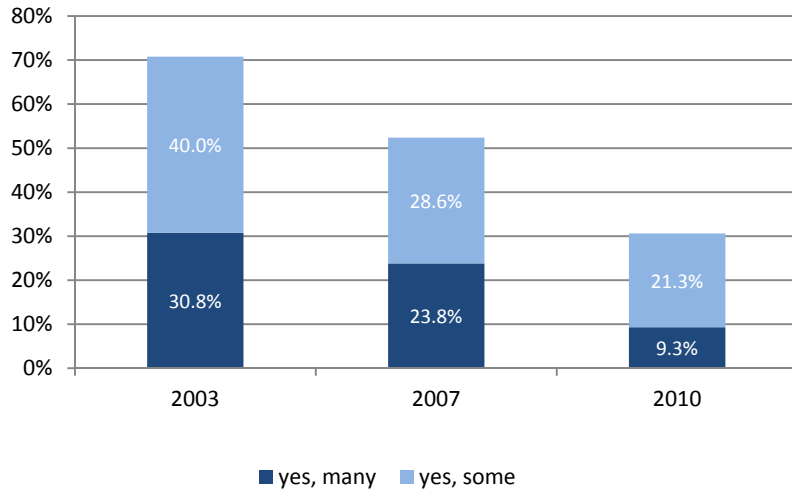
These comments attest to the flexible funding program enabling case managers to provide a wide range of assistance and services to meet the specific needs of families—needs that were both therapeutic and concrete in nature. Flexibility in what could be purchased with waiver funds freed workers to think more broadly about how and when to help. As one worker stated, “The waiver has been able to fill a gap in services that could not be filled elsewhere.” To determine where these gaps in services most often appear, workers rated the availability of different programs and services in their community. **Table 2.4** shows the assessment of workers and supervisors regarding how often families were able to receive sufficient help for

**Table 2.4. Aside from the Waiver, are Families on your Caseload with the Following Needs Able to Obtain Sufficient help from Community Programs & Providers? (workers, 2010)**

	Always	Often	Inconsistently	Seldom	Never
Food or clothing	11.6%	48.6%	29.0%	9.4%	1.4%
Medical care or physical health problems	8.8%	43.1%	34.3%	9.5%	4.4%
Child school issues or learning problems	5.8%	45.7%	33.3%	11.6%	3.6%
Psychological care or MH problems	5.1%	44.9%	34.6%	13.2%	2.2%
Domestic violence	4.4%	40.1%	35.8%	15.3%	4.4%
Developmental disabilities for child or adult	4.4%	39.0%	38.2%	15.4%	2.9%
Drug or alcohol abuse	4.4%	36.8%	39.7%	14.0%	5.1%
Child behavior problems	2.2%	37.7%	44.2%	13.0%	2.9%
Household items	6.6%	32.1%	41.6%	16.1%	3.6%
Parenting problems	4.3%	27.5%	37.7%	24.6%	5.8%
Rent or utility assistance	5.1%	25.0%	48.5%	19.9%	1.5%
Issues with family dynamics or discord	2.2%	24.8%	54.0%	16.1%	2.9%
Home management problems	5.8%	19.0%	43.8%	27.7%	3.6%
Child care	2.9%	20.3%	40.6%	28.3%	8.0%
Transportation	5.1%	16.9%	28.7%	42.6%	6.6%
Financial assist w. large one-time expenses	4.4%	10.2%	32.1%	39.4%	13.9%

specific problems from sources other than the waiver. Mirroring the comments and examples above, workers reported that families were least able to find help with financial assistance for one-time expenses, transportation, child care, home management problems, family discord, and rent or utilities. Many of the services across the board were only available ‘inconsistently.’ The flexible funding waiver, therefore, became an important resource for families when other sources of help were scarce or difficult to access.

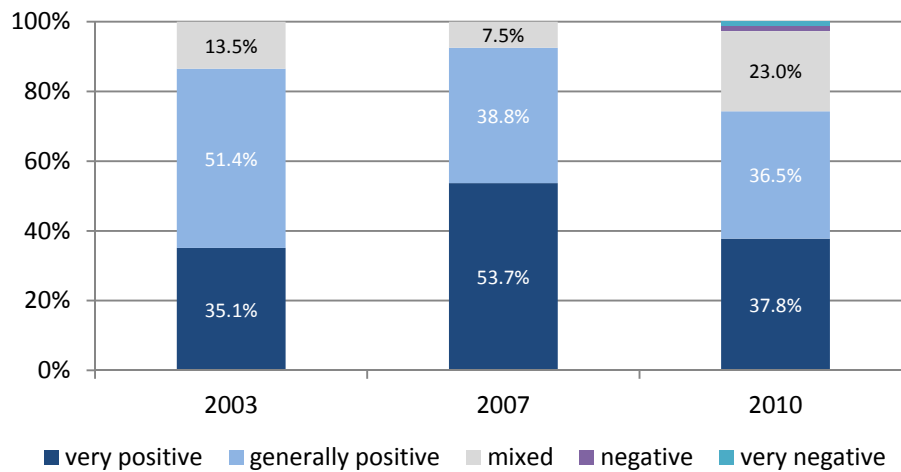
**Cases Involving Delinquent Wards.** In surveys conducted in 2003, 2007 and 2010, county directors were asked whether the waiver had improved the appropriateness of services provided to delinquent wards. As can be seen in **Figure 2.16**, the number of administrators stating that the waiver positively impacted services for delinquents has steadily decreased through the course of the project. Between 2003 and 2010, administrators became more focused on following the waiver protocol, which emphasized child abuse and neglect cases. By the end of the extension period, use of the waiver for juvenile delinquents had all but stopped, and directors were therefore less likely to see any impact of the waiver on these cases.



**Figure 2.16. Has the flexibility of the waiver improved the appropriateness of services in juvenile delinquency cases? (directors’ response: 2003, 2007, 2010)**

**Attitudes towards the Waiver.** In surveys in 2003, 2007 and 2010, county directors were asked to describe their attitudes toward the IV-E waiver. In 2003, at the end of the original demonstration period, 86.5 percent of directors reported their attitude to be positive--35.1 percent said it was ‘very positive’ and 51.4 percent said it was generally positive. The other directors (13.5 percent) described their attitudes as ‘mixed.’ Among directors in program counties attitudes were more positive than in other counties. Ninety-one percent of directors

in program counties described their attitude as positive, including 54.4 percent who said it was ‘very positive.’ At the mid-point in the extension, in 2007, attitudes among county directors overall had increased and matched those in program counties in the earlier survey. Results of the 2010 survey, however, showed that attitudes toward the waiver among county directors, while still more often positive, had declined. By the end of the extension, fewer county directors continued to hold positive attitudes, especially ‘very positive’ attitudes. While a majority (74.3 percent) of county directors expressed at least ‘generally positive’ attitudes towards the waiver, directors’ views of the waiver were at its lowest measured point. The rise and fall in the attitudes of county directors towards the waiver in the three surveys can be seen in **Figure 2.17**.



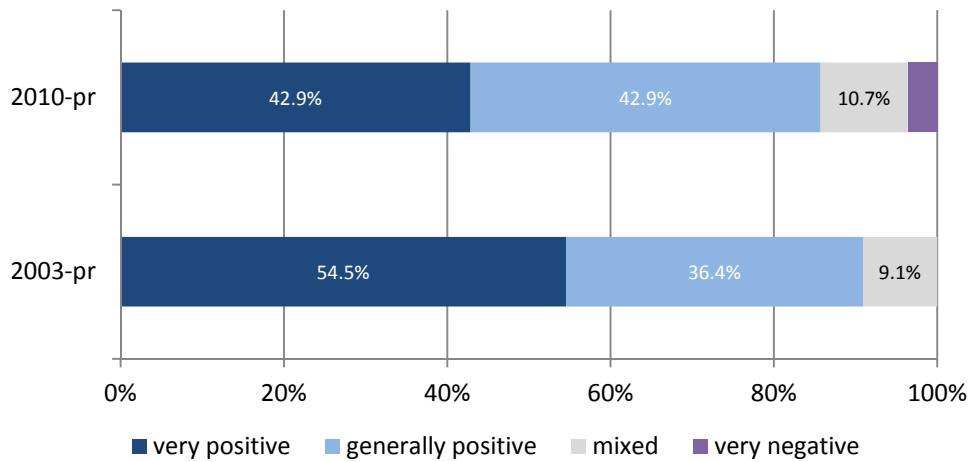
**Figure 2.17. Attitudes of county directors towards the waiver (2003, 2007, 2010)**

Judging from their comments in surveys and interviews, the peak in attitudes towards the waiver in 2007 could reflect their increased confidence in using the waiver that resulted from the technical assistance their offices received and from policies that provided more uniform guidelines while permitting case-by-case flexibility that enabled case managers to address specific needs and problems within families. In the 2010 survey, the difference in attitudes among county directors with historically more active waiver programs were not statistically different from the attitudes of directors in other counties. Overall, attitudes towards the waiver among directors in ‘program’ counties declined from the end of the original demonstration (2003) to the end of the extension (2010). See **Figure 2.18**.

In the surveys conducted in 2010, county directors and direct service staff included written comments describing what they liked best about the waiver. Most commonly, these comments highlighted the “flexibility of the waiver,” their “ability to pay for odd services that



do not fit the mold,” and their being permitted “to provide non-traditional alternatives to families.” Other comments indicated that what county directors and their staffs liked best about the waiver were precisely those elements that defined its purpose and intervention strategy in the original design of the program:



**Figure 2.18. Waiver attitudes of county directors in ‘program’ counties (2003 and 2010)**

“What I like most is that you can keep children and families together with a little bit of money. It is interesting that we will pay someone \$25 per day to take care of children but have difficulty getting money to help the biological family.” (family case manager)

“It is the most sensible, helpful federal program, allowing flexibility to adapt to needs, providing the least intrusive, fast concrete assistance.” (county director)

“It fits needs where rare needs exist. Often it is the one key that cannot otherwise be funded or accessed that is THE key to shortening out of home care or shoring up home preservation.” (county director)

“Given the current economic prognosis for the state, this program enables us to get services to the families that they couldn’t get elsewhere. This is particularly true with families who have lost jobs and are struggling with concrete services. It further takes some of the burden from the State in paying costs.” (county director)

“There are no ‘cookie cutter’ solutions. Each family is unique and there needs to be opportunity for creatively meeting needs of families.” (county director)

“I like being able to formulate plans that address specific needs of a family. The waiver really helps in cases where a family is under employed and poverty is affective maintain a child in their home safely.” (family case manager)

“The waiver has given the department the ability to assist the families financially, which in almost all cases is needed. There are often long wait lists for assistance or families do not meet the eligibility requirements for other agencies. The families are often grateful for the waiver. It makes families see the department in a more positive light.” (family case manager)

Two additional questions on the survey asked administrators about the perceived overall value of the waiver. When asked whether the waiver was something that their agency needed, 70.7 percent of directors in 2010 said ‘definitely yes’. This was followed by another 22.7 percent who said ‘probably yes’ and only 6.7 percent that stated ‘no’ or ‘uncertain’. Likewise, when asked if they would like to see the waiver continued the majority (81.3 percent) said ‘yes’ while 18.7 percent said ‘yes, with reservations’. Some of directors included written comments explaining their answer. Most were positive, and had similar themes as those above, while others provided qualifications for answering yes to the question of retaining the waiver. These qualifications pointed to the desire for simplified rules for waiver use and continuation of the open-ended spectrum of services that could be purchased. One director said she would like to see the waiver continued “if we had really good training and leeway to provide needed services.” Others reported that the centralization and state control of the DCS budget and accounting, which occurred formally at the beginning of 2009, changed waiver procedures in ways that made the program more difficult for them to use. Representative comments of county directors included these:

“Not sure anymore how it works—seems a lot more restrictive in what we can get—much more cumbersome—we’ve literally stopped using it. At one time we looked at each case to see if we could use waiver.”

“Current accounting/payment procedures make utilizing non-contracted services or goods difficult.”

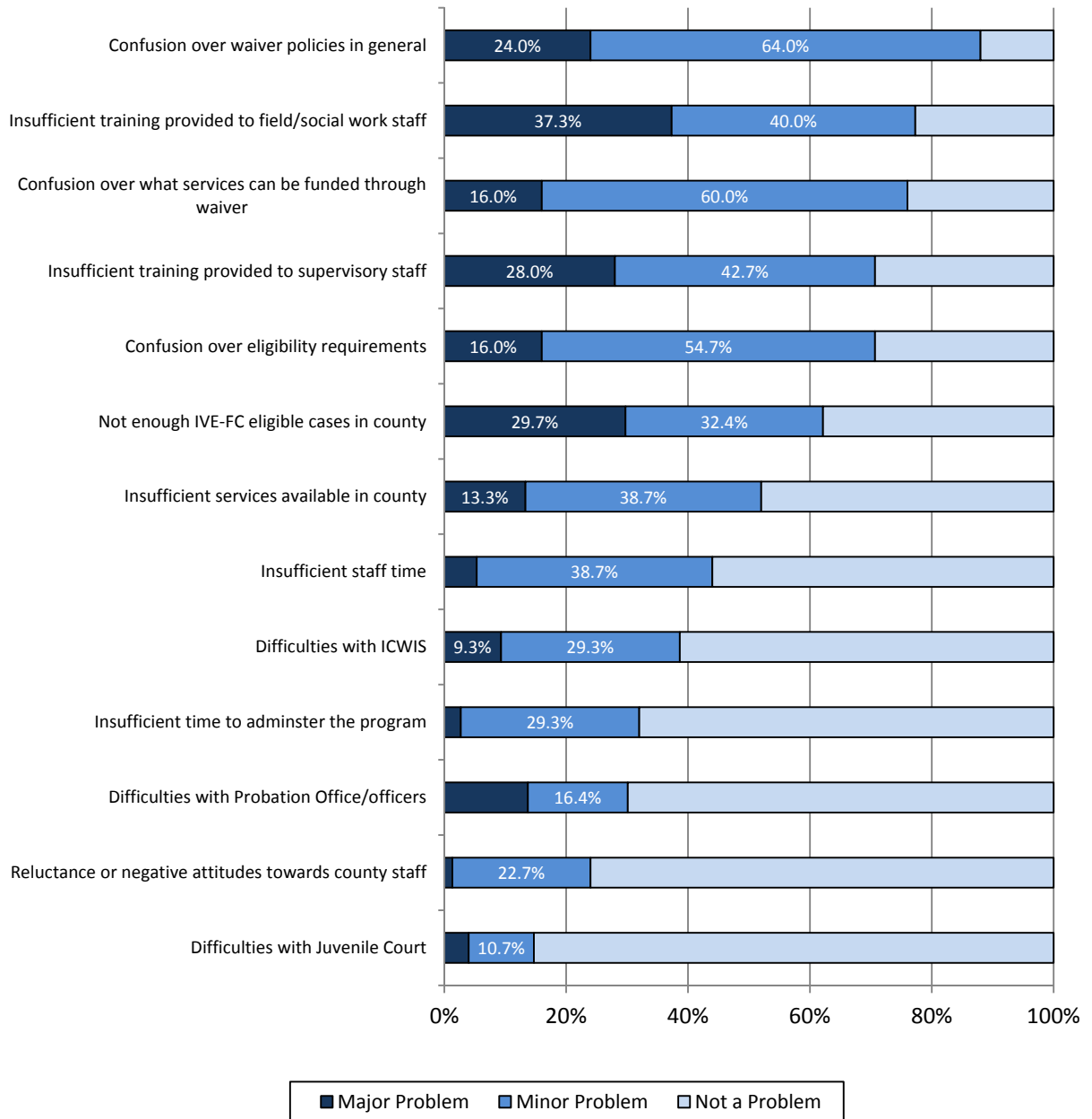
“We can only pay for a limited number of services, as we currently understand the program.”

A number of comments reflected a persistent uncertainty over waiver protocols in the state. Directors, supervisors and case managers preferred continuity and consistency in the program and desired a central contact person who could answer questions from the field.

**New Guidelines for Payments for a Family’s Basic Needs.** In late June 2009, a memo was distributed to county offices from central administration which outlined new guidelines for meeting a family’s basic needs. Family case managers were encouraged to “work with other public and private agencies to obtain needed support and services prior to requesting funding from DCS.” Under the new guidelines, DCS would continue to assist with rent and utilities, pest control services, and children’s beds and bedding, but these were to be one-time expenses with a maximum dollar amount. Transportation could be covered only if it was for the purposes of child visitation. All other discretionary financial assistance and purchases of durable goods were to be disallowed except when a special appeal was made. Items explicitly disallowed in cases of children remaining in the home were children’s clothing and education expenses, child care, home appliance repair or purchases, furniture other than children’s beds, and food and groceries. The new guidelines applied to all DCS cases and disallowed many of the services workers and directors cited as positive examples of the waiver’s flexibility. Exceptions could be made for waiver cases through an administrative appeal process.

**Factors that Hindered Waiver Utilization.** In the 2010 survey, directors were asked about factors that might have hindered the use of the waiver in their county. On the instrument, directors indicated whether a particular item listed was ‘not a problem,’ a ‘minor problem,’ or a ‘major problem.’ Responses of directors can be seen in **Figure 2.19**. ‘Confusion over waiver policies’ was cited most frequently (88 percent) as a problem for DCS county agencies; 24 percent of directors said it was a major problem. ‘Insufficient training provided to field staff’ was reported as a problem by 77.3 percent of directors; 37.3 percent said it was a major problem. Other factors reported to be a problem by a majority of directors were ‘confusion over what services can be funded’ (76.0 percent), ‘insufficient training provided to supervisory staff’ (70.7 percent), and ‘confusion over eligibility requirements’ (70.7 percent).

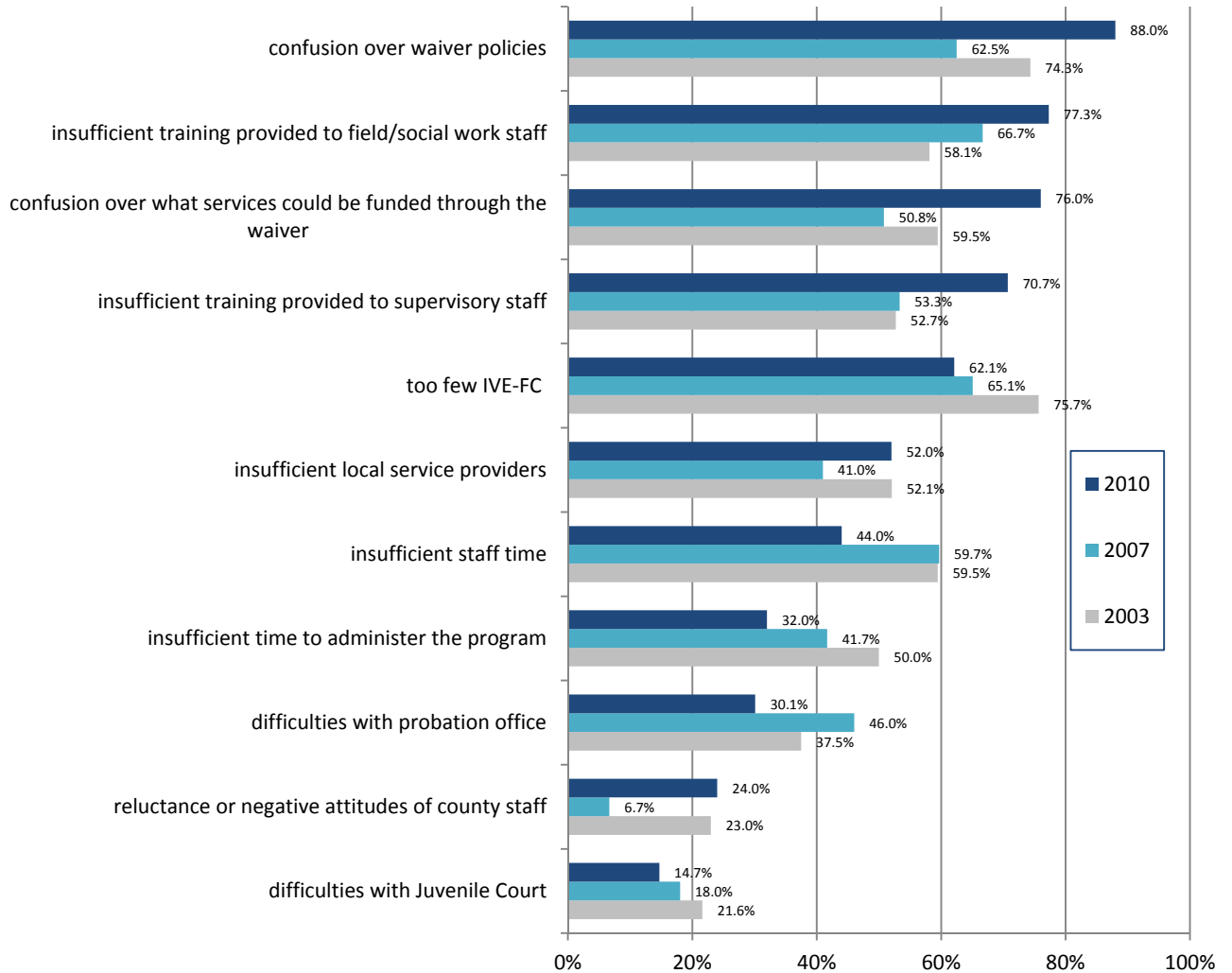
**Figure 2.20** shows how directors responded to this question on items included in the surveys in 2003, 2007 and 2010. While a number of the items were identified as problems by a majority, or substantial minority, of directors on each of the surveys, differences across the



**Figure 2.19. Percent of county directors reporting factors that were major or minor problems in their utilization of the waiver (2010)**

years are sometimes striking. There was a substantial increase in 2010 in the percentage of directors who cited confusion over waiver policies, confusion over the kinds of services that could be funded through the waiver, insufficient training of supervisory and field staff, and an increase in negative staff attitudes about the waiver. Less frequently cited in 2010 as something that hindered waiver use was administrative and staff time (perhaps related to increased familiarity with the program or because of increased centralization of certain

operations) and difficulties associated with courts and probation staff (due undoubtedly to the reduction in juvenile delinquency cases assigned to the waiver).



**Figure 2.20. Percent of county directors reporting factors that hindered their utilization of the waiver (2003, 2007 and 2010)**

**Training and Technical Assistance.** As seen in the previous two charts, the amount of training provided to local CPS supervisors and family case managers was noted by a majority of county directors as insufficient, and the percentage of directors who noted this increased during the second half of the extension. In the 2010 survey, county directors were asked whether their staffs had a sufficient understanding of waiver guidelines and procedures to use the program confidently.

More than half (58.1 percent) said ‘probably yes’, but only one in ten (10.8 percent) said ‘definitely yes’. Nearly a third of county administrators (31.1 percent) indicated that they were less than confident about their staff’s understanding of the program.

In the 2010 county workers were asked how well they understood the goals and philosophy of the waiver demonstration. One in five (20.1 percent) responded that he or she understood the program ‘thoroughly’, 56.8 percent said ‘adequately,’ while 14.4 percent said ‘not adequately,’ and 8.6 percent said ‘not at all.’ Forty percent of CPS supervisors and case managers who responded to the survey said they had not received enough training related to the IV-E waiver. Over half of county staffs surveyed in 2010 said that among the things that hindered the use of the waiver in their counties were insufficient worker training (65.4 percent), insufficient understanding of the program (56.7 percent) and a lack of system coordination (57.3 percent).

Commenting on the issues of training and technical assistance, county directors often simply stressed the need for training without specifying what it should involve. “We desperately need this,” one stated. “Do some,” said another. Two more explained: “We need an overview of significant issues and procedures,” and “[We need] leadership to support and address questions.” Other comments specifically suggested that something akin to the ‘waiver champions’ approach, which was part of the effort to increase utilization in 2006-07, be implemented again: “Each local office should have a designee assigned to attend training on protocol, usage, availability, etc.” We “need a regional waiver guru to train and motivate folks to use community based support through community teams.”

In their comments, a few directors complained that most information about waiver policy changes was sent via memo and email, and that there was no opportunity to ask questions: “A memo was sent out to not use waiver, then a memo to use waiver, then another memo to use waiver only for IV-E. Very confusing.” In general, directors seemed to desire more ongoing support and direct training regarding the waiver in order to renew their confidence in using it.

**Suggestions for Waiver Program in Future.** In the most recent survey, directors also wrote in their opinions on the survey about how the program should be operated if it were to be extended again. By and large, administrators would like to see the program continue to target families that are low-income, with “children in danger of removal.” They would also like to see the waiver address “families who are not eligible for other services and who could not otherwise receive needed services,” such as those that “don’t qualify for Medicaid,” or are simply “single mothers, grandparents raising children, families with children with special

needs, and young parents,” or families confronted by “borderline removal environmental issues.” One director wanted to focus on those families “that are most receptive to services,” seeing this as an important factor in the success of any financial or behavioral intervention.

The flexibility of the waiver was a critical point for directors, and comments suggested that the waiver needed to “allow creative and individualized solutions to family needs, to show government can be quickly and directly responsive, not punitive.” Others said, “Keep it flexible so that workers can be creative in providing needed services,” and “Do not limit to contracted services.” And two others commented that services reimbursable through the waiver should continue to include “concrete services” and be “open and based on the needs of the family.”

The shift to centralized finances and pre-authorized vendors raised concerns for some directors, some of whom saw the new procedures as curtailing the original flexibility counties and workers had through the waiver. As one director wrote, “The current fiscal processes/policies and limitations with regard to payment of rent, utilities, home repairs etc. are a hindrance to the effectiveness and expediency of helping families.” Maintaining local decision making about which children are assigned to the waiver and the types of services provided was a key issue for a number of directors considering the potential future of the program.

## **G. Case Studies**

Detailed case studies were conducted on a set of families as a separate project in the evaluation. It was thought these case studies would provide a greater understanding of the uses and effects of the waiver and shed light on what was being found in macro-level analyses involving the full population of cases or large samples of cases. Additionally, however, the detailed discussion of what workers were confronted with and how they used the waiver in a concrete set of cases provide as well a focused context for their general comments and survey responses.

All the families examined through the case study project had serious, complicated and, often, multiple problems and needs that created a significant amount of stress and produced severe repercussions in the lives of family members. Cases were selected for the case study project in 2008 and primarily involved cases that were active in 2006 and 2007 and had closed by early 2008. The full report on the case studies has been submitted in a separate document: “Case Studies: Use of Flexible Funding in Indiana’s Child Welfare Demonstration.”

Four case examples are excerpted here from the full case studies report. These cases illustrate the types of family situations that workers encountered and the types of services made possible with the waiver. They capture how the waiver facilitated interventions that were more likely to address immediate and underlying needs and demonstrate how difficult, complex cases have achieved long-term stability through the flexibility of the waiver. It is hoped that these qualitative studies show the potential of the waiver in a meaningful, memorable and useful way, augmenting and helping to explain quantitative statistical findings.

Each of the four cases presented here begins with a summary sentence giving the case type, the allegations, main concerns, length of case and waiver assignment day. Underlined within the body is the condition or event that triggered waiver assignment, along with the waiver dollar amount (if known) and the services purchased.

**Case 13**

*INFORMAL ADJUSTMENT, lack of supervision, poor home conditions, parenting issues. Case opened for 181 days. Waiver assignment on day 1.*

**Report and Assessment.** A report came in regarding lack of supervision: A married couple had been drinking, had an argument and passed out, leaving three children unattended. While unsupervised, the children, ages 9, 11, and 13, drank the parents' alcohol. During the assessment, it emerged that the family had very poor home conditions and some issues with substance abuse (marijuana and alcohol). The family lived in a trailer next to the mother's parents. The trailer was in disrepair and unsafe and the family's water supply came from an unfiltered, green pond in the back yard. A subsequent investigation found the allegations in the report to be substantiated and an Informal Adjustment case was opened.

Household members included the mother, her husband and the mother's three children from a prior relationship; the biological father was in prison. Though there was frequent verbal fighting between the couple, mostly regarding the children's discipline, the relationship seemed to be fairly stable. The children, however, did not get along with their stepfather and were resentful that their real father was not in their life. In addition, the oldest boy had mental health and anger issues and needed supportive services through special education and, on previous occasions, residential placement. Due to the lack of structure, rules, consistency, and parental follow-through for the children, the couple needed assistance with parenting and discipline. Income for the family had declined significantly since an accident



had left the stepfather with chronic physical pain. The mother was working and the family received Food Stamps and the children had state medical insurance prior to DCS involvement.

Isolated in a rural area, the family had little community support other than the mother's own parents who lived on the same property. This extended family was dysfunctional, had problems with sobriety, and would often fight and retaliate against one another by calling the police and DCS. The nuclear and extended family both had extensive prior histories with DCS. Most reports were for neglect and the children had been previously removed from parental custody in other counties.

**Case Plan and Service Provided.** Unsafe housing and poor parental discipline were the most pressing concerns in this case. Substance abuse was evaluated for the mother and father but was determined not to be a major problem for either parent. Throughout the case, all family members were provided with individual and family therapy and the parents participated in parenting classes and homemaker services, which included transportation and budgeting assistance. A mentor was found for the boys, and the mentor helped them with their homework and behavioral incidents at school, and assisted with transportation. With the help of a parent aide and DCS, the family relocated to a new home within the area. Although the family expressed their frustration with the amount of services prescribed, they were very cooperative and engaged with service providers. The case was open for six months and was managed intensively by one FCM.

**Outcomes of Case and Impact of the Waiver.** The waiver was opened at the very beginning of the case in anticipation of the family needing financial assistance to find a new home. Waiver purchases included a deposit and rent for the home and a bed for one child. As a result of the immediate accessibility of the waiver, the family was able to relocate to safer housing. Through other services, the parents were able to provide more structure in the lives of their children and learned to communicate more effectively with one another. According to the FCM, "If they had continued to live in that house and use that water the children could have become very ill and the house could have burned down. ...I think a new home helped the family to communicate better." When the case was closed the behavior of all the children had improved.

When last contacted by the evaluator, the family was still intact and living in the same house. The mother said that the family was doing better and that she felt better equipped to care for her children than she did six months ago. Improvements in the children's behavior at school had been made: they got along better with teachers and with other children, responded better to instructions and misbehaved less frequently. The family still experienced stress

related to financial matters, but had a few sources of emotional and financial support and received Food Stamps and utility assistance. In general, the mother felt a lot more confident about her ability to deal with daily issues. The case had been closed for four months at the time of review and there have been no new reports.

#### **Case 6**

*CHINS placement. Lack of supervision, single father-headed household, low income. Case opened for 426 days. Assigned to the waiver on day 165.*

**Report and Assessment.** Two children, ages 2 and 3, were found wandering the streets with inadequate clothing and no shoes. Allegedly, the father had gone to work and left the children with a friend who had left the children unsupervised. A single father, the caregiver was struggling with the care of his children, ages 8, 3, 2 and 1, while trying to manage a full-time job. The children's mother had left the father and their four children and moved in with her boyfriend. Other problems in the family included poor hygiene, unsanitary living conditions and inadequate food in the home. An investigation determined that the housing conditions were below minimal sufficiency. The children were removed the same day and a CHINS placement case was opened.

Prior to removal of the children, the household composition included the father, his four children, his brother and his girlfriend. All the children were from the same relationship, but the mother was not involved with the family during the case. The family's support system was limited. After the children were returned to him, the father and his children lived in their own residence. Prior DCS history included a substantiated abuse incident in 1999.

**Case Plan and Service Provided.** Of primary concern for the family was a reliable income needed to provide consistent childcare and safe housing conditions. Truancy was also a growing problem for the oldest child. The father felt trapped as a parent; he was a single caretaker who tried to juggle childcare and a job. Homemaker services were provided to help clean the house and respite care was provided; the father was also referred to a parenting class. One child was evaluated to determine the need for special education. The family was also referred for family counseling but did not use the referral. Once the home conditions had improved and daycare in place, DCS determined to reunify the children with their father as soon as possible, as daycare was preferred over foster care.

The father was on a waiting list for public-assisted childcare, so the waiver was used to help with childcare expenses until he received this assistance. In addition, the family needed help

with housing, furniture and home appliances. A washer and dryer were purchased to alleviate the burden of traveling 12 blocks to the Laundromat with all four children and clothes in tow. The total amount of the waiver was \$3,666, which was spent on daycare expenses for four children, mattresses and bed frames for the children, a washer and dryer, a past-due utility bill, deposit and rent for public housing and homemaker services. Community donations helped to pay for two months of childcare and a bed for the youngest child. Two FCM's were involved during the 14-month case.

**Outcomes of Case and Impact of the Waiver.** The waiver was used six months into the case because the FCM saw a need to pay childcare expenses until the family received state childcare assistance. The waiver helped reduce placement time and kept the children at home and alleviated childcare concerns for the single father by providing assistance with childcare, maintaining appropriate housing, and obtaining needed items for the home. According to the FCM, waiver-funded interventions could not have been obtained another way, and "the waiver was the only thing that could have helped." As a result the father was able to get the support he needed to keep the children in appropriate daycare while he was at work. The children were at home for a year before the case closed. At time of review, the case had been closed for 16 months, and there have been no new reports to DCS.

### **Case 33**

*CHINS placement case. Lack of supervision, methamphetamine addiction, multiple needs. Case opened for 707 days. Assigned to the waiver after 496 days.*

**Report and Assessment.** A report was received for children lacking supervision. Three children aged 5, 3, and 2 were found on the street wandering by themselves. An assessment revealed the mother had a methamphetamine addiction and the family was considered high-risk due to lack of parenting skills, mother's low self-esteem, unemployment and overwhelming financial difficulties. The children had no supervision or discipline and were essentially parenting themselves. The case was first opened as an Informal Adjustment, but the mother failed to cooperate with DCS and the case was elevated to a CHINS placement. The family consisted of the mother and her three children, all from the same father. The father was serving time in prison on two felony charges. The couple was in the process of getting a divorce. The family had no prior history with the DCS.

After the mother's failure to comply with the first case plan, the three children were placed with their maternal grandmother. While placed with the maternal grandmother, one of the children was injured by a dog bite and the maternal grandmother tested positive for methamphetamine as well. A new placement for the children was found in a non-relative

foster care for about a year. In the meantime, the paternal grandmother of the children was becoming certified to be a foster care provider and hoped to get guardianship of the children. After a short placement with the paternal grandmother, the mother decided she wanted to be reunified with the children. DCS supported reunification by assisting with housing resources.

The mother was in her early twenties and was a single caregiver for three young children. No help was received from the children's father and only periodic help with childcare was received from the two grandmothers. As the mother's parents were themselves drug users, they were not good sources of support. A foster parent took childcare duties for the mother while she was at work. The children were all in a good physical health except for separation anxiety in the youngest child and hostility and anger management issues in the oldest child.

**Case plan and services provided.** At the opening of the case, the objectives included maintaining and sustaining the parent-child bond through parental visitation, increasing the mother's mental stability by providing individual counseling, improving parenting skills through parenting classes, getting the mother drug-free through attendance at intensive outpatient substance abuse treatment (IOP) and convincing the father to make regular child support payments, attend counseling and find employment. When the mother decided she wanted to be reunified with her children, then reunification became the primary goal. The main prerequisites for reunification were a drug-free environment, stable and secure housing and financial independence.

The services provided included individual and family counseling for the mother and her children, IOP, YMCA camp, childcare, Head Start, drug relapse prevention, intensive case management, parenting classes, clothes for the children and financial assistance to cover utility bills, prescription medication, housing and furniture. The family was also referred to several community programs that provided Christmas gifts, groceries and drug abuse support (AA/NA). The waiver paid for YMCA camp, childcare and respite care with the foster parent and a friend, daycare at Head Start, a dentist's visit, utility bills, furniture, security deposit, prescription medication, and a parenting class that was needed for the parents to get a divorce. The total amount of the waiver spent over two years was \$6,572.39.

At the beginning, the family case manager saw the family two to four times a week during the supervised visits and, later, twice a week. According to the case manager, the mother was cooperative but saw that things were hopeless for her, especially while her mother was undergoing inpatient drug treatment. Her cooperation increased dramatically as the case progressed.

**Outcomes and impact of waiver.** The case was assigned to the waiver while the mother actively worked towards reunification. Waiver funding helped the mother to secure an apartment by providing her with the security and utility deposit. Additionally, the mother would not have been able to maintain employment if the waiver had not paid for childcare.

The FCM said, “I don’t believe she would have been able to maintain her household or her job without our help...the odds against the mother would have been so overwhelming that she would probably have let the grandmother have the children.” By eliminating the waiting-time needed for the mother to save enough money to establish a home, the waiver shortened the time the five-year-old and his siblings spent in placement. In addition, the waiver helped to provide services of increasing intensity and duration.

By the end of the case, family dynamics had changed dramatically. The children had some structure in their lives and the mother learned more about discipline and how to manage the children. The mother was avoiding substance abuse, was employed and had higher self-esteem. As a result of the DCS involvement, the father started paying occasional child support and began visitations with his children. At case closure, the family was still receiving counseling and the children were going to the YMCA program, summer camp and childcare at Head Start. The case has been closed for two years and at time of this review, there have been no new reports.

#### **Case study 34**

*INFORMAL ADJUSTMENT case. Medical neglect, behavior disturbance, dental needs. Case opened for 281 days. Assigned to the waiver on day 9.*

**Report and assessment.** A rural DCS county office received a report from a school that a ten-year-old child was medically neglected, specifying that his dental needs were not being addressed. The child was a high special needs child, believed to be autistic by school personnel, though not yet evaluated by medical professionals. The mother failed to obtain appropriate medical care and attention due to transportation problems and a lack of insurance. An Informal Adjustment case was opened.

Regular medical care was a challenge due to the child’s special needs and distance from medical professionals; the nearest dentist was about 70 miles away. Combative behavior problems were a recurrent problem and school personnel hoped that DCS involvement would help the mother address the child’s special needs and obtain appropriate medical evaluation. However, the mother, who seemed tense and somewhat afraid, refused to believe that there was anything wrong with her child, and felt that the school was targeting the child.

During the assessment, it emerged that the family was social isolated, highly stressed financially and facing a utility shutoff. The mother had a fear of strangers and did not trust anyone outside the family. The child and the single mother lived with the maternal grandmother who had just undergone major heart surgery. It appeared that the mother required a lot of assistance from the grandmother, had trouble in decision making and might have been autistic herself. But since the surgery, the grandmother had not been able to help the mother as extensively as she had in the past. The child was in pain and malnourished. He was not eating appropriately due to his poor dental health. The child did not have a relationship with his father. The family had no prior history with the DCS.

**Case plan and services provided.** The case plan included home-based, preventative aftercare services through a community provider twice a week, finding a job for the mother, individual counseling for the child and the mother, disability testing and group therapy for the child, as well as dental appointments and enrolling the child in Medicaid. A home-based service provider worked with the mother on parenting, financial planning and budgeting and gave her information on special needs children and support groups. The child was also referred to an after-school group to help him with social skills. However, due to his high social needs, he could not handle the noise and chaos in the setting.

Dental care was provided to the child along with a special needs assessment. The child was officially diagnosed with autism and started to receive SSI, which improved the family's financial situation. In addition, the mother was able to find a part-time job. Services received through the waiver included \$1,707 for car repairs (a major hurdle to getting the child needed medical appointments), \$348 for gas vouchers (for the mother to see her son in the hospital), \$734 for utility bills, a one-time grocery voucher (until Food Stamps started) for \$197, \$85 for repair of eye glasses for the child, \$505 for a refrigerator and home-based services for \$5,407. The total amount of the waiver was \$8,985.

One FCM was involved with the case for the nine months it was open. The FCM saw the family two to three times a month and the service provider visited three to four times a week. At first, the mother was very resistant, angry and frightened by the idea of seeking an evaluation and treatment for her son. The worker was able slowly to gain the mother's trust and bridged the gap in the communication between the mother and the school.

**Outcomes of Case and Impact of the Waiver.** The serious special needs of the child and his immediate service need caused DCS to place the child on the waiver as soon as the case opened. It was not certain that the child would get Medicaid, so the waiver was necessary to

ensure needed services could be funded. Due to the stress in the family, the caseworker was convinced that if not for the waiver, the child would have been removed and institutionalized. But, she said, “I don’t think removal would have been the answer. The only way to resolve the problems was to get the barriers addressed. One utility payment saved a lot in institutional care. The waiver was the main factor in helping the family.” The FCM thought that the car repair, the temporary food voucher and the repair of the child’s glasses would not have been provided without the waiver. The waiver helped the family get through this temporary crisis, which had been complicated by the grandmother’s heart condition and had aggravated the child’s combative behavior at school.

In the event, all medical appointments were kept, the child’s teeth were fixed, his behavior was monitored more effectively and his behavioral episodes were not as violent because of the medication prescribed. The mother received instruction in appropriate interaction techniques and nutrition. Her relationship with the school improved and she was able to assist teachers and counselors interact with her son. The mother’s fear of outsiders lessened and she felt more confident expressing herself. At case closure, the child was still receiving individual therapy and was on Medicaid. The case has been closed for 18 months and the family has apparently remained stable.

**Summary.** All four cases above are representative of the main trends in waiver assignment and service purchase that emerged from the full case studies analysis. In particular, each case shows the presence of a clear financial need in the family that posed a barrier to family preservation or reunification. Assignment of a child to the Title IV-E flexible funding waiver was often triggered by this financial need. In the first case the primary issue was housing, in the second child care, and in the third, financial disadvantage affected all aspects of the family situation. Circumstances in the fourth case were a little different. While poverty and lack of basic needs was still present, assignment to the waiver was prompted by the need to secure proper medical services for a special needs child.

Waiver assignment tended to occur later in the case for CHINS cases, following a specific financial waiver trigger, while Informal Adjustment cases were more likely to be opened earlier or at the start of the case to fund prevention services as well as to meet basic needs of families. Assignment decisions made by family case managers, supervisors and directors tended to rest on whether family needs could be successfully addressed with financial assistance or specialized services, as well as family compliance with their case plan.

The case studies suggest that access to flexible funding was critical in facilitating and maintaining family unity for many cases. When no other resources were available, waiver

reimbursement allowed DCS offices to meet financial and service needs directly and without extensive delay. The flexibility of the waiver removed fiscal and logistical limitations to case success and ensured that many needs a family faced could likely be addressed.



## Chapter 3. Services and Outcomes

This chapter is concerned with outcomes and impacts of the Indiana waiver program. The waiver in Indiana has been described as an example of flexible funding in which Title IV-E dollars are diverted to be spent on needs other than foster care, that is, on services to shorten or avert out-of-home care of children. The first part of the chapter (Part A) describes patterns of services to families that changed under the waiver. The second part (B) presents the analysis of outcomes and impacts of the waiver and the effects of services.

### A. Services

Three data sources that were used in this chapter to assess the provision of services are: 1) case-specific reviews completed by workers on a large sample of cases; 2) surveys of families; and 3) state financial records.

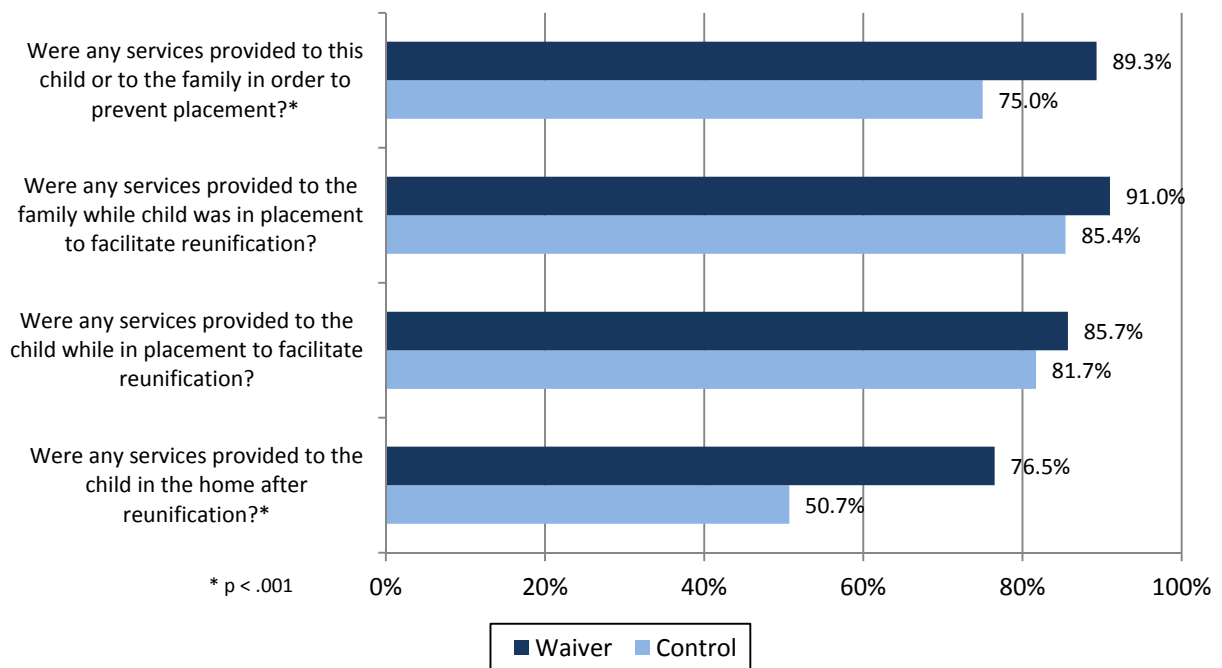
#### Worker Case Reviews

County case managers who worked directly with families were in the best position to know what occurred in individual cases. In the case-specific survey (N=1,324), workers provided information about the services and assistance received by specific waiver and matching control families. Length of contact between worker and family averaged 11.1 months for waiver cases and 12.1 for control cases. Workers provided responses about 726 waiver cases and 598 control cases.

Workers who worked with and reviewed waiver cases were more likely to report that families had received services to prevent placement (89.3 percent) than control families (75.0 percent) ( $p < .0001$ ), as well as more likely to report that families had received services in the home after a reunification took place (76.5 percent vs. 50.7 percent,  $p < .0001$ ). Workers of waiver families were also slightly more likely to report that services had been provided to the child or to the family while the child was in out-of-home placement, but these differences were not statistically significant. (See **Figure 3.1**)

Workers also answered a series of questions about what would or would not have occurred in their specific case if the child had not been placed on the waiver. Workers that managed waiver cases attributed several service benefits to the waiver. For instance, more than half of these workers (53.0 percent) indicated that families with waiver children received services that would not otherwise have been received without the waiver. **Figure 3.2** shows the

percentages of affirmative responses for each of the survey questions. Examples given by workers of such services provided through the waiver included financial assistance, especially rent and utilities; daycare; clothing, bedding, or food; furniture; household supplies; in home services; and camps or recreational services. These reports were consistent with responses and comments of workers reported in the previous chapter. As will be seen below, these reports also correspond with data received on financial services to waiver and control children. The only exception was reports of childcare service increases, for which no waiver-control differences were found in financial reports. However, it is possible that workers were referring to childcare paid for in other ways, since families also reported increases in childcare services, as shown below.

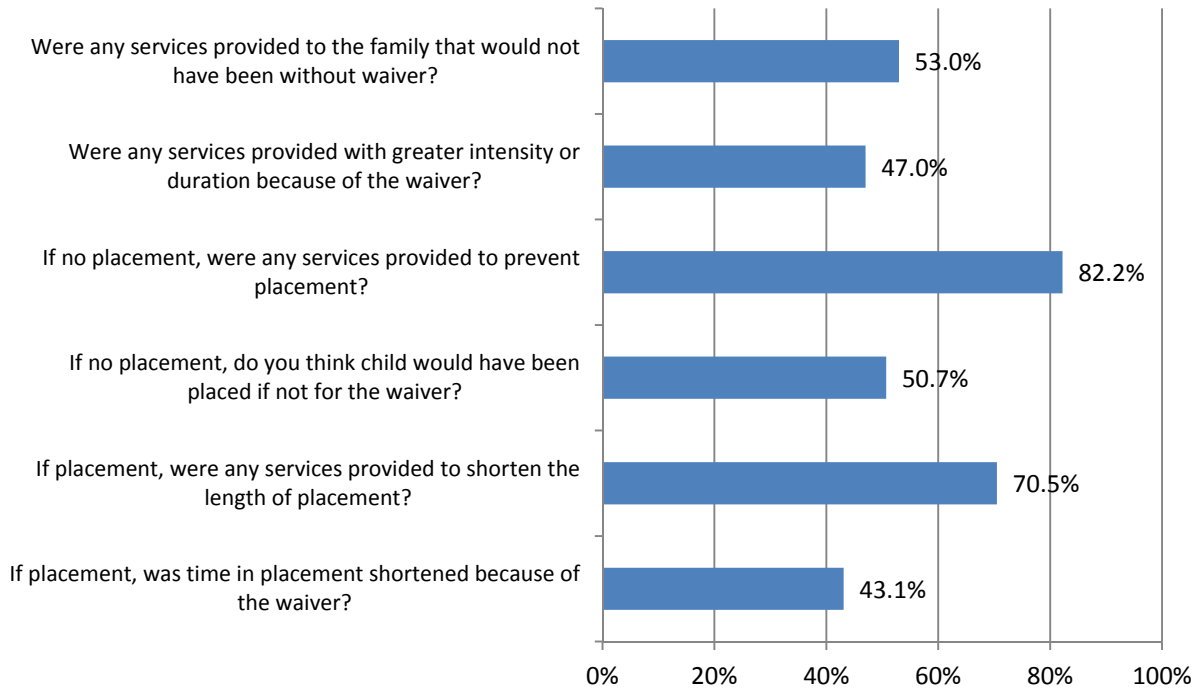


**Figure 3.1. Percent of workers reporting services provided to waiver and control families to prevent placement or facilitate reunification (case-specific sample)**

Likewise, nearly half of workers (47.0 percent) said that the waiver resulted in at least a moderate increase in the intensity and duration of services. Seven out of ten workers (70.5 percent) stated that services were provided to shorten the length of placement, and 43.1 percent thought that these waiver services resulted in reduced placement length.

Within the case-specific survey, workers reviewed a list of 34 types of services and indicated whether or not each service was provided for a particular family. As shown in **Figure 3.3**, waiver-assigned families were reported to have received more services in several key areas

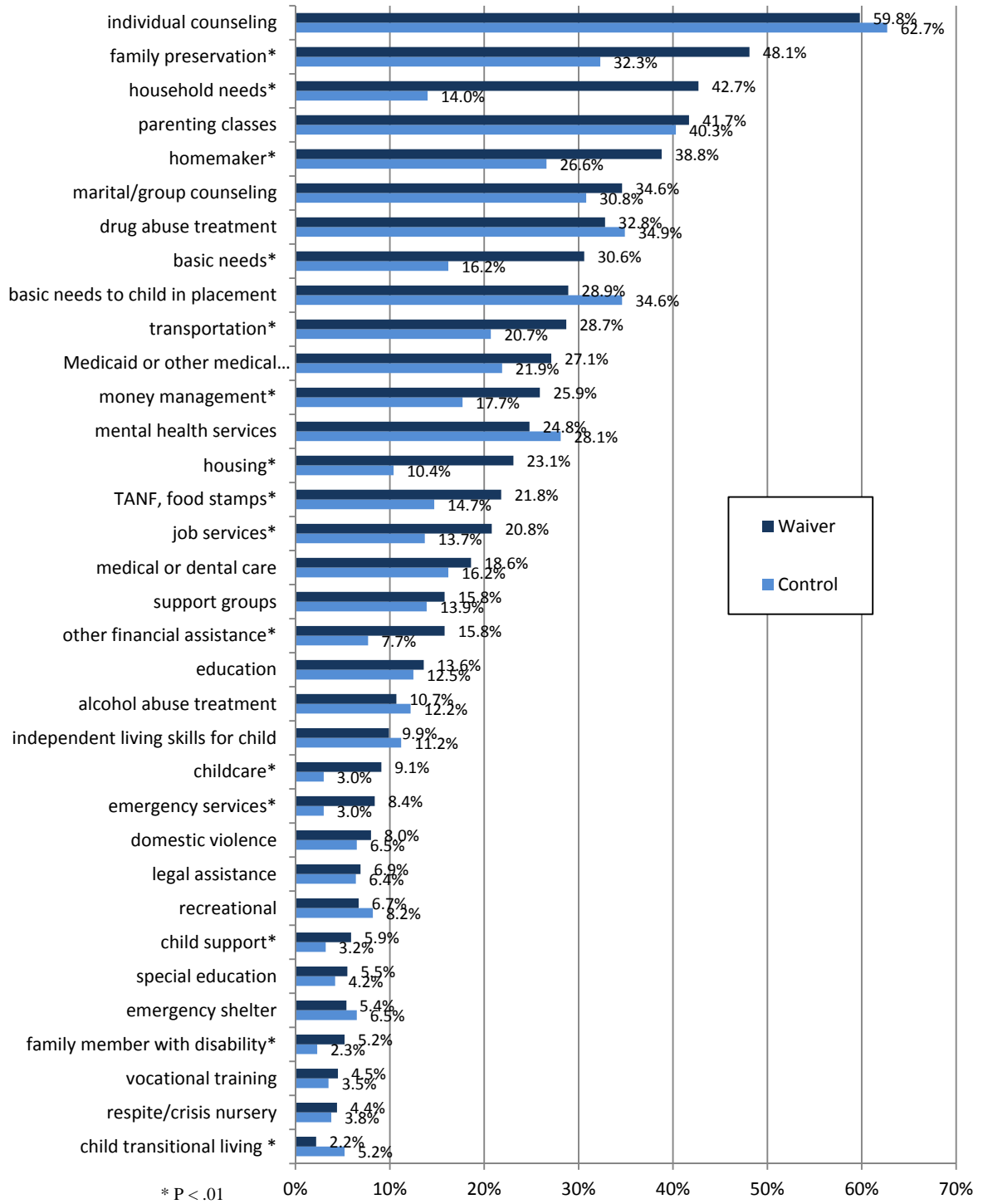
than their non-waiver counterparts. The percent of workers who indicated that waiver families received particular services is listed in the figure. Statistically significant differences in service areas are indicated with an asterisk.



**Figure 3.2. Percent of workers reporting family service enhancements due to the waiver in specific sample waiver cases (n=726 waiver cases)**

Worker reports of services received were higher for waiver cases in most categories (25 of 34). Service categories with the strongest differences were those that addressed financial insecurity or family integrity. Help with basic needs, housing, homemaking, and family preservation were all provided to waiver families at least 12 percent more often than to matched control families. Assistance with household needs, such as small purchases for the home or cleaning supplies, was provided nearly 30 percent more often for waiver families.

Workers also wrote in any additional services that were provided to waiver families. Other services that were mentioned by workers included adoptive and custody related assistance; specific financial purchases, such as a washer/dryer and car repair; specific therapeutic services, such as home-based counseling and drug screens; and support services for children, such as mentoring. The waiver also led to the provision of a greater number of different services in individual cases. On average waiver families received 5.4 services each, while control families received 4.4 services ( $p < .001$ ).



**Figure 3.3. Types of services or referrals received by waiver and control families and children**

Juvenile delinquents tended to receive different services due to the different set of child concerns present in these cases. According to workers, these families were more likely to receive family preservation, group therapy, parenting classes, and life skills training.

**Community-Based Service Providers.** One of the objectives of the state's demonstration project was the development and use of community-based services. Case-specific results show that waiver cases were more likely to receive services from community agencies. It is probable that having access to waiver funds helped case managers make better use of service providers in the community. Differences between waiver and control cases can be seen in **Table 3.1**.

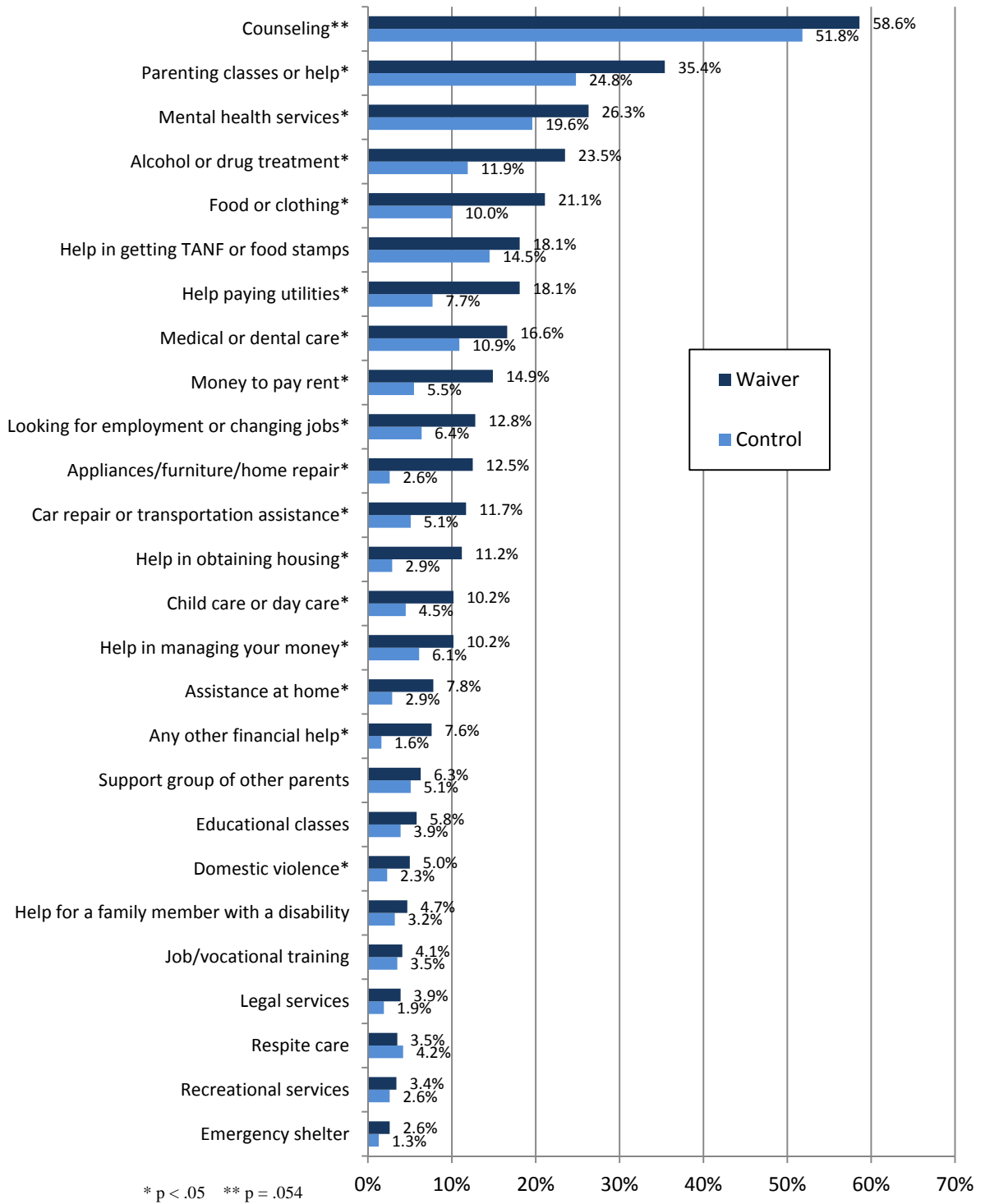
### Family Reports of Services

In surveys, families were asked about the services and assistance they had received and their reactions to these services. Responses of waiver families were compared with control families for 26 types of services. Waiver families reported receiving services at a higher rate than control families across all service areas but one (respite care) and many of these differences were statistically significant ( $p < .05$ ) (See **Figure 3.4**). Of all the specific service areas, families were most often linked to counseling, with over half of waiver (58.6 percent) and control (51.8 percent) caregivers indicating they received it. Other frequent service connections were to parenting classes, mental health services, alcohol and drug treatment and food or clothing assistance. In each of these service areas, waiver caregivers were significantly more likely to indicate service receipt. The same was true for other areas of basic need, including help with paying utilities, medical or dental care, rental assistance, assistance with appliances or furniture, help in obtaining housing and other financial help. This reinforces the notion that the waiver played a role in securing certain types of services for families.

Nine in ten (90.9 percent) of all waiver families received a least one kind of service compared with 80.4 percent of all control families ( $p < .001$ ). Total number of services received for each group averaged 4.17 for waiver families and 2.89 for control families ( $p < .001$ ), suggesting that waiver families tended to be offered more assistance overall.

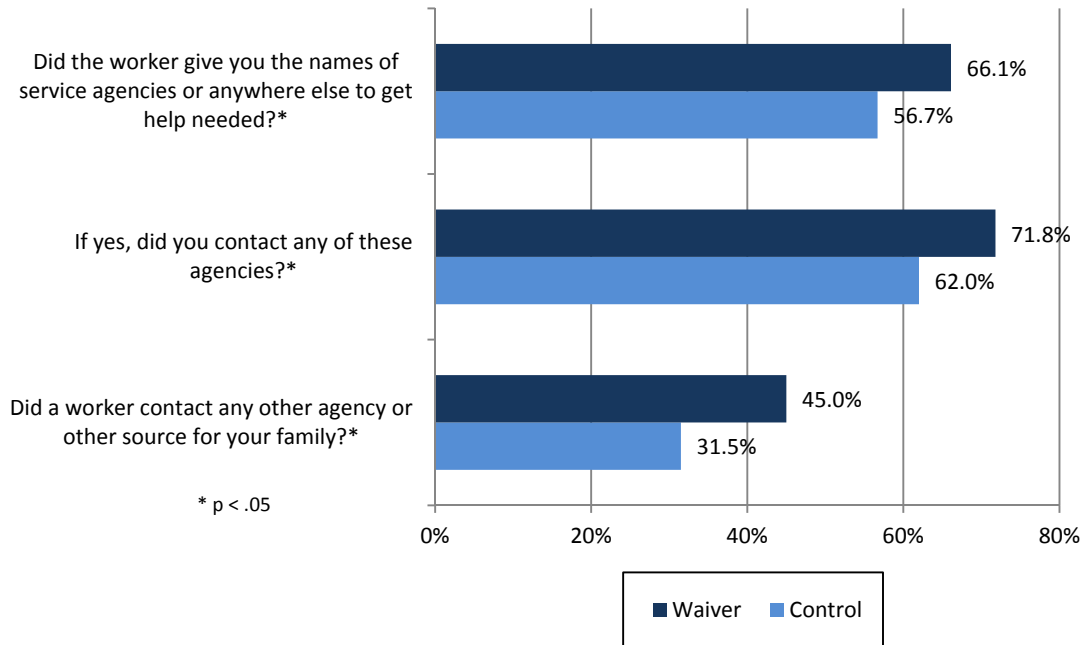
**Table 3.1. Community-Based Services Made Available to Waiver and Comparison Children**

	Waiver	Control	
individual counseling	44.8%	43.5%	
family preservation	39.1%	26.9%	p<.001
parenting classes	31.5%	30.4%	
homemaker	30.2%	19.1%	p<.001
marital/group counseling	26.2%	21.4%	p=.043
drug abuse treatment	23.7%	26.4%	
money management	20.1%	13.0%	p=.001
mental health services	17.8%	19.4%	
transportation	16.1%	10.7%	p=.004
household needs	15.2%	9.0%	p=.001
job services	14.9%	8.4%	p<.001
housing	13.5%	6.7%	p<.001
basic needs	10.2%	5.2%	p=.001
TANF, food stamps	9.1%	5.7%	p=.020
other financial assistance	9.0%	3.5%	p<.001
support groups	8.8%	6.4%	
Medicaid or other medical	8.7%	4.8%	p=.006
medical or dental care	8.1%	3.7%	p=.001
alcohol abuse treatment	7.6%	9.5%	
education	7.3%	4.2%	p=.016
basic needs to child in	6.7%	4.3%	p=.060
childcare	5.5%	1.7%	P<.001
domestic violence	5.4%	4.8%	
life skills training for child	5.2%	4.0%	
recreational	3.2%	2.0%	
emergency shelter	3.0%	2.2%	
family member with disability	3.0%	0.7%	p=.002
emergency services	2.9%	1.2%	p=.030
child support	2.8%	0.7%	p=.005
vocational training	2.3%	1.2%	
special education	2.2%	0.8%	p=.047
legal assistance	1.9%	1.7%	
respite/crisis nursery	1.7%	0.7%	
child transitional living	1.1%	2.3%	



**Figure 3.4. Percent of waiver and control families that reported receiving services or information**

**Information and Referral.** Figure 3.5 below displays the percent of CPS waiver and control families that stated their worker had given them the names of service agencies as referrals. Waiver assigned caregivers were more likely to note that resources were suggested to them by a worker (66.1 percent waiver vs. 56.7 percent control,  $p = .001$ ), that they themselves had contacted those agencies (71.8 percent waiver vs. 62.0 percent control,  $p = .019$ ), and that a worker had made a connection on their behalf (45.0 percent waiver vs. 31.5 percent control,  $p = .038$ ).



**Figure 3.5. Percent of waiver and control CPS families reporting connection to services**

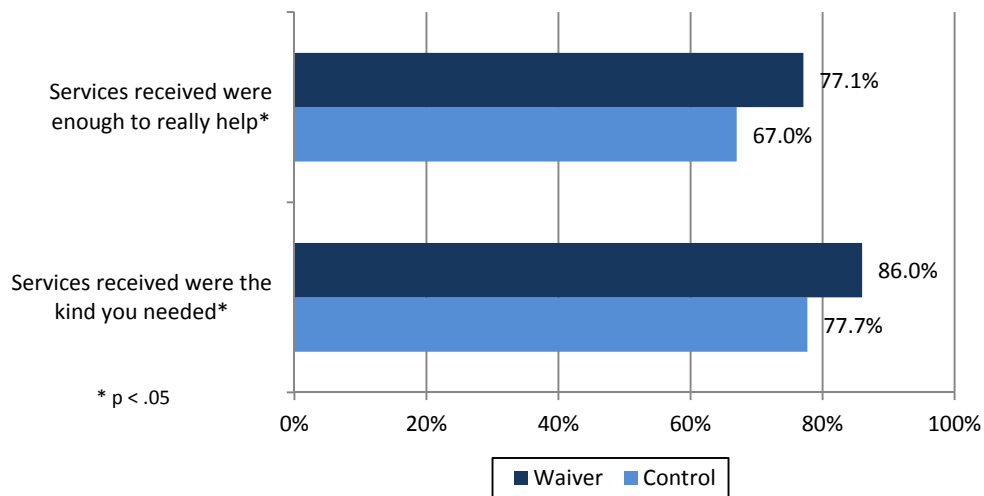
**Differences within the Waiver Group.** Caregivers of juvenile delinquents (JD) reported receiving fewer services in general than those respondents with CPS children. Families involved with child protection tended to have higher rates of presenting problems than JD families in all areas, except those related to discipline, supervision, child emotional disturbance, and forms of delinquent behavior. Waiver families involved with CPS more frequently reported receiving help with basic needs, such as housing, food or clothing, rent, or appliances ( $p < .05$ ) than families involved with probation. Families in JD cases were more likely to report receiving counseling (74.5 percent) than CPS families (54.7 percent) ( $p = .000$ ). Referrals for other services were more likely for those CPS-involved families. However, as the service analysis drawn from financial records shows, JD cases in the waiver group nonetheless received significantly more services than JD control cases.



There were some notable differences in service receipt between the waiver families in program counties and the waiver families in non-program counties. Waiver families in program counties were more likely to report receiving:

- Help in obtaining housing (p = .030)
- Food or clothing (p = .028)
- Appliances/furniture/home repair (p = .010)
- Any other financial help (p = .039)
- Help looking for employment (p = .040)

**Effectiveness of Services.** When asked about the adequacy of the services received to meet their needs and sufficiently help them, waiver respondents were also more likely than control respondents to report that the services were beneficial. **Figure 3.6** shows the percent of families that responded positively to two questions posed to them about service sufficiency: *Were services received enough to really help?* and *Were they the kind needed?* Waiver families were more likely (p < .05) to answer ‘yes’ to both questions than control families.



**Figure 3.6. Percent of waiver and control families reporting adequate and appropriate services**

### Family Problems

In the case-specific survey, case managers and probation officers were asked to note the problems they encountered in the families they worked with. If problems were identified by the caseworker on the survey, the worker typically also indicated that those problems had been dealt with in some way. Higher proportions of waiver families were helped in some problem areas, however. **Table 3.2** lists the percent of waiver and control families that were reported by workers to have had

**Table 3.2. Percent of Families Where Identified Problem was Addressed  
(Worker reports, Case-specific sample)**

	Waiver	Control	
<b>PARENTING</b>			
caregiver-behavior out of control	88.3%	78.5%	p = .009
caregiver-had unrealistic expectations of child	84.6%	79.7%	
caregiver-inconsistent discipline or unable to discipline	91.7%	81.3%	p = .000
caregiver-lack of proper concern	87.7%	76.9%	p = .040
<b>DRUGS OR ALCOHOL</b>			
caregiver-drug use	93.3%	84.5%	p = .002
caregiver-alcohol abuse	78.3%	67.1%	
other in family-drug use	72.0%	48.1%	p = .001
other in family-alcohol abuse	48.1%	36.9%	
<b>MR/DISABILITIES/MENTAL HEALTH</b>			
child-mentally retarded	60.0%	59.3%	
child-another developmental disability	84.6%	82.9%	
child-emotionally disturbed	86.9%	87.3%	
caregiver-MR/DD	66.0%	50.0%	
caregiver-emotionally disturbed	85.3%	78.9%	
caregiver-disenaged	81.1%	71.3%	
<b>CHILD ABUSE AND NEGLECT</b>			
child-physically injured or threatened by caregiver	90.7%	84.5%	
child-emotionally harmed by caregiver	87.9%	84.7%	
child-young/disabled left without supervision	89.3%	77.0%	
child-older-uncontrolled and unsupervised properly	89.2%	83.3%	
child-food, clothing or shelter needs unmet	94.4%	84.1%	p = .011
child-medical needs unmet	87.3%	69.6%	p = .040
child-sexually abused or in danger	89.6%	79.5%	
child-unsanitary/unsafe living conditions	93.0%	83.6%	p = .043
child-other	92.3%	85.0%	
<b>CHILD BEHAVIOR</b>			
child-engaged in violent behavior	90.9%	80.0%	
behavior uncontrollable by caretakers	94.5%	87.0%	p = .032
truant	86.2%	77.2%	
runaway	78.1%	70.2%	
delinquent	87.5%	78.2%	
<b>HEALTH</b>			
child-health problems	85.2%	80.8%	
caregiver-health problems	77.4%	67.5%	
<b>FAMILY RELATIONSHIPS</b>			
child-caregiver-poor communication/relationships	95.0%	91.2%	p = .034
family-recent change in structure	83.3%	81.8%	
adult-adult-poor communication/relationships	92.3%	82.0%	p = .004
adult-to-adult: domestic violence	85.0%	70.0%	p = .015
<b>FINANCIAL/EMOTIONAL SUPPORT</b>			
caregiver-low earnings	88.6%	73.1%	p = .000
family/friends-lack of emotional support	86.0%	72.5%	p = .008
family/friends-lack of financial support	81.0%	62.3%	p = .001
absent spouse-lack of child support	70.5%	49.6%	p = .002

specific problems addressed. Workers reported more problems addressed for waiver families in the areas of parenting, lack of basic needs, family relationships, and financial and emotional support.

### Poverty and Services

Among families with children assigned to the waiver, those that were more financially disadvantaged were connected to services at a greater rate. Waiver families that indicated they were receiving food stamps (a proxy for poverty) also tended to receive more help with basic needs, financial assistance, employment, child care, and alcohol and drug treatment than families that were not receiving food stamps (**Table 3.3**). This makes sense, as families at or below the poverty line more often lack necessities than those with higher incomes. IV-E is a program connected to income eligibility, so waiver families are often financially less well off as a whole. Only 30 percent of waiver families did not report receiving food stamps.

**Table 3.3. Service Levels for Families with CPS Cases Assigned the Waiver and Receiving Food Stamps**

	Food stamp recipients	Other CPS waiver families	
Help in obtaining housing	16.4%	4.0%	p = .000
Food or clothing	29.3%	10.3%	p = .000
Money to pay rent	21.4%	5.6%	p = .000
Appliances/furniture/home repair	18.4%	7.1%	p = .003
Help paying utilities	24.0%	11.9%	p = .005
Help in getting TANF or food stamps	25.7%	6.4%	p = .000
Help in managing your money	14.1%	7.1%	p = .043
Child care or day care	14.8%	6.3%	p = .015
Help with employment /changing jobs	17.8%	4.8%	p = .000
Car repair or transportation assistance	17.1%	4.8%	p = .001
Job/ vocational training	6.3%	0.8%	p = .014
Alcohol or drug treatment	28.3%	15.1%	p = .004
Assistance at home	12.5%	3.2%	p = .003

### Reimbursed Services for Waiver and Control Children

State financial records were available for each of the 19,398 children assigned to the waiver and control groups. These consisted of 408,659 individual records of financial payments for a variety of services and out-of-home care stays for the entire five-year study period. Only payments after the waiver data for each waiver child and that child’s corresponding control match were included in the following analysis. Thus, varying amounts of information are included ranging from a few months

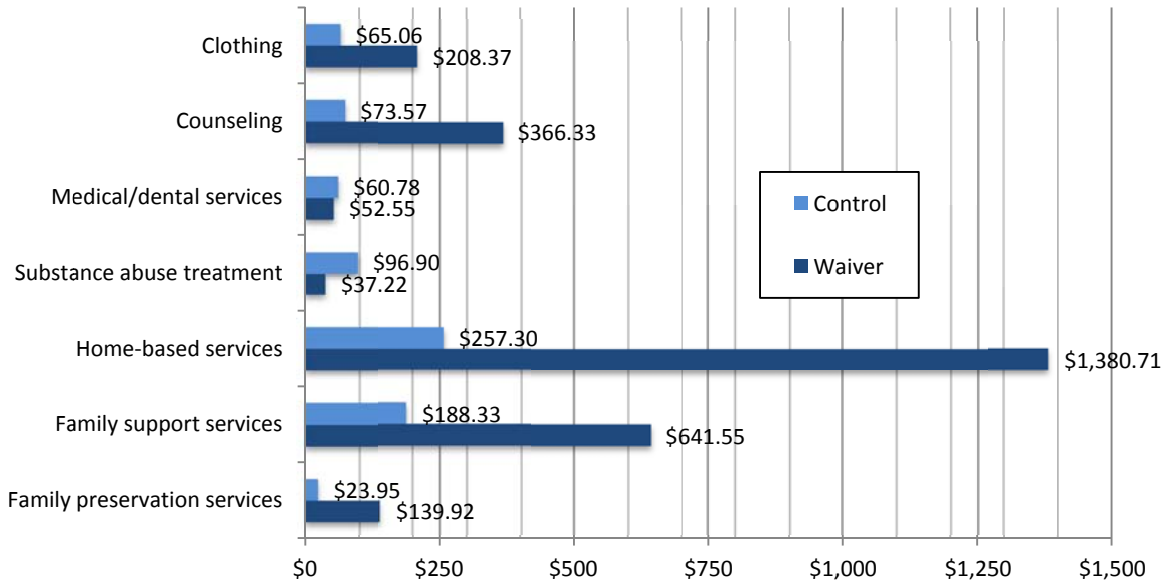
to the entire five-year period. The majority of state payment records consisted of waiver and non-waiver Title IV-E payments but other payment records were included as well, such as Independent Living, Adoption Assistance, EA, etc. Payment records were counted when a payment to a provider was indicated. Generally, for this analysis either the *number of payments* or *any payment* within a certain category was used. In some instances, the dollar amount within categories was used, and when this occurred, the total represented the complete reimbursement payment to a vendor. The analysis in this Chapter includes only records of payments for services and excludes board payments for foster and residential care. The majority of services were provided by community-based providers. Only reimbursed services are considered here, which excludes certain information and non-reimbursed services that were included in reports obtained from workers and families. The expenditures for services were categorized utilizing accounting code descriptions and, in some cases, vendor information. Eleven categories were created:

- Clothing for a child
- Counseling, including individual, group and family
- Medical and dental services
- Substance abuse treatment
- Home-based services, including homemaker services, family centered casework in the home, therapy services in the home
- Family support services, including material assistance, various general services, assessment of family functioning, mental health services for adults, parent education
- Child treatment services, including day treatment, sexual abuse offender treatment and various services to youths
- Childcare/day care
- Intensive family reunification services
- Intensive family preservation services
- Independent living services

*Overall spending in all categories averaged \$2,472 per waiver child compared to \$708 per control child. Among control children, 73.3 percent received no services purchased within any of the categories considered compared to 35.7 percent of waiver children.*

In the following sections, we refer to these as *preventive and remedial services*. Seven of these services were provided to enough children and sufficiently often for mean total payments to be shown and compared, and these are represented in **Figure 3.7**. The means are based on the sums of all payments within each of the seven categories for each child over the entire duration of his or her active case with the agency. As can be seen, the mean dollars expended for waiver children far

exceeded those for control children in five of the categories: clothing, counseling, home-based services, family support services and family preservation services.



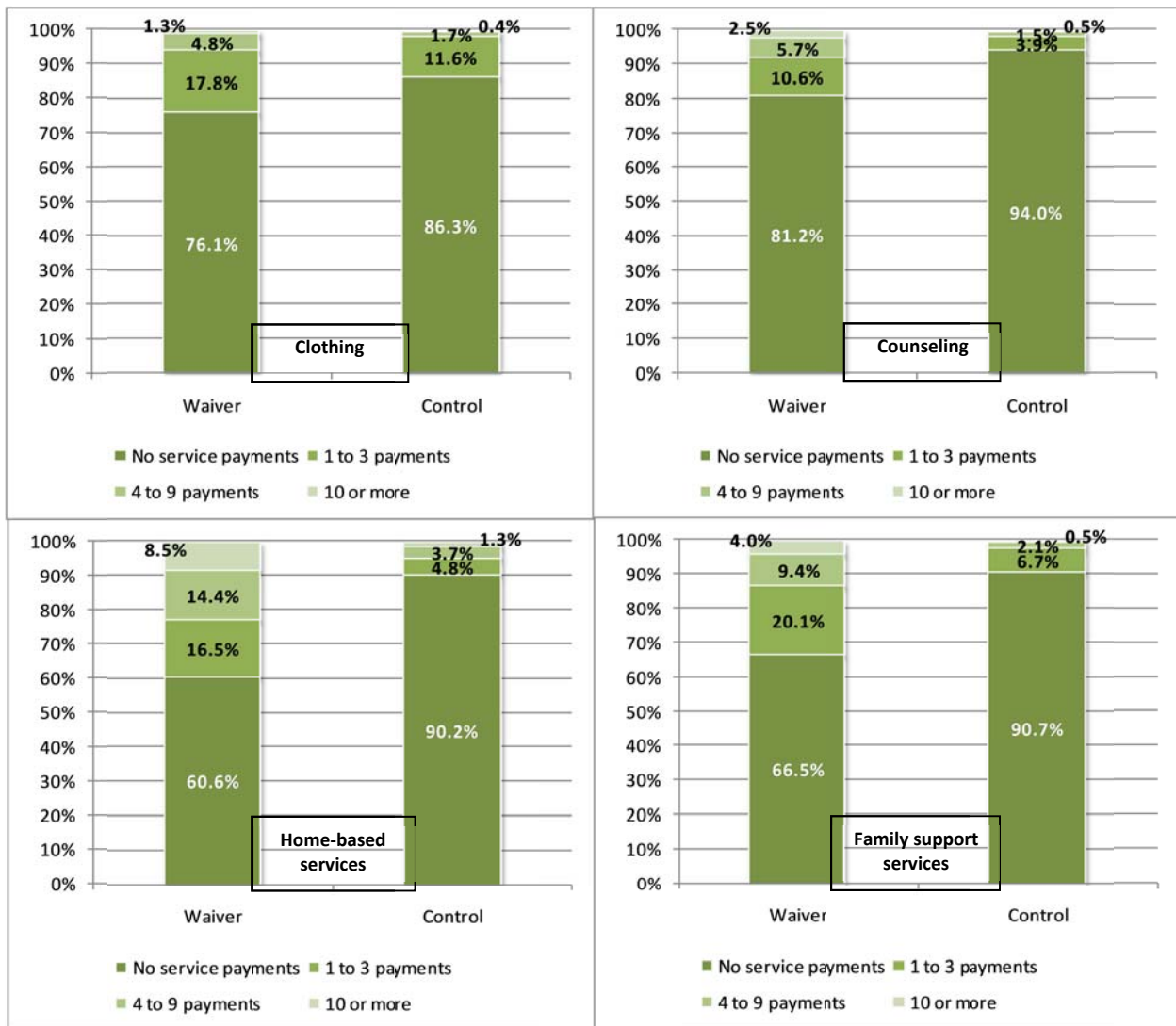
**Figure 3.7. Mean expenditures for waiver and control children during the five-year extension**

The mean amount spent for substance abuse treatment was greater for control children while medical/dental payments were roughly equivalent for the two groups. The numbers of cases in which expenditures were entered in these two categories were very small with medical expenditures in 208 waiver cases (2.1 percent) and 230 control cases (2.4 percent) and with substance abuse treatment in 96 waiver cases (1.0 percent) and 86 control cases (.9 percent). Although the numbers of cases were small, the amount expended was relatively large. For example, the total payments for substance abuse treatment were greater than \$5,000 in 19 of the 96 waiver cases and in 41 of the 86 control cases, and exceeded \$25,000 in three waiver and nine control cases.

**Waiver-Control Differences in Four Service Areas.** The number of children served or whose families were served under these categories is also instructive. These are shown in the following four charts (**Figure 3.8**) representing the categories in which the greatest number of payments and children were found. Each bar divides the children into those with no service payment in a category, and those with 1 to 3, 4 to 9, or 10 or more payments. The difference between waiver and control children are apparent and reflect the dollar differences depicted in the previous figure. The differences shown in each chart were statistically significant ( $p < .001$ ). Regarding payments for

clothing, 23.9 percent of waiver children received at least one payment compared to 13.7 percent of control children. For counseling services, 19.8 percent of waiver children or their families compared to 6.0 percent of control children. Bigger differences were seen for home-based services, where 39.4 percent of waiver children compared to 9.8 percent of control children were served. Similarly, for family support services, 33.5 percent of waiver children and families were served compared to 9.3 percent of control cases.

These charts clearly and strongly confirm the findings based on workers’ reviews of cases via the case-specific survey and feedback from families through the family survey. The large majority of control children—about nine out of ten—received no similar services within each of the categories.



**Figure 3.8. Number of separate payments in the four largest service categories for waiver and control children during the five-year extension**

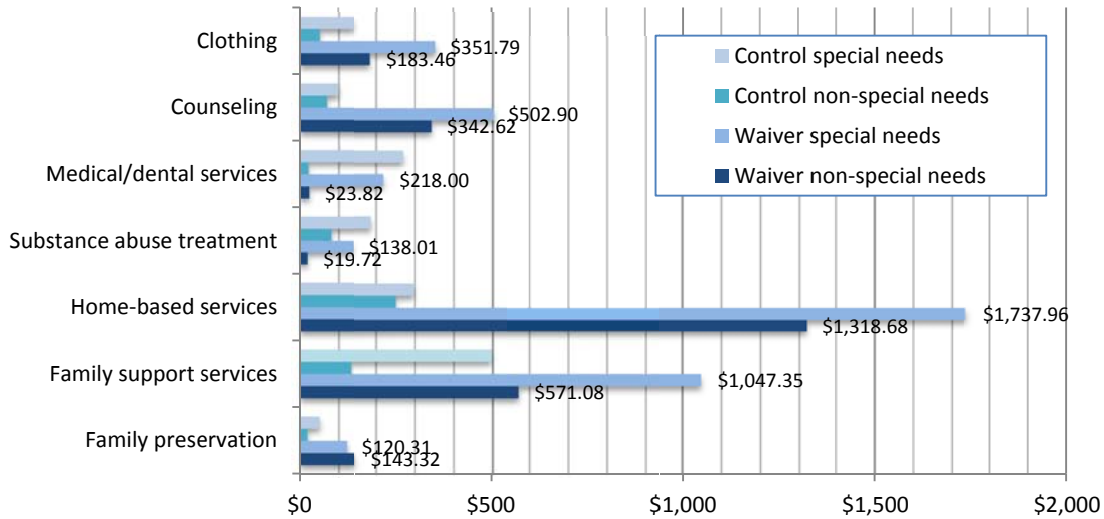
**Effects of Placement Episodes on Service Spending.** Further analysis showed that within waiver cases the children that were *in placement* when assigned to the waiver and those that were removed and put in placement after waiver assignment as groups *received more* of these kinds of services. This finding is understandable for the clothing category because clothing may be purchased for children that are placed and may also explain why this is the largest category (13.7 percent) among the four services for control children. There was a difference of 15.4 percent within the waiver group in this category between children who were placed at some point (29.8 percent helped with clothing) versus those never placed (14.4 percent similarly assisted). In the other three categories the differences were more modest, ranging from 2.4 to 8.9 percent differences between placed and non-placed cases.

**Effects of Special Needs Status on Service Expenditures.** Another factor that tended to play into which children received these services was *special needs*. Special needs designations were recorded in four categories of psychological, medical, development disabilities and general disabilities. Together 15.3 percent of all children in the study had at least one of these designations (14.8 percent waiver vs. 15.8 percent control). Special needs children received services in these categories more often. This is probably better illustrated by showing the amount spent on such children as in Figure 3.9, which shows mean expenditures for special needs and non-special needs children in the waiver and control groups. Special needs children within the waiver averaged \$419 more per child for home-based services and \$476 for family support needs, and proportionately similar amounts for the other categories.

**Figure 3.9** shows a similar effect on the control side of the ledger, although the differences are not as dramatic as among waiver cases. Expenditures for family support services and clothing, for example, were greater among control group special needs children than among non-special needs children. In addition, the figure contains comparisons for medical/dental and substance abuse treatment and shows for both waiver and control groups that cases with special needs children accounted for the bulk of spending in these areas.

**Effects of Title IV-E Eligibility Status on Expenditures.** Identical analyses of expenditures were conducted comparing IV-E eligible and ineligible children. Among waiver children, the analyses showed very few differences in spending for the two eligibility groups. Means were generally within the range of \$20 to \$60 per child with the advantage in some instances for eligible children (clothing, medical and family support) and in others for ineligible children (counseling, family preservation and home-based services). The exception was among home-based services where the average dollars for eligible children was \$1,232 compared to \$1,448 for ineligible, a difference of \$216. This is understandable on the waiver side since the program specifically permits Title IV-E

expenditures for ineligible children. By contrast, there were greater expenditures for eligible control children than ineligible children in all of the spending categories.



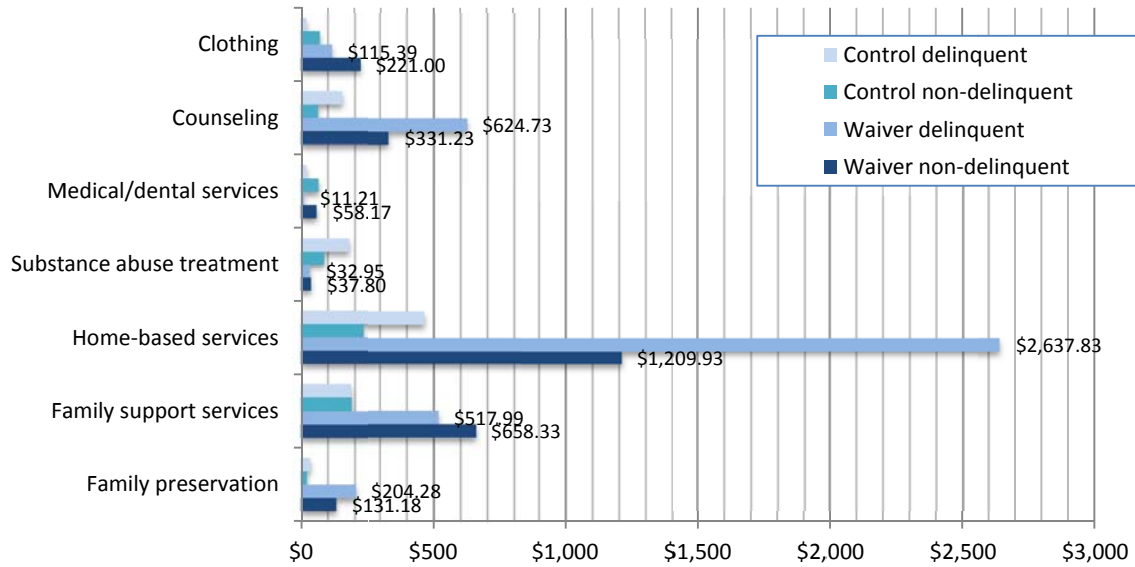
**Figure 3.9. Average (mean) expenditures for waiver and control children by special needs during the five-year extension**

**Effects of Juvenile Delinquency (JD) Status on Expenditures.** It may be surprising to some that average expenditures in several of the services categories examined were significantly and substantially greater for JD children. The differences are shown in **Figure 3.10**.

Figure 3.10 shows that average spending on JD cases for home-based services was twice as great as for non-JD cases. Similar findings are shown for counseling services and family preservation services. In other categories expenditures were greater for non-JD children, although the differences were typically less dramatically large. This is attributable to county programs that focused on serving JD cases.

**Age and Gender.** Slightly more average spending was observed in waiver cases for boys than for girls. For example, an average of 10 to 15 percent increased spending was seen in cases with a male waiver child compared to the spending in cases with a female waiver child. These differences do not take into account other possible explanations and do not focus on family size or structure (particularly the presence of opposite gender siblings), either of which might explain the differences observed. Also, among waiver cases greater spending was seen within the considered service categories for children nine years of age and older. This was true of all the service categories, except clothing, medical and substance abuse.





**Figure 3.10. Mean expenditures for waiver and control children by delinquency status when assigned to the waiver**

### Children Not Served

The flexible funding waiver program in Indiana permitted Title IV-E funds that had previously been available for foster care to be spent for services and assistance either to prevent removal and placement of children or to shorten the stays of children already in placement. A more appropriate term might be *flexible spending*, since the program gave local workers and supervisors discretion to spend funds in ways that might assist children and families that had been prohibited in the past. The analysis in this section indicates that there were substantial increases in such spending during the current five-year waiver period. However, over one-third (35.7 percent) of waiver children received no such assistance through waiver funds. This begs the question, why did this happen?

Among the possible explanations are that the circumstances of families and children can change quickly and did so in some cases shortly after the child was assigned to the waiver. In these cases there may well have been the intention to assist the family with some need that later no longer existed. It is also possible that there may have been other kinds of special assistance that these children and their families received, including referrals to unreimbursed community services or to services that were paid for at the county level that were not recorded in state-level financial records. The increase in information and referral to services provided to waiver families, as discussed above, might be an indication of this. A third explanation is that the assistance needed was provided directly to the family by the child welfare worker, thus avoiding spending of funds. How often each of these occurred is unknown.

A fourth explanation is known for some children assigned to the waiver. As discussed in the process section of this report, 900 children in relative care were assigned to the waiver by the Central Office in September 2008. While workers may have been notified of these waiver assignments, this was a departure from instructions that had been emphasized with local practitioners during the implementation of the extension, which were that the waiver was not to be used simply as a payment mechanism for out-of-home care—a point emphasized in the 2003 evaluation report on the first five years of the Indiana waiver. It is possible that, when notified, some workers then targeted these families for additional services, but half of the children assigned during that month (530 cases) were among the group of children that never received one of the preventive or remedial services considered in this section. Whether such assignments occurred before or after September 2008 is unknown.<sup>15</sup>

### Expenditures by County

Counting the number of children with any services within the six most frequent categories, 63.5 percent of waiver children and families received at least one service compared to 26.9 percent of control children and families (**Table 3.4**).

**Table 3.4. Waiver and Control Children Receiving Services in Six Categories: Clothing, Counseling, Home-Based, Family Support, Child Treatment and Family Preservation**

Number of Service Categories	Waiver	Control
None	33.5%	73.1%
One	31.6%	17.8%
Two	20.0%	6.1%
Three	10.6%	2.4%
Four or More	4.3%	.6%

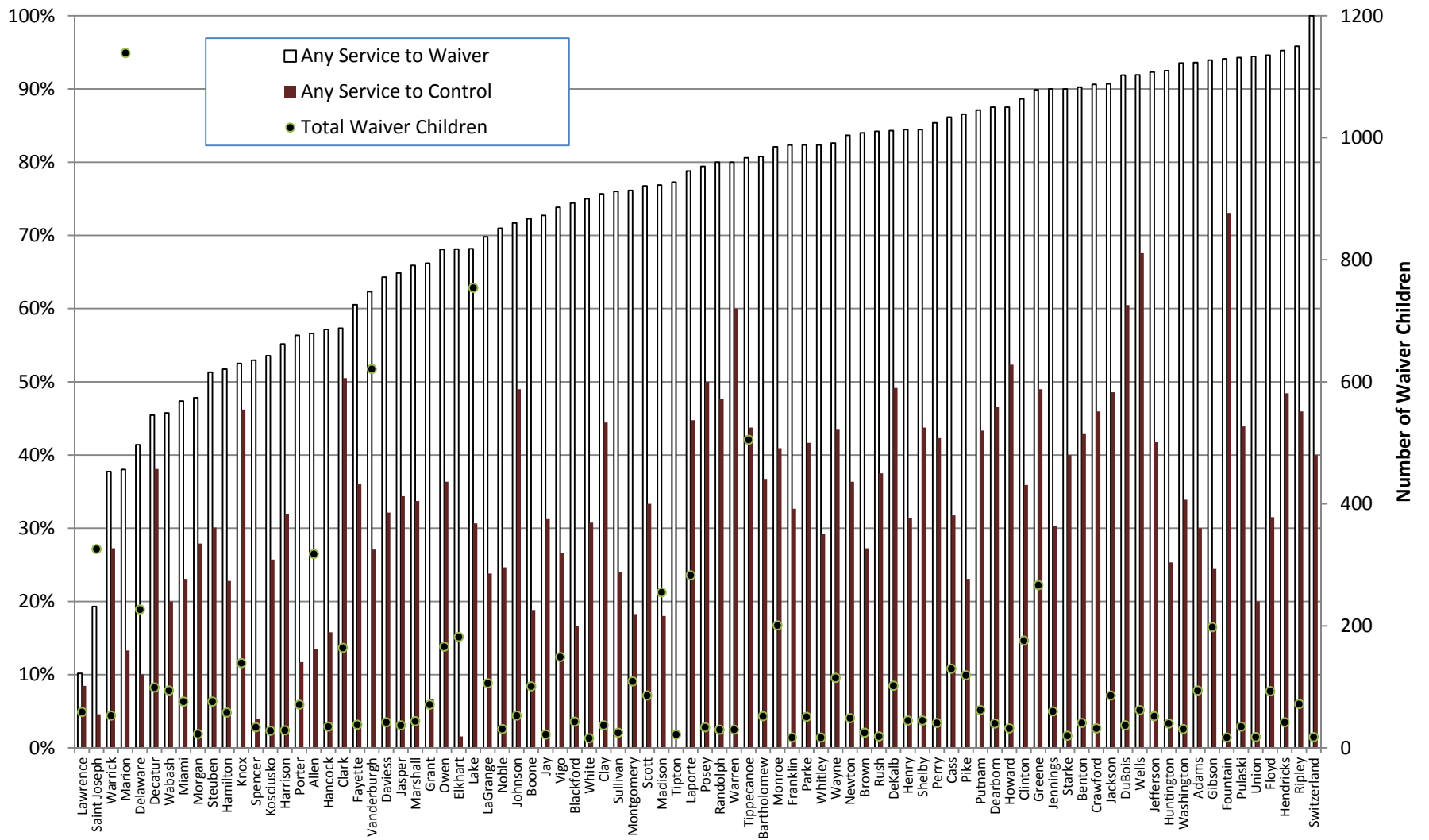
After combining the multiple categories into no service or any service, the measure was examined for each Indiana county. These are shown in Figure 3.11. The comparison first shows that increased preventive and remedial services to waiver children and their families occurred consistently across the state. Most waiver counties maintained services for 60 percent or more of their children and a majority for 70 percent or more. By contrast, the same counties provided similar services for less than 50 percent of control children and for most counties less than 40 percent.

<sup>15</sup> Evaluators did not receive ICWIS fields in which the IDs of the individuals creating or modifying the current record were stored and consequently had no way of directly identifying in ICWIS records any cases assigned by central office.

The chart contains a series of black circles representing the total children assigned to the waiver in each county. As can be seen counties that were most successful in assigned children were generally small to medium in size with fewer children assigned. Marion County (Indianapolis) assigned about 1,100 children to the waiver but provided reimbursed services of the kind considered here to slightly more than 40 percent of these children, the fifth lowest.

### Program Counties

The concept of ‘program’ counties, that is, counties that consistently selected children appropriate for the waiver and that applied services to avoid or reduce time in placement was used in previous studies. This approach was superseded after evaluators obtained payment data for all children in the study showing services delivered. The program county concept is not inaccurate but is simply a crude measure of what actually occurs at the level of children and their families. Earlier analyses during the extension had not revealed important differences within program counties compared to the other counties in the state. The weakness of the original program-county concept was made clear in the comparisons in **Figure 3.11**. Sixteen of the 36 programs counties in the interim analysis were in the lower half of counties sorted by service delivery to waiver children (the left half of the chart). This suggests that while program counties may have had a clear understanding of the waiver, they varied in the extent of its implementation. For this reason, the program county variable was not used in the following examination of program outcomes.



**Figure 3.11. Percent of waiver and control children provided one or more services in six categories (bars, left axis) and the total number of children assigned to the waiver during the five-year extension (black circles, right axis) by county (Excludes counties with 15 or fewer waiver cases)**

## B. Outcome and Impact Analysis

The purpose of the impact analysis is to compare outcomes under the demonstration with outcomes that would have occurred had the Title IV-E Waiver not been implemented. To this end, methods were developed to select a control group from the large pool of children in active DCS cases but not assigned to the waiver that would be as similar as possible to children placed in active waiver status. Those methods are described in Chapter 1, which also includes general comparisons of the waiver and control group characteristics. In this chapter, the strengths and limitations of this method are also discussed.

Through the impact analysis, the major goals of the demonstration can be tested. These concerned: 1) preventing/reducing out-of-home placements; 2) reducing lengths of stay in out-of-home care; 3) decreasing the incidence and recurrence of child maltreatment; and, 4) enhancing child and family well-being. These goals were, in turn, operationalized into several specific impact research questions designed to be answered through comparisons of waiver and control children.

The analysis of the first seven research questions was based on data from the Indiana Child Welfare Information System (ICWIS). The data was provided to evaluators on a monthly basis and spans the period from January 2002 through June 2010. This information was described earlier in this report. Discussions of the particular variables used to examine research questions can be found in the following sections of this chapter.

**Special Considerations for the Impact Analysis.** As noted previously, the purpose of matching was to identify and track a group of children that would be similar to waiver children. The goal was to achieve the *group* similarity. This method is preferable to other simpler designs, such as single group before-after comparisons or area comparisons and was *the best design available for a program that was to be implemented statewide with local control and few limitations on waiver assignment*.

However, matching does not provide the level of control that might have been achieved through random assignment. Because the program involved several thousand waiver children, it was necessary to limit the variables used for matching to those available through the statewide ICWIS. For this reason, important elements that may have entered into decision making about children and families could not be considered in the matching process. These included specific information about risk factors for child maltreatment or child removal that were not recorded in ICWIS in a categorical fashion or at all but may have been important to local practitioners as they determined agency responses. This limitation is a source error in analysis in that, if unknown differences of

these kinds existed between the waiver and control groups, variation in outcomes may have been due to those factors rather than to the effects of waiver programs.

Certain research questions were limited to subsets of waiver children—for example, children who were removed and placed. A certain portion of removals and out-of-home placements occurred *after* the monthly matching process had taken place. Because of this and because placement at the time of waiver assignment was not weighted as a 100-percent matching variable, different proportions of waiver and control children were placed. This required *segmented analyses* in which different sized subgroups of waiver and control children were compared. This represented another source of error in the analysis.

Matched pairs were utilized in setting the timing for certain comparisons between the waiver and control groups. In an evaluation using random assignment, comparisons are possible from the time of group assignment forward. In the present evaluation, waiver children were assigned to the waiver at a specific point in time, and this was considered to be the point at which the experimental treatment began. There was no comparable event for control children. However, because case opening dates were used for matching, waiver and comparison cases ran roughly concurrently and the waiver assignment date of each waiver child could be applied to his or her control match as a point to begin tracking for follow-up data. Reference in the following analyses to waiver assignment, therefore, refers to actual assignment for waiver children and *pair-waiver assignment* for control children.

**Services.** Finally, a new category of control variables was available for this final analysis that had been unavailable for the full waiver and control groups in earlier analyses and evaluation reports. These were the preventive and remedial services discussed earlier in this chapter. The Indiana waiver permitted flexible funding of Title IV-E funds for a variety of services and assistance to families and children. As noted earlier, this might be more aptly described as *flexible spending*. Spending for services of various kinds was substantially more likely to occur for waiver children. At least one service payment was found for 64.3 percent of waiver children compared to 26.7 percent of control children.

These variables permit **Research Question 8** to be addressed more fully than in the past. The analyses implied by that question are addressed under Questions 1 through 7 and then are briefly summarized under Question 8.

Being assigned to the waiver increased the likelihood but did not guarantee that such spending would take place. It obviously did not for a sizeable minority (35.7 percent) of waiver children. This represented a substantial portion of the waiver group that may not have received the kind of

assistance that must be regarded as the central pillar of the *experimental treatment*. Explanations for why this occurred were presented earlier in this chapter. *The presence of so many waiver children with no expenditures for services weakens the demonstration and logically led to reductions in the size and quality of positive effects of flexibility in spending.* Notwithstanding this limitation, a primary consideration of the present flexible funding waiver was whether *redirection of Title IV-E dollars to preventive services leads to better outcomes for families and children.* When appropriate, therefore, services were considered in the following analyses.

### **Impact Question 1: Removal in the Original Case**

**Are fewer Treatment (waiver) children with substantiated dispositions of child abuse or neglect removed from their homes and placed in substitute care during the original case than control children?**

This question is concerned with whether subsequent out-of-home placements can be avoided or reduced through the use of waiver services. At the time that children were assigned to the waiver or selected for the comparison group, some were already in out-of-home placement while others were still at home. Waiver services were to be used to avoid removal and placement of this latter group of children. This is the issue that this research question addresses.

The term *original case* refers to the case at the time of waiver assignment. By definition, the present analysis excludes children who were already in ongoing placements at the time of waiver assignment, that is, during the original case and limits the analysis to children who were at home in ongoing cases and children in new cases with no removal and placement at the time of waiver assignment. This included 4,797 waiver children and 3,629 control children.

**Differences between Waiver and Control Children in this Analysis.** As noted, the study could not control the subgroups of cases that were appropriate for this analysis, that is, the proportions of children that were at home and not placed at the time of study assignment. Concerning waiver-control group characteristics: there were no differences in the proportions of special needs children (waiver: 9.9 percent; control: 9.6 percent) within this subgroup. Slightly more waiver children had had one or more previous substantiated investigations (waiver: 69.7 percent; control 67.3 percent). The sex ratio was essentially the same for both groups (waiver 43.6 percent female; control 44.6 percent female). The average age of children in the two groups was similar (waiver: 10.4 years; control: 10.7 years). The average dates (measured in days beginning in 1980) for when the original cases of the two groups began were virtually identical (waiver: 9,446 days; control: 9,411 days). As noted below, there were differences in the proportions of children in the two groups at highest risk of removal, and for this reason this general characteristic was controlled in the analysis of how delivery of services affected this research question.

**Waiver-Control Differences in Removals during the Original Case.** The research question concerns children that were removed for substantiated dispositions of child abuse or neglect. Linking removals with specific child abuse and neglect reports and investigations is relatively simple on a case by case basis with the help of case narratives but because the ICWIS data available to evaluators did not provide a direct link between investigations and child removals no determination of such a linkage could be made. However, it is safe to assume that a confirmed child maltreatment incident was the basis for the large majority of child removals that occurred. In the present section we have focused on subsequent removals after the pair-waiver assignment date. Under Research Question 6, we focus on new CA/N reports.

Subsequent removals and out-of-home placements *before the end of the original case* are shown in **Table 3.5**. Beginning at the time of assignment and tracking forward until the end of the case (or the end of current data collection), 15.7 percent of waiver children had subsequently been removed and placed in out-of-home care compared to 18.0 percent of control children, a difference that was statistically significant ( $p = .003$ ).

**Table 3.5. Removals After Pair-Waiver Assignment**

After Pair-Waiver	Waiver	Control
Not removed	84.3%	82.0%
Removed/Placed	15.7%	18.0%
Total	4,797	3,629

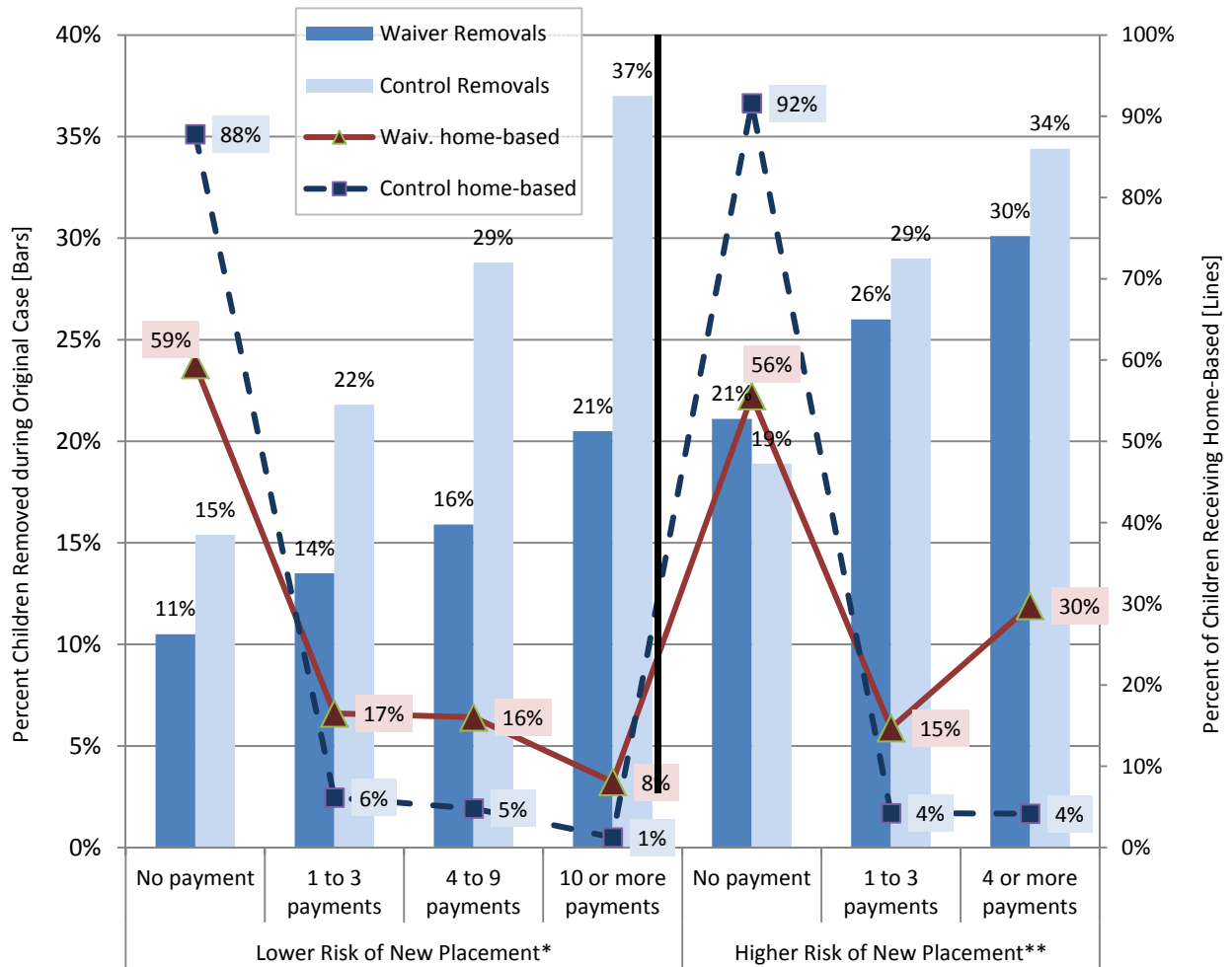
$p = .003$

**The Effects Home-based Services in Preventing Child Removals.** Some children and families received various services that may be considered preventative of child removals. Expenditure records revealed that many more waiver children received such services, as described in the previous sections. There were four large categories of services: clothing, counseling, home-based services and family support. Among these, home-based services are the type most appropriate and applicable to this research question. Family support, counseling and clothing may each be offered to families in which a child is in placement. Home-based services are usually made available to intact families. Here we ask whether home-based services might have been implicated in the reduced proportion of waiver children removed and placed in care.

**Figure 3.12** illustrates the relationship. The children in each group were first divided into two subgroups on the basis of frequency of past encounters with the child protection system. The *right side of the figure* concerns children that were higher risk, having any or all of the following: a) two or more previous substantiated investigations, b) a previous removal and placement out-of-home, or c) indication of special needs (psychological, medical, development disabilities and general disabilities). There were 1,231 waiver children and 1,465 control children so designated. In the



present segmented analysis, 40.4 percent of control children fell into this category compared to 25.6 percent of waiver children. These characteristics contribute to the risk of new removals and because a greater percentage of control children in these total subgroups had such characteristics they were segregated in the present analysis. The majority of cases were charted on the *left side of the figure* that had fewer previous investigations, removals and special needs (74.4 percent waiver and 59.6 percent control). These children may be considered to be at lower risk of removal.



\* All differences significant (p = .0001, .013, .002, .016)

\*\* No differences significant (p = .131, .376, .428, .062)

**Figure 3.12. Child removals during the original case by home-based services for children with low and high risk of new placements**

Home-based services are shown in the figure in four categories representing the number of separate payments for such services in financial records: none, 1 to 3, 4 to 9 and 10 or more. (The latter two categories were collapsed for the higher risk group because the numbers of control

children with higher numbers of payments—and, therefore, services—were small.) The lines in the Figure 3.12 represent the proportions of waiver (solid line) and control children (dashed line) in each of these two risk groups who received home-based services. Fewer waiver children in each of the two groups were in the *no home-based services* category (59 percent and 56 percent) compared to control children (88 percent and 92 percent). Conversely, two to three times or more waiver children received home-based services in each of the other three categories.

The bars represent the proportions of children in each group that were removed during the original case. Among the highest risk children on the right side of the figure, none of the differences were statistically significant. This appears to indicate that home-based waiver services were less effective in avoiding placement for these children. Among the lower risk children, however, substantial and statistically significant differences can be seen. As the number of services increased, comparatively fewer waiver children were removed. Looking at the lines and bars together, *this is consistent with the assertion that higher proportions of waiver children receiving such services led to greater stability in the home and fewer removals in waiver cases.*

This illustrates only one service-outcome relationship. Waiver children received other services that may have been implicated in the observed difference in removals during the original case. The present analysis shows a positive association between home-based preventive services and reduction of removals.

### Impact Question 2: Placements outside Indiana

**Are fewer Treatment children with substantiated dispositions of child abuse or neglect removed from their homes and placed in out-of-state facilities during the original case than control children?**

This question originally considered whether the waiver provided the flexibility to workers to avoid placing children in care in out-of-state institutions of various kinds. In previous reports, trends in out-of-state placement for the entire population of Indiana children were analyzed. During the current demonstration period, this question was examined for waiver and control children only.

For the Title IV-E Waiver to have any effect on out-of-state placements, the waiver must be applied to children that are likely to be placed outside Indiana. The number of such children placed on the waiver (and consequently the number of such children placed in the control group through matching) is vanishingly small. Looking at the original case (defined above) and considering all children assigned to the waiver by the end of data collection, only 19 were identified as being placed in out-of-state facilities including foster and relative homes during the original case. This number was too small for meaningful analysis.

These small numbers stem in part from the emphasis during the waiver extension on assigning children to the waiver who were at risk of out-of-home placement or in placement with a hope of coming home. Children with the special needs that might lead to placement in specialized residential settings or hospitals outside the state were unlikely to be assigned to the waiver.

### **Impact Question 3: Reunification, Adoption and Guardianship**

#### **Do more Treatment children achieve permanency through reunification, adoption or guardianship than control children?**

Another subset of children is considered for this question: all children in placement at the time of pair-waiver assignment or who were placed after assignment but during the original case *and* whose placements ended. Because the outcome of interest—permanency at the conclusion of out-of-home placement—occurs during the original case, there is no need to limit the timeframe of the analysis. Outcomes were examined through the conclusion of data collection for this report.

There were 5,274 waiver children and 5,951 control children for whom placements had ended and placement outcome data were available for analysis. Of these, the appropriate subset for this analysis included children whose placements overlapped or began after the pair-waiver assignment date. These were children whose placement experience and conclusion can be considered to have been influenced by the experimental treatment, as explained above. In this category there were 4,076 waiver children compared to 4,177 control children.

**Differences between Waiver and Control Children in this Analysis.** The characteristics of children in placement after pair-waiver assignment whose placements ended were examined. As noted, the study design could not strictly control these characteristics. Concerning waiver-control group characteristics: the waiver group contained slightly fewer delinquent children (waiver: 7.8 percent; control: 10.6 percent) and a slightly higher proportion of Children in Need of Services (CHINS) (waiver: 80.6 percent; control: 77.9 percent) and Service cases (waiver: 3.3 percent; control 2.3 percent). There were differences in the totals of special needs children (waiver: 19.9 percent; control: 17.6 percent). More control children were in placement at the time of pair-waiver assignment (waiver: 79.4 percent; control: 82.4 percent). On the other hand, previous out-of-home placements were higher among waiver children (waiver: 12.8 percent; control: 10.2 percent). Similarly, greater proportions of waiver children in this group had had a past substantiated investigation (waiver: 85.4 percent; control: 82.7 percent). There were no gender differences (waiver male: 52.4 percent; control male: 52.6 percent) and average age was very similar (waiver: 8.1 years; control 8.2 years). Similarly, mean case start dates (counting in days from January 1980) were about the same, 9,435 days for waiver children and 9,443 for control children.

**An Uncontrolled Selection Difference.** As noted previously, training of local practitioners emphasized that assignment of children currently in placement to the waiver was to be limited to cases in which the placement was likely to end in a relatively short period of time. The proportions of children in placement after pair-waiver assignment were very similar, as were the proportions whose placements ended. The numbers of children that spent less than 90 days in placement was very similar between the two groups (waiver: 929; control: 911) as were the numbers with placements from 90 to 180 days (waiver: 500; control 507). Thus, general similarity may have been achieved regarding the length of the placement. (See also **Table 3.8.**)

However, the waiver program was not oriented toward promoting adoptions of children and, as noted previously, *there was an emphasis on assigning children to the waiver whose permanency plan goals were reunification with their families.* Evaluators had no way of insuring that control matches also met this requirement because it was impossible based on state administrative data alone to control for goals of permanency plans and court orders. Thus, it is likely that some portion of the differences shown in the following tables may have been due to uncontrolled selection differences of these kinds.

**Reunification, Adoption and Guardianship.** Outcomes in these three areas are shown in the following table (**Table 3.6**). Together these three categories made up 88.3 percent (3,601 of 4,076) of waiver children and 85.2 percent (3,556 of 4,177) of control children whose placements ended. Other placement termination categories (e.g. emancipation, independent living, runaway, etc.) involved very small percentages of children with no discernable differences between the waiver and the control group.

**Table 3.6. Reunification, Adoption and Guardianship at the Conclusion of Placement**

Children with Placement End after Pair-Waiver Assignment		
	Waiver	Control
Reunification*	63.5%	46.9%
Adoption*	14.2%	30.1%
Guardianship*	10.6%	8.2%
Other outcome	10.7%	14.8%
Total	4,076	4,177

p < .001

Significantly and substantially higher percentages of waiver children returned to live with their former caregivers, that is, were reunified. Many more control children, on the other hand, were adopted. Guardianships occurred more often in waiver cases, although the percentage difference

was small (2.4 percent) and by combining adoption and guardianship it can be seen that permanency outside the original home was more likely for this group.

This pattern of differences was also found for delinquent children, which may be a better test of the original research question (**Table 3.7**). Adoption or guardianship almost never occurred in delinquent cases. The other children not shown in this table (waiver: 24.5 percent; control: 31.0 percent) were spread in small percentages across many other categories, including relative placement (waiver: 2.2 percent; control: 2.5 percent), independent living (waiver: 1.6 percent; control: 2.3 percent), transfer of custody to another agency presumably to the state youth services (waiver: 6.7 percent; control: 8.7 percent), “judges order” (waiver: 9.5 percent; control: 13.0 percent), emancipation (waiver: 1.3 percent; control: 1.8 percent). Thus, reunification appears to be a valid category in that, unlike the other categories, this designation meant that the child or youth was formally returned to live in the home from which he or she had been removed. In this case, therefore, we can have greater confidence that the difference observed were influenced by participation in the waiver.

**Table 3.7. Reunification, Adoption and Guardianship at the Conclusion of Placement (Delinquent Cases Only)**

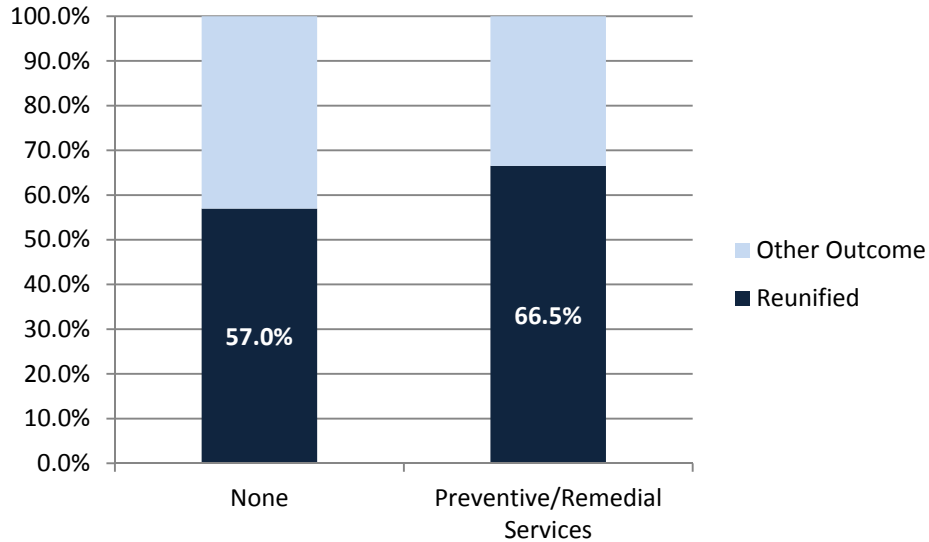
After Pair-Waiver	Waiver		Control	
	N	%	N	%
Reunification*	237	75.2	300	68.3
Adoption	1	.3	1	.2
Guardianship	0	.0	2	.5
Total	315		439	

\* p = .02

**Effects of Services on Fostering Reunification among Waiver Children.** Setting aside waiver-control comparisons and focusing only on waiver children, there were indications that offering preventive and remedial services had effects. This is shown in **Figure 3.13**. In this case all categories of services are considered. Among the waiver children considered in this analysis, 68.4 percent received one of more of the preventive services considered earlier (clothing, counseling, home-based, family support, etc.). The difference shown indicates that significantly more waiver children that received such services were reunified with their families than children who did not receive services.

Among waiver children, 68.6 percent received preventive or remedial services in more than one service category; 68.9 percent received services in more than two and 66.4 percent received services in four to six of the categories. Among control children, 36.8 percent received preventive

or remedial services, but only 12.6 percent received two or more. A small increase in reunification was observed as more services were provided to control cases, but the numbers of children receiving more than one service were too small to reveal any differences (e.g., 133 children received services of three different kinds and only 42 children received more than three).



**Figure 3.13. Services and reunification among waiver children**

As was the case for the first research question, these results suggest that flexible spending of Title IV-E funds facilitated the reunification of placed children with their families, often through the provision of more than one kind of service. It might be noted that the Terms and Conditions specify that waiver services were expected to be provided that meet the “individual needs of each child and family.” The case studies showed that waiver families often had multiple and complex problems and needs, which required multiple services to achieve successful outcomes.

**Impact Question 4: Time in Placement**

**Considering only children that exit out-of-home placement, do Treatment children spend less time in placement than control children? Do Treatment children that are reunited, adopted or placed with guardians spend less time in placement than similar control children?**

This question concerns the same set of children considered in the immediately preceding section under Research Question 3: all children in placement at the time of pair-waiver assignment or who were placed after assignment but during the original case **and** whose placements ended during the original case. This analysis considers only children that were reunited, adopted or placed with guardians, eliminating other smaller categories and included 7,157 children (waiver: 3,601; control:

3,556). The discussion of the characteristics of the children in the preceding section applies to this analysis as well.

The dependent variable, *time in placement*, is measured in days, counting from the date of pair-waiver assignment of the child until the placement ended in reunification, adoption or guardianship.<sup>16</sup> The average time in placement for **waiver children was 314 days** compared to **427 days for control children**, a difference of 113 days that was statistically significant ( $p < .001$ ). The breakdown into class intervals is shown in **Table 3.8**.

**Table 3.8. Days in Placement of Cases that Concluded with Reunification, Adoption and Guardianship**

Study children in placements at waiver assignment or		
Intervals	Waiver	Control
90 days or less	21.9%	13.8%
91 days to one year	46.9%	38.7%
One to one and one-half years	14.2%	18.4%
One and one-half to two years	8.2%	12.7%
Two to three years	5.8%	11.1%
Three years or more	3.0%	5.3%

$p < .001$

**Effects of Preventive and Remedial Services on Length of Placement before Reunification.** The overall means days in placement and the percentage in Table 3.8 can be misleading because the numbers conflate different permanency goals and plans, placement outcomes, and service and risk levels of children. These were considered in a combined analysis that focused *only on children that were reunified with their families*.

Risk was defined based on earlier encounters of the child with the child protection system and was measured using the indicators that were discussed in reference to Figure 3.12: previous substantiated investigations, previous child removals and any special needs designations. For this analysis, a finer-grained risk index was created that permitted a risk level from 0 to 4 to be assigned to each child.<sup>17</sup> These measures were used in creating the index for two reasons. First, each is a measure of the likelihood of new incidents of child maltreatment and child removal, and secondly, small but statistically significant differences were found between these segments of the waiver and

<sup>16</sup> Total time in placement was longer since some children in these groups had been removed and placed *before* the date of waiver and pair-waiver assignment.

<sup>17</sup> Previous substantiated investigations were summed from 0 to 5, where 5 included 5 or more previous substantiations. Past placements were summed from 0 to 2, where 2 included 2 or more past placements. Special needs was counted when the child had any special needs indicator, including psychological, medical and disabilities. These three were in turn summed, creating scores for each child from 0 to 4, where 4 included a score of 4 or higher.

control groups included in the present analysis (see discussion waiver-control differences at the beginning of the previous section). The risk scores are shown in the **Table 3.9** for the children included in the present analysis. More waiver children had risk scores greater than zero, indicating at least one past encounter with CPS or a special need. However, substantially more control children fell into the highest risk category. The validity of the risk measure is supported by the relationship to days in out-of-home placement. In general, the mean days in placement was higher for higher risk scores, ranging from 331, for a score of 1, to 423, for a score of 4. The exception was the lowest score (0), in that these children were in placement longer than children with scores of 1 and 2. This shows the limitation of the index, which is not a measure of child or families needs and there are certainly other indicators of risk that were not available for this analysis.

**Table 3.9. Risk Scores for Waiver and Control Children based upon Previous Substantiated Investigations, Previous Placements and Special Needs**

Study children in placements at waiver assignment or placed after waiver assignment			
Risk Levels	Waiver	Control	Mean days in placement (all children)
0 – Lowest risk	10.6%	12.7%	364
1	43.3%	20.1%	331
2	22.7%	24.0%	358
3	9.6%	12.2%	413
4 – Highest risk	13.8%	31.0%	423

Family support services were most appropriate for this analysis because these are the types of services most likely to be offered to families to facilitate return of children. Intensive family reunification services were also included but could not be analyzed separately because they were offered to only a small number of families and therefore were combined with family support services. The measure was any instance of family support services or intensive family reunification services offered to a waiver or control child. This was a simple yes-no measure because higher levels of such services were offered in only a few control cases. *These kinds of services were made available in 41.4 percent of waiver cases compared to 13.9 percent of control cases.* Thus, waiver children were three times more likely to receive a service of this kind than control children.

**Reunification.** A factorial analysis was conducted using three variables: waiver-control group memberships, risk and services for children and families. As indicated, the analysis was limited to children that were reunified with their families at the end of their time in placement. Days-in-placement was the dependent variable. The estimated marginal mean days in placement for waiver



children as a whole was 281 days compared to 365 days for control children, a difference of 84 days. The following table (Table 3.10) shows the between-subjects effects of the analysis.

**Table 3.10. Between-Subjects Effects of Factorial GLM Analysis of Waiver-Control Groups, Services and Risk on Length of Stay in Placement after Pair-Waiver Assignment**

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta <sup>2</sup>
Corrected Model	14024643	19	738139.1	9.5	0.00000	0.038455
Intercept	241492678	1	241492678.3	3116.8	0.00000	0.407806
Waiver-Control	4023663	1	4023663.4	51.9	0.00000	0.011344
Services	3342482	1	3342482.0	43.1	0.00000	0.009441
Risk Level	1350397	4	337599.3	4.4	0.00162	0.003836
Waiver-control * services	498214	1	498214.2	6.4	0.01125	0.001419
Waiver-control * risk	1361716	4	340429.0	4.4	0.00151	0.003868
Services * risk	742681	4	185670.3	2.4	0.04818	0.002113
Waiver-control * services * risk	971628	4	242907.0	3.1	0.01384	0.002763
Error	350682220	4526	77481.7			
Total	745334317	4546				
Corrected Total	364706863	4545				

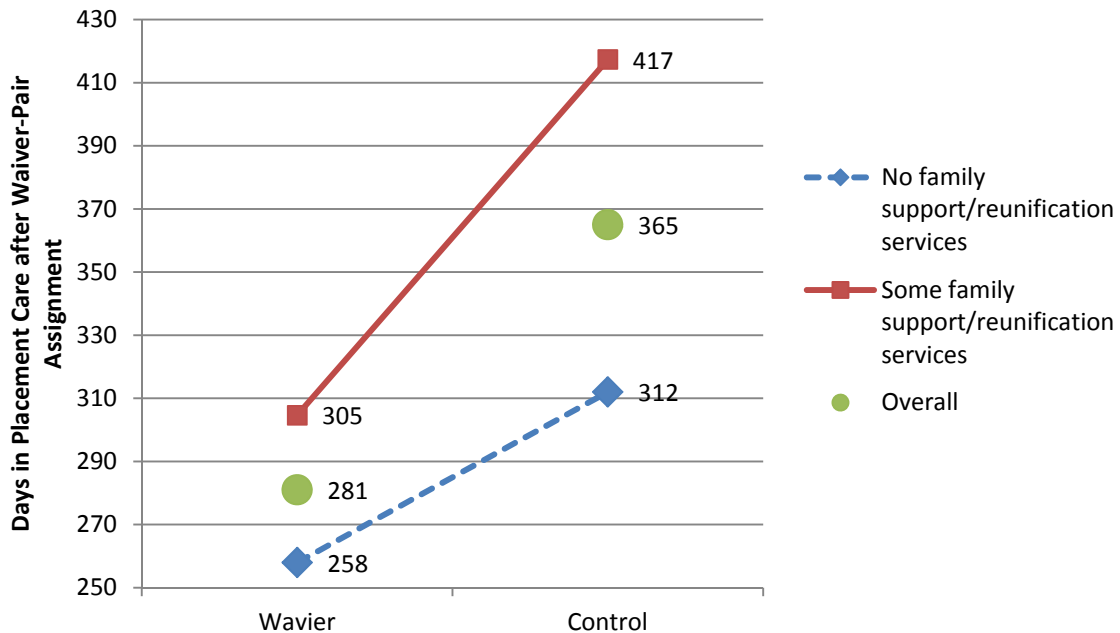
R Squared = .038 (Adjusted R Squared = .034)

Risk and services in each of the separate interaction effects were statistically significant at less than the .05 level. The variance explained was relatively small, however.

The estimated marginal means for children that received services was 365 days compared to 281 days for those receiving no services. This does not mean that services had a negative effect. Rather it means that *delivery of services is a proxy measure of the needs of children and families*. In general, children and families with greater needs receive more services in child welfare and just as higher risk cases stay in placement longer, children and families with greater service needs stay in placement longer.

In this study, however, one group of children—those on the waiver—received more services substantially more often, and we can ask whether this may have been implicated in the reduced stay. Three times as many waiver children and families received the kinds of services considered here compared to control children and families. Was there evidence that these services may have shortened placements and led to children returning home sooner? The answer is yes, and it can be seen in the service and group interaction effects of the analysis.

The interaction of services and waiver-control group membership is illustrated in the **Figure 3.14**. The circles represent the overall means for the waiver and control groups of 281 and 365 days respectively, as reported above. It can be seen that the cases to which services were delivered remained in care longer, as just explained. Waiver children in this group averaged 305 days in care and control children 417. This is contrasted with the groups receiving no services *of these kinds* in which waiver children were in care 258 days on average compared to 312 days for control children. The critical difference in the chart is that *the lines are not parallel*, which means that the gap on the waiver side was less (305-258=47 days) than on the control side (417-312=105 days). This is why the interaction was statistically significant in Table 3.10 ( $p = .01$ ). Statistical significance means we can take this difference seriously. The threefold increase in children receiving services (41.4 percent versus 13.9 percent) can be interpreted as reducing the gap, that is, as reducing the days in out-of-home care of children in families to whom workers directed family support and reunification services.



**Figure 3.14. Interaction of family support and reunification services with waiver-control group membership**

This was not found for the highest risk children, those with scores of 4 on our risk index. We should not assume that services to these children and families made no difference or had no benefits. Rather, the services considered in this analysis had no discernable effects in reducing their time in placement.

**Adoption and Guardianship.** Days in placement of children that were adopted or who entered guardianship arrangements were also examined. The analysis just discussed of services facilitating reunification was not appropriate for these subsets of children that were adopted or put in guardianship, since the waiver was not oriented to facilitate or speed up adoptions or guardianships.

Children who were adopted when their placement ended were on average in placement for much longer periods after pair-waiver assignment than children who were reunified. Overall, both groups were in care for 585 mean days compared to 381 days for children that were reunified, about seven months more on average. Over twice as many control children ( $n = 1,256$ ) were adopted as waiver children ( $n = 579$ ). *Yet, waiver children remained in care for shorter periods (mean of 547 days) before adoption compared to control children (mean of 603 days) with this outcome.* This difference was also statistically significant ( $p = .003$ ).

Smaller groups of children entered into formal guardianship arrangements. The total number of children with this outcome was 775 (433 waiver and 342 control). *Waiver children remained in care for slightly shorter periods on average (mean of 326 days) compared to control children (mean of 364 days).* This difference was not significant at the .05 level ( $p = .08$ ).

#### **Impact Question 5: Time in Institutional Settings**

**Considering only children in out-of-home placement, do Treatment children spend less time in placement in institutional settings and out-of-state facilities?**

There were few out-of-state placements among the children in this study, as noted above, and the issue was set aside in this analysis. Time in institutional settings can be considered, however. This analysis was dependent on the designation within ICWIS of provider type. There appears to be a more restrictive definition in ICWIS that did not always include providers that some might group under “institutional,” such as residential treatment. A large number of residential treatment provider payments are considered below in the cost analysis. Stays with those kinds providers were not necessarily included in the following analysis.

The subset of cases considered is the same as those indicated under Research Question 1: children not removed and placed at the time of pair-waiver assignment. However, the focus was on a further subdivision: institutional placements during the original case *among children who were placed after the pair waiver date.* This consisted of 752 waiver children and 653 control children. Of the 752 waiver children, 266 (35.4 percent) were placed in an institutional setting for some part of their stay out-of-home. Of the 653 control children, 205 (31.4 percent), a slightly smaller proportion, were similarly in institutions for some portion of their out-of-home stays. However, this

question is concerned with *time* in institutional settings. The mean time for waiver children was 69 days and for control children was 61 days. This difference was not statistically significant ( $p = .338$ ). These days were averaged for the entire set of 752 waiver and 653 control children—the proper comparison. For descriptive purposes, we should note that the mean time in institutional placement among children put in institutional placement was 196 days for waiver children ( $n = 266$ ) versus 191 days for control children ( $n=205$ ).

Comparing CPS and delinquent children, the increased length of stay of waiver children was slightly larger for delinquents. Waiver delinquents spent mean of 135 days in institutional care compared to 54 days for waiver non-delinquents. (Again, the base for calculating the means was all children placed.) Control delinquents spent 147 days compared to 47 days for control non-delinquents. The waiver-control differences in none of these cases were statistically significant. We can conclude that the waiver did not lead to observable changes in time in institutional care. However, institutional care typically involved only one provider, as children moved among providers during their total out-of-home tenure.

#### **Impact Question 6: Recurrence of Abuse and Neglect Reports**

**After case closure, do Treatment children experience lower recurrence of (substantiated) abuse and neglect reports than control children?**

The population for this analysis included the large majority of study children, all children in which the original case had closed by the end of June 2010. There were 9,475 waiver cases and 9,358 control cases. Like previous comparisons for segmented analyses, waiver and control were similar in gender (waiver: 53.6 percent male; control: 53.7 percent male), age (waiver: mean of 8.54 years; control: mean of 8.38 years) and case start date (mean days from 12/31/79--waiver: 9,504; control: 9,358). Both groups had similar levels of delinquent children (waiver: 11.1 percent; control 10.5 percent). As noted earlier, weighting was different for matching by out-of-home placement, which is reflected in the greater number of control children that were placed at the time of waiver assignment (waiver: 51.0 percent; control: 63.4 percent). However, the two groups were equivalent in regard to previous placements that had ended before the present waiver-pair assignment (waiver 12.8 percent; control 12.3 percent). They were also virtually identical in the proportions with a previous substantiated investigation (waiver: 80.2 percent; control: 80.3 percent).

Proportions of children with any special needs designation were similar in the two groups (waiver: 14.9 percent; control: 15.4 percent). While the proportions of children with *any* past investigations and placements were very similar, control children experienced two or more of these more often than waiver children. Consequently their risk scores (as described above) were significantly higher

(mean scores on 9-category high risk index—waiver: 1.7; control 2.4). This points up the need for controlling for risk level in any final waiver-control comparisons. On the other hand, proportions of children receiving one or more of the preventive/remedial services considered in this chapter were much higher on the waiver side of the ledger (waiver: 66.1 percent; control 24.1 percent). This difference must also be factored into the analysis.

**Differences in Levels of Subsequent Substantiated Reports.** Waiver children had a smaller number of new substantiated reports. The percentage difference was very small (**waiver: 23.2 percent; control 24.3 percent**), but because of the large sample sizes the difference was statistically significant ( $p = .045$ ). This comparison does not take into account differences in risk or services but is based simply on raw proportions.

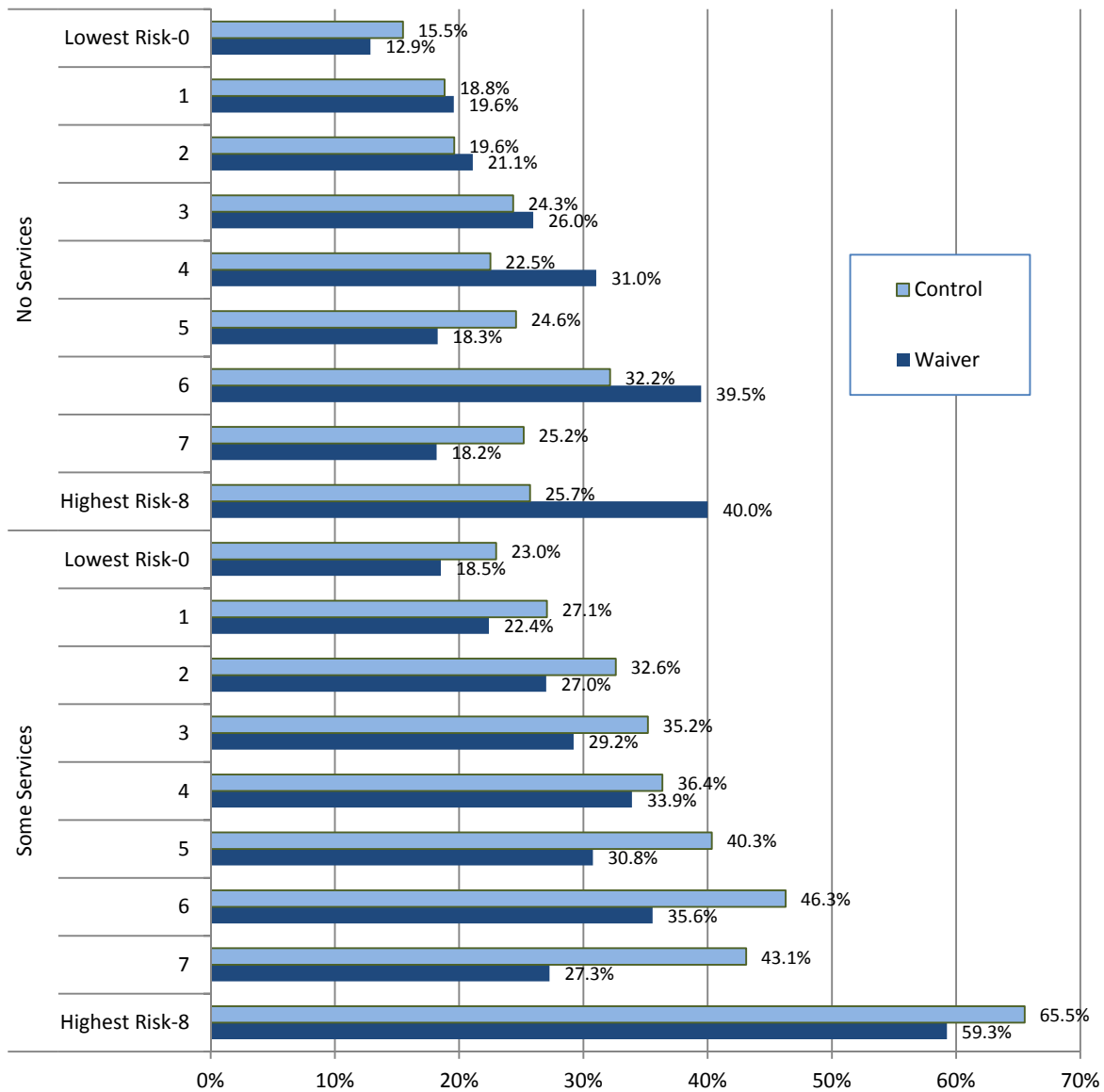
The period of time between closing of the original case and a new substantiated investigation varied significantly from a few days or weeks to many months. The study period from July 2005 through June 2010 was more than 1,800 days in length and new reports were counted for each child throughout the entire period. Survival analysis is the proper statistical method for analyzing data of this kind. Proportional hazards analysis was selected for this research question because it permits the introduction of multiple covariates, such as risk and services. The final proportional hazards table is shown in **Table 3.11**. Covariates were entered in stages (order: risk, services, group membership) and each as they were introduced produced a statistically significant reduction in the log-likelihood measure. This shows that each of the three contributed to the recurrence (or reduction of recurrence) of new substantiated investigations. The relative hazard statistics on the right side of the table is a measure of relative risk of new substantiated investigations. The value .849 suggests that 849 waiver children would have substantiated investigation for every 1,000 control children over the entire five-year period—an approximately 15 percent difference. This works out to a waiver/control difference of about 3 percent per year for children provided the flexible funding approach.

**Table 3.11. Proportional Hazards Equation for Waiver and Control Children, Children that Received Some or No Preventive/Remedial Services and the Risk Level of Each Child**

	B	SE	Wald	df	Significance	Relative hazard
Risk level	.029	.005	38.516	1	< .001	1.029
None or some services	-.297	.019	234.989	1	< .001	.743
Waiver-control group membership	-.164	.020	67.558	1	< .001	.849

These kinds of statistics are abstract and often difficult to comprehend. For this reason, we also show the percentage differences in the following chart (**Figure 3.15**). The multiple categories in this figure was made possible by the large sample size of children (18, 833) in this portion of the study.

The figure categorized the study children in three ways. In the top and bottom halves of the figure children are divided into those that received no preventive/rehabilitative services (top) and those that received one or more such services. These are in turn divided into nine categories of risk. In previous analyses it was necessary to collapse the upper end of the risk index; in this case because of the large number of children it was not necessary to do this. Risk is a measure of the probability of new reports and encounters with CPS. Children with low scores are at lower risk of new substantiated reports than children with higher scores. Finally the children in each of these 18 categories (9 at top and 9 at bottom) were further divided into waiver and control.



**Figure 3.15. Percent of waiver and control children with a subsequent substantiated investigation by risk level and delivery of preventative or remedial services**

The first thing to be noticed is that as the risk level increases the number of later substantiations increases as well (the bars grow in length). Another thing that is obvious from the table is that when services were delivered the overall levels of substantiations *were greater*. This was explained earlier as a common finding within service delivery systems with limited service funding. Services are a proxy measure of family need and another measure of risk of child maltreatment. The services in the traditional CPS system tend to go to the most difficult cases. The most important aspect of the figure, however, is the reversal that takes place in waiver-control percentages as the eye moves from no services down to some services. Under the no service category, waiver children actually had increased proportions of later substantiations in several risk categories. In the some service category, however, this pattern reverses and waiver children had fewer investigations.

This difference can be interpreted as the result of delivery of services to a substantially higher proportion of children under the waiver. As noted above, services were provided to 66.1 percent of waiver children compared to 24.1 percent of control children. More lower risk but needy families are likely to receive assistance under a flexible spending program and the difference this produces is visible in the figure.

#### **Impact Question 7: Re-entry into Placement of Children Previously Placed**

**Among children who were placed and exited placement for reunification, do Treatment children re-enter out-of-home care less frequently than control children?**

The findings for this research question represent a reversal of previous findings. We show in this section that waiver children that were in placement and then reunited with their families were later removed and placed *more frequently* than control children. The analysis considers the characteristics and children with later removals and the way in which services provided during the original waiver or control cases reduced later removals.

As in previous research questions, we present the simple frequencies first. There were 2,748 children assigned to the waiver whose placement ended *after waiver assignment* and were reunited with their families. There were 1,981 similar control children. The reasons for the difference in the sizes of these samples were explained above under Research Question 3. **After waiver children were returned home, 545 (19.8 percent) were later removed and put in out-of-home placement again compared to 322 control children (16.3 percent).** The difference was statistically significant ( $p = .001$ ).

Differences were found in the composition of the two groups. More control children were classified as juvenile delinquents (waiver: 9.4 percent; control: 15.2 percent). However, more

waiver children were subsequently removed from their homes in both delinquent (waiver: 27.0 percent; control: 17.9 percent) and non-delinquent cases (waiver: 19.1 percent; control: 16.0 percent). More waiver children were designated as special needs, as defined in earlier sections of this chapter (waiver: 18.2 percent; control 14.0 percent). Again, this did not explain more waiver removals because this occurred for both special needs children (waiver: 30.0 percent; control 24.9 percent) and non-special needs children (waiver: 17.6 percent; control: 14.8 percent). As with previous questions, there were no differences by gender, age or case-begin dates.

The case can be made that the waiver group in this analysis was at higher risk of removals. Waiver children more often had substantiated investigations before the waiver case (waiver: 83.7 percent; control 77.7 percent). In addition, waiver children in this analysis more often had previous out-of-home placement before the placement and return associated with the waiver period (waiver: 12.6 percent; control 8.8 percent). However, these differences did not appear to affect the rate of removal. Regarding previous substantiated investigations: none (waiver removals: 20.7 percent; control removals: 17.9 percent), one or more (waiver removals: 19.7 percent; control removals: 15.8 percent). Regarding previous placements: none (waiver removals: 18.6 percent; control removals: 16.1 percent), one or more (waiver removals: 28.2 percent; control removals: 17.8 percent). Similar results occurred for the high risk index (utilized in earlier analyses), which was based on these variables.

We concluded that these differences between the samples of waiver and control children included in the analysis could not explain the variation found in later removals of children.

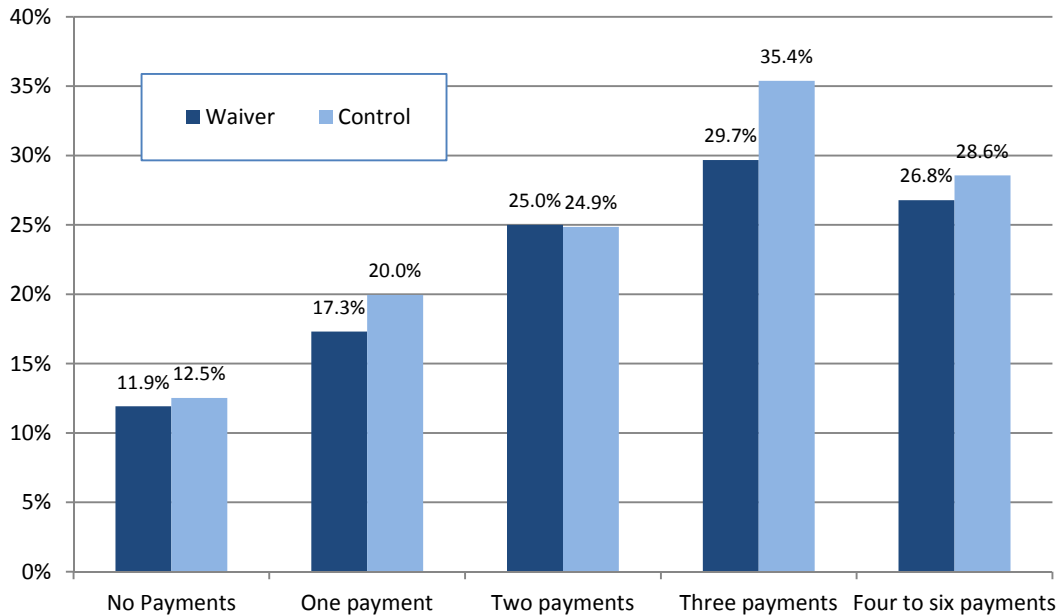
**Effects of Preventive and Remedial Service on Subsequent Removals of Waiver Children.** Only one set of variables was found that was clearly related to the effects observed. Those variables centered on the delivery of the preventive and remedial waiver services described previously in this chapter. The categories included payments for clothing, counseling, medical/dental, substance abuse treatment, home-based services, family support services, children's treatment services, child care and intensive family reunification services.

We have noted that waiver children as a group tended to receive services in these categories substantially more often. For the subsets of children considered here, 71.6 percent of waiver cases had at least one paid service in the categories considered, compared to 36.3 percent of control children. While this difference shows that the waiver led to changes in approach to the cases of many children, it also shows that a substantial minority of waiver children (in this analysis 28.4 percent) received none of the services being considered. We should reiterate that some of these children and families may have received services funded in other ways or may have been assisted directly by case managers and other workers.



Of course, in certain of these categories very few children or families were served in either group and the numbers were too small for separate analysis: medical/dental (51 cases), substance abuse treatment (17 cases), children’s treatment (6 cases), child care (12 cases), and intensive family reunification (32 cases).<sup>18</sup>

It was possible to combine all the service categories into a single variable that represented counts of the number of payments for any of the services. The effects of introducing this variable into the analysis are illustrated in **Figure 3.16**. Some waiver-control differences remained but none were statistically significant. Even the large difference for four to six payments was insignificant, primarily because the number of control children was so small (n = 6).



**Figure 3.16. Waiver and control children removed after reunification by the number of payments for preventive and remedial services in financial records**

This analysis may be interpreted to indicate the importance of services in averting later removals. Indeed, in three of the four large service categories (clothing, counseling, family support services) more removals of waiver children occurred *only* among children who received *no services*. The comparisons in Figure 3.16 are a classic example of an analysis confirming the effects of an

<sup>18</sup> As noted earlier, these numbers represent payments for services in the payment records provided to evaluators. Services of these kinds may also have been provided to families in other ways that were not paid for directly by CPS or that were funded at the county level through other means. Those would not be captured in this variable.

intervening variable, that is, that the relationship between assignment of children to the waiver and subsequent removals after reunification had occurred disappeared in the three-way analysis and thus was mediated by the absence or presence of services to children and their families.<sup>19</sup>

Like the earlier analyses of services in reference to other research questions, this analysis provides strong indications of the value of services in producing positive outcomes. It leaves unanswered the more basic question of why waiver children, who as a group received substantially more services of this kind, nonetheless, as a whole, experienced more subsequent child removals. It is likely that other unmeasured and unexplained differences between the two groups would permit an explanation. The problem points to a weakness in the present research design—uncontrolled waiver-control differences—that might have been averted had random assignment been possible in the evaluation.

### **Impact Questions 8 and 9: The Effects of Services**

**a) Do added services made available through the demonstration facilitate permanency of Treatment children? b) Do added services made available through the demonstration reduce the risk of future child abuse and neglect? c) Are certain approaches to service delivery taken by particular counties more effective in working with specific types of families or children?**

Research Questions 8a and 8b have been answered as fully as is possible in this evaluation in the previous sections addressing Question 1 through 7. Permanency does appear to be facilitated by the increase in services that occurred through the waiver. Under Research Question 1, it was reasonable to attribute lower proportions of removals of waiver children to increased home-based services, at least for lower risk children (the majority in that analysis). Under Research Question 3, it was consistent to assert that the increased delivery of preventive and remedial services facilitated reunification of placed children with their families. Under Research Question 4, we concluded that family support services were associated with reduced time in placement and thus may have facilitated reunification of children with their families. Reduction in subsequent substantiated investigations was seen in the analysis of Research Question 6 to be related to the delivery of remedial and preventive services during the original waiver case. Finally, under Research Question 7, it was shown that services were important intervening variables in preventing new removals after reunification, although questions remained concerning other underlying and unexplained differences between waiver and control children that may have led to higher rates of subsequent removals. We conclude that there is strong evidence that services reduce time in placement and avert placement.

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<sup>19</sup> In cross-tabulations, the introduction of a intervening variable will result in disappearance of differences that appeared in analyses without the intervening variable. Thus, the significant difference between waiver and control children in the proportion of subsequent child removals disappears in the comparisons shown in the chart.

Research Question 9 was added for the waiver renewal period as a way of addressing the issue of *program counties*, that is, counties in which the waiver was known to be organized to prevent or shorten placements of children and in which a significant number of children were actually assigned to the waiver compared to counties where this did not occur or occurred more sporadically. The purpose was to have a variable (program or non-program) that measured variations in services to children. But this measure is rough and indirect for statistical purposes, with greater error, since there were variations in the service approaches to cases *within* each program county. The analyses of services presented above address the issue of services directly and therefore avert the need for an analysis of program counties. An additional purpose for the research question was to consider differences among counties that focused their waiver programs on juvenile delinquents compared to counties that focused on child abuse and neglect cases. Again, the variations discussed above in the relationships of services, delinquent versus non-delinquent children and outcomes represents a more direct approach to this question and averts the need for a separate analysis of this research question.

### **Impact Questions 10, 11, 12: Child and Family Well-Being**

#### **Question 10: Do demonstration treatment children experience improved services relevant to child development?**

This research question was indirectly addressed through the analysis presented in Part A of this chapter. Services reported by workers can be seen in Figure 3.3. Services addressing financial assistance, money management, household needs, basic needs, housing, public assistance, job services and transportation were provided significantly more often in waiver cases. These reports of workers were supported by the analysis of service payments, particularly increased payments for family support services. Homemaker services were reported by workers significantly more often in waiver cases and this was confirmed in the analysis of payment records under the category of home-based services.

Similarly, waiver families reported receiving services more often and in greater amounts (Figure 3.4 and 3.5). Their reports concerning financial-related assistance mirrored those of workers. Waiver family caregivers also more frequently reported receiving counseling services, another kind of assistance that was confirmed through the analysis of payment records. They were more likely to indicate that they received parenting classes or help. They were also more likely to report that the services they received were the kind needed and were enough to really help.

Services related to financial security address the effects of poverty and financial stress on the welfare and development of children. Children suffer from the effects of poverty because their

families are in poverty. Relief of these conditions in families generally has positive effects on the relationships of family members and in turn on child development.

**Questions 11. Does the school performance of treatment children improve?**

Regular attendance and adequate performance in school can both be taken as indicators of child well being. Children are more likely to go to school and have a good experience there if they have a stable home life, and conversely, parents are more likely to ensure their children attend and support their learning if they have addressed the major stressors in the home. The majority of both waiver and matched families, 89.2 percent, reported that the school-age children (6-17 years old) in their household were going to school. Most of the children not attending were teens (13 to 17 years old), among whom only 81.3 percent were reported to be in school. Parents reported that their children were doing fairly well in the classroom, and, as can be seen in **Table 3.12**, there was a small but statistically significant difference between waiver and control families. Among waiver families, 76.1 percent reported that their children were doing excellent or good. This is compared to 68.8 percent of control families. Parents were also asked whether their children were doing better or worse in school than in the past. Little difference was found between waiver and control groups for this question. (See **Table 3.13**)

**Table 3.12. How is your child doing in school?  
(Children ages 6 to 17 years)**

	Children in Waiver families	Children in Control families
Excellent	33.4%	30.8%
Good	42.7%	38.0%
Fair	16.7%	22.3%
Poor	7.2%	8.9%

p = .037

**Table 3.13. Is your child doing better or worse in school than in the past? (Children ages 6 to 17 years)**

	Children in Waiver families	Children in Control families
Better	36.1%	38.2%
Same	55.7%	52.0%
Worse	8.2%	9.8%

p = .392

**Questions 12: Does the well being of treatment children and their families improve?**

To capture what types of problems a child may still be having since the case closed, families were asked to report on whether their child experienced particular behavior issues or health issues. These issues include refusing to go to school, possessing a developmental disability or feeling anxious or unsafe. Among the items that families responded to, three issues stood out as critical problems for parents. Thirty-eight percent of families reported that their child had trouble learning in school. This number was higher for the delinquent population, at 51 percent for both waiver and control groups. Likewise, 37 percent of respondents felt that their child behaved in ways that made them difficult to control. Again, this percentage was higher for delinquency cases, more than 52 percent for both groups. Finally, many parents also reported that they believed their child might also be experiencing depression (31 percent), with about half (51 percent) of the parents of delinquents noticing this about the children. No significant differences were found for these items between waiver and control groups.

**Question 13: Are caregivers of treatment children more satisfied?**

The experience that a family has with DCS services is a general indicator of the success of the intervention. Whether or not a family feels positive about their interaction with DCS can potentially impact their level of motivation, the value they place on the experience, and the longer-term outcomes for their situation. It is important that families feel that they have made progress when the case closed.

Family satisfaction was measured using six separate items:

1. Level of satisfaction with the general way they were treated by their case manager.
2. Level of satisfaction with the services and assistance they received from the county DCS office.
3. Whether their family was better off or worse off because of involvement of the child protection agency.
4. Whether their child(ren) were better off or worse off because of the involvement of the child protection agency.
5. Whether their worker understood their family's situation and needs.
6. Perceived level of involvement in decision making regarding their case.

On the first, fifth and sixth measure, there were no differences between waiver and control groups. Both waiver and control families reported being equally satisfied with how they were treated by the worker who visited their home. Overall, very few families reported being dissatisfied (15.2

percent), while most said they were very satisfied (45.1 percent) or generally satisfied (39.6 percent).

Likewise, when asked about their worker’s understanding of their needs or their own involvement in case decisions, families in both groups gave similar assessments. A little more than half of all families (55.7 percent) reported their worker tried to understand their situation “very much”, while 22.3 percent said “somewhat.” One in ten thought their worker understood their family only “a little” (11.9 percent) or “not at all” (10.0 percent). Most families also believed that they had adequate involvement in case decision making. Seven in ten families (72.9 percent) reported being involved in decisions at least “somewhat,” with nearly half (47.1 percent) saying they were “very much” involved.

On the remaining three measures, satisfaction levels differed between waiver and control groups. **Table 3.14** shows the level of reported satisfaction for the second question. Families in the waiver group reported somewhat more satisfaction with the help they received or were offered by their worker (81.5 percent vs 76.6 percent). Control families were also more likely to report that no help had been offered to them.

**Table 3.14. How Satisfied Are You With the Help You Received or Were Offered?**

Level of Satisfaction	Waiver	Control
Very satisfied	42.7%	39.9%
Generally satisfied	38.8%	36.7%
Generally dissatisfied	8.8%	8.4%
Very dissatisfied	6.0%	5.5%
No help was offered	3.7%	9.4%

p = .002

Waiver caregivers also responded more favorably to questions about how their family or child(ren) may or may not have improved because of their experience with CPS or probation. **Figure 3.17** shows the difference between the waiver and control groups on these measures. Ten percent more waiver group caregivers stated their family was “much better off” because of their experience than control families (p = .027), and seven percent more waiver group families said this about their child or children (p = .017).

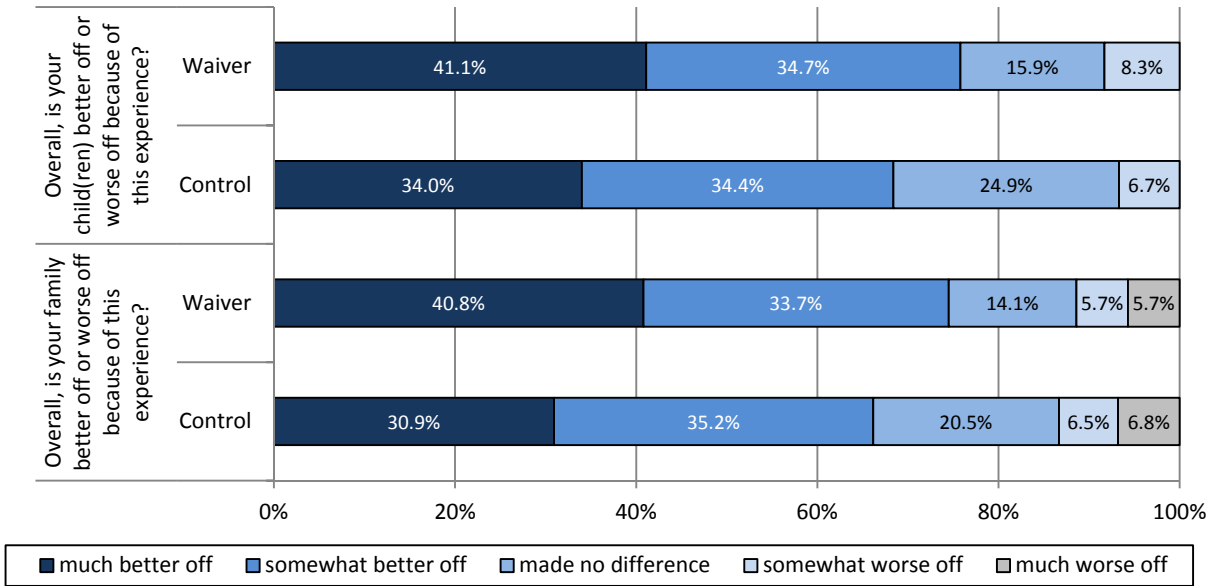


Figure 3.17. Is your family and child better off or worse off because of this experience? (p<.05)

## Chapter 4. Cost Analysis

Because the central feature of the Indiana waiver was flexibility in utilization of Title IV-E funds that formerly could be spent only on placement-related costs, the primary focus of the cost analysis should be to document whether a shift occurred in program spending, and the nature and extent of it. The Indiana waiver has several special features that will be considered in this section. First, the waiver was available in each of the state's 92 counties but the actual utilization—number of children assigned to the waiver—was left to the discretion of local directors and staff. Second, the waiver emphasized utilization of traditional IV-E funds for assistance and services to avert or shorten out-of-home placement but the services selected and their application in particular cases was again left to the discretion of local workers, supervisors and, in some cases, decision-making groups. Third, counties were permitted to assign children who were determined to be ineligible for Title IV-E funds to waiver status and to use such funds for them.

This analysis considers data that appears in the state's financial records as *billed amounts*, without regard to claims of Federal reimbursement. In addition, the analysis considers only billed amounts *after waiver assignment* or the corresponding date for the matched pair, which we earlier called pair-waiver assignment. For example, only two years of costs would be considered for a child assigned to the waiver on July 1, 2008 (until June 30, 2010) and for that child's matched control case, as well. Unlike the cost neutrality analysis, all funding sources that appear in the financial records were included in this analysis; these were:

- Federal Emergency Assistance
- State and Federal Payments under Title IV-E FC
- State and Federal Payments under Title IV-E Waiver
- State and Federal Chafee
- Assisted Guardianship expenditures
- Adoption Subsidy, State and Federal
- Delinquent, Secure and Other Detention
- Family Preservation
- Intensive Reunification
- Child Care
- County payments
- Other undefined sources

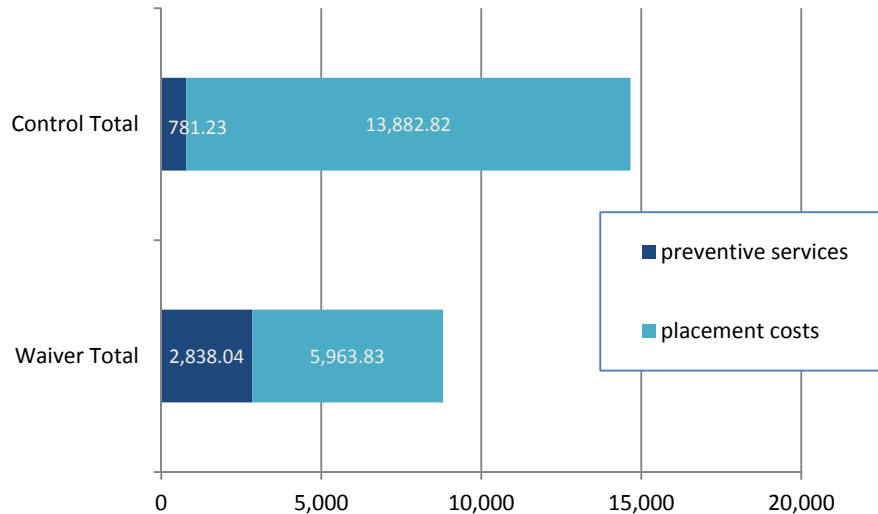


The mean costs used in the following analyses were costs per child *for the entire waiver extension*. Because children were in active cases for very different periods of time these may reflect expenditures during a single month for some children but several months or years for others.

## A. Statewide Totals

The services discussed in the previous chapter, which were termed *preventive and remedial*, can be taken as indicators of the primary purpose of the waiver, namely, to reorient the approach to children and families to prevent or shorten out-of-home placement. Thirteen service categories were outlined. These included clothing, counseling, medical/dental, substance abuse treatment, home-based services, family support services, child treatment services, day care, intensive family reunification services and independent living services. As was seen, waiver children were significantly more likely than control children to receive such services.

The mean amounts expended from all funding sources included in the financial records are shown in **Figure 4.1**. Analysis of various subcategories of cases is presented later. But first a look at differences among counties.



**Figure 4.1. Mean expenditures for preventive and placement services for waiver and control children – all funding sources**

## B. County Differences

There were considerable variations among counties in expenditures for preventive and remedial services. In the following two charts (**Figure 4.2**) the mean spending per child for all these services combined is shown for each county in the state. The amount is represented by the bars which should be compared to the dollar axis on the left side of each chart. Each bar represents one county and the number of waiver or control children assigned in that county is represented by the circles, which should be compared to the number axis on the right side of each chart.

Several conclusions can be drawn from the charts in Figure 4.2. First and most obvious, average spending per child in these categories was much lower for control than for waiver children. This is an indication of the effects of the waiver on practice, since the control children were similar, as a whole, to waiver children. Means within counties seldom rose above \$2,000 dollars and most were less than \$1,000 for control children. Comparatively, mean expenditures for waiver children in about half the counties were \$3,000 or more and the majority of counties spent over \$2,000 per child.

A second conclusion is that substantial variations occurred in the amount spent for waiver children, and while the same was true for control children, the variation among counties was less on the control side. This means that Indiana counties continued to utilize the waiver in different ways and in some cases may have underutilized the program for children that were assigned.

A third finding is that most counties assigned fewer than 100 children to the waiver during the entire five year waiver period. Most of these were smaller and rural counties. Application of service dollars did not appear to be associated with small numbers of children assigned to the waiver, since the mean amounts were substantial for some small counties and much lower for other small counties. Five of the larger counties in the state fell into the lower quartile of mean spending. Of the six counties with waiver assignments of 300 or more, only two fell into the upper half of mean spending compared to four in the lower half. We can conclude that larger counties were less able to utilize the waiver program in this fashion.

The bulk of spending for children of the type assigned to the Indiana waiver has traditionally been for foster and residential care. The next question that can be asked is whether the waiver produced a shift in spending from dollars devoted mainly to out-of-home care to activities designed to avert such care. This is illustrated in **Figure 4.3**.

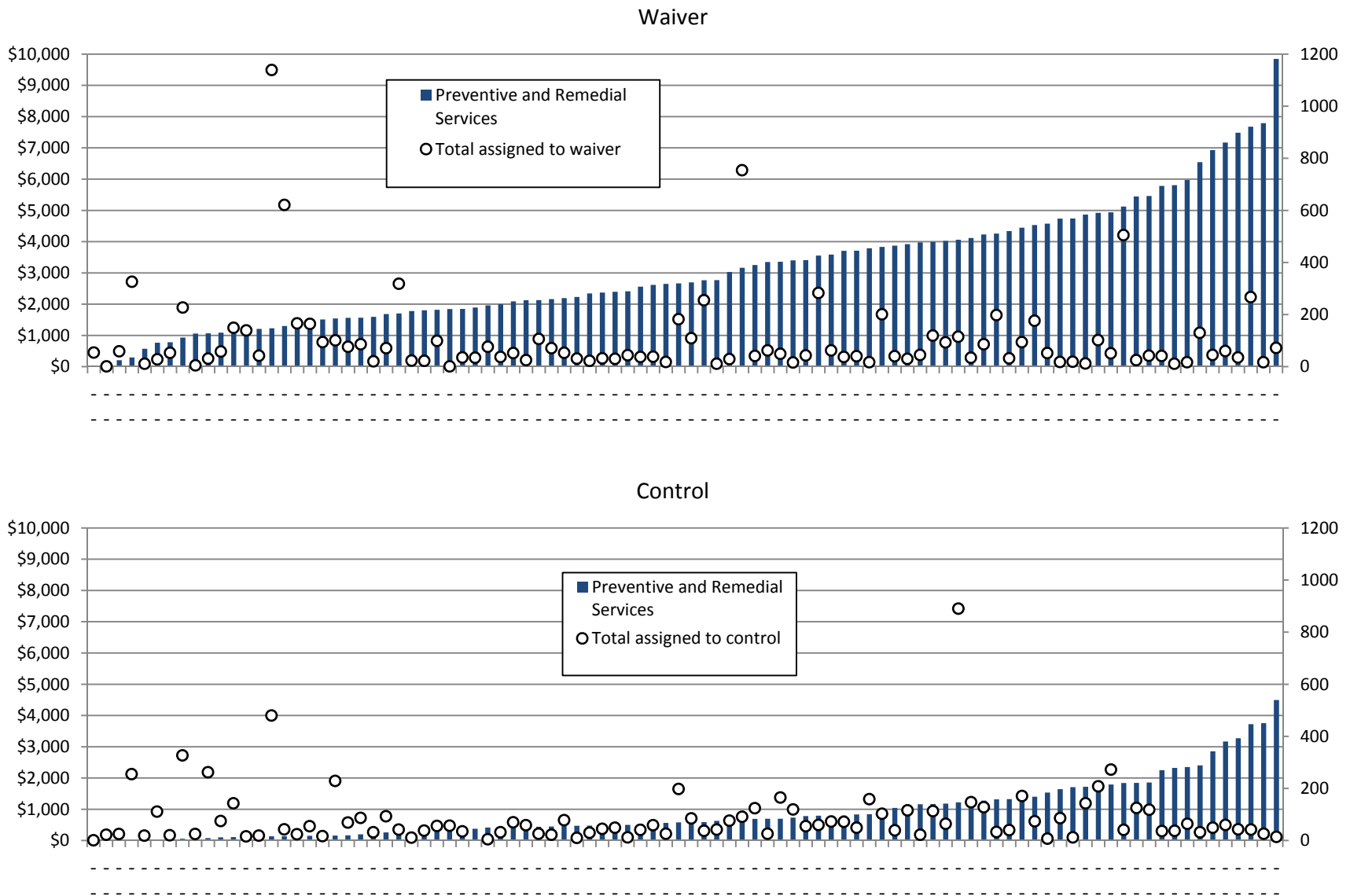


Figure 4.2. Mean spending per child for preventive and remedial services by counties (& children assigned to the waiver-right axis)

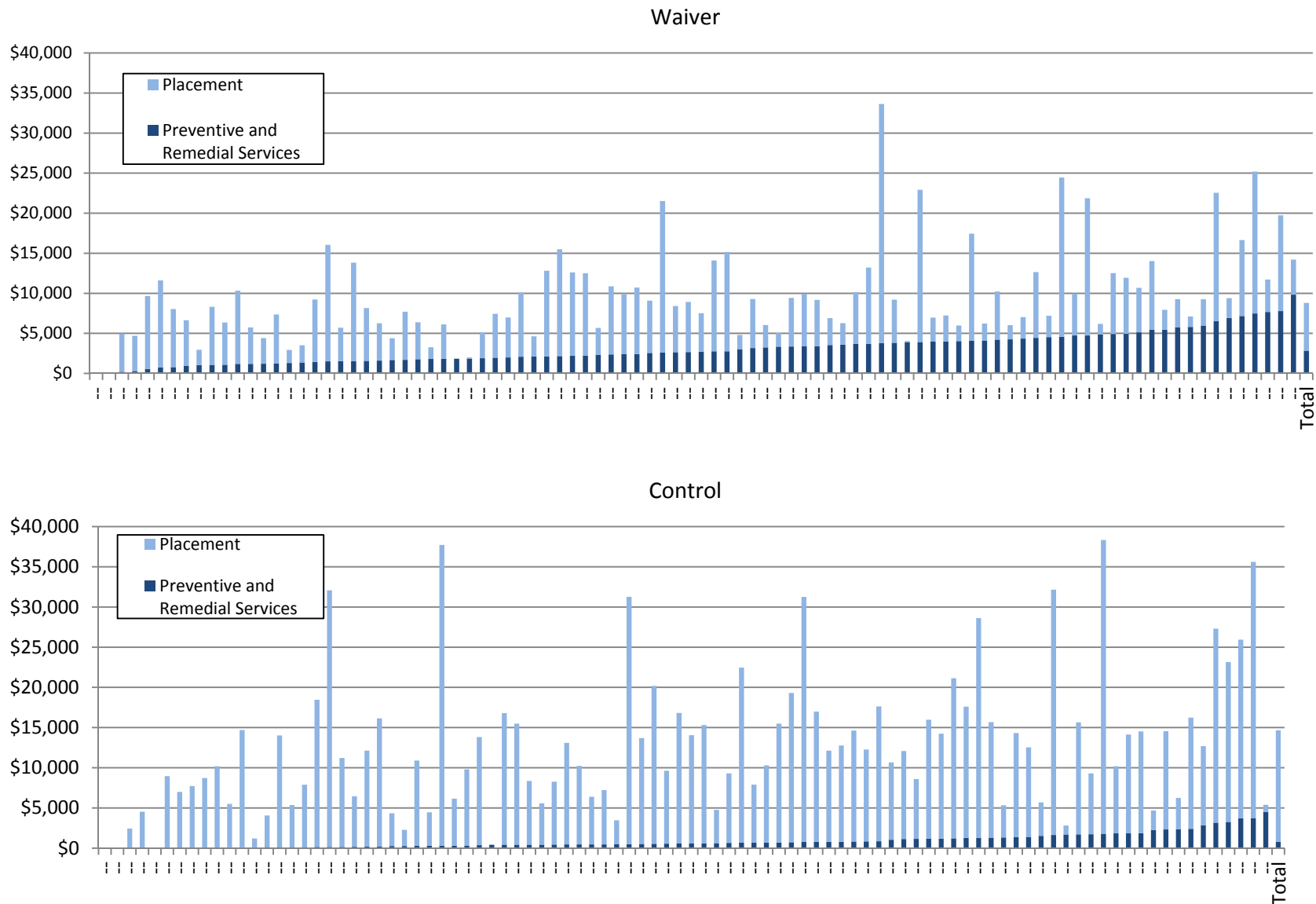


Figure 4.3. Mean spending per child for preventive and remedial services and for out-of-home placement by counties

The counties are sorted in the waiver and control charts in the same order as in Figure 4.2— from lowest to highest mean service dollars. The charts add the mean cost for placement of waiver and control children in each county. The maximum dollars on the left side axis were increased from \$10,000 in Figure 4.2 to \$40,000 in the present figure.

The stacked bars provide a perspective on the amount of total dollars in the payments files spent on placement versus services. The overall difference is shown in the final bar on the right side of each chart (labeled “Total”) which shows the statewide means. The proportion of total dollars devoted to placement averaged 67.8 percent for waiver children compared to 94.7 percent for control children. The large difference occurred for two reasons. More of total funds were devoted to services in waiver cases and substantially greater spending for placement services occurred in control cases. Regarding the latter, a mean of \$5,964 was spent per child for out-of-home placement services in waiver cases compared to \$13,883. The base for these means is *all waiver or control children*, whether placed or not. This happened because more waiver children remained at home than control children and of those that were in placement or placed later, waiver children remained in placement for shorter periods, as we shown in the previous chapter. **If these differences are indeed indicative of a shift in costs then the waiver is responsible for substantial savings as costly expenditures on foster and residential care are replaced by less costly preventive services.**

The other finding evident in the charts is the variation in the amount expended on placement by county. This is partially a result of purely random and uncontrollable variations in the risk levels of children and the need for expensive and specialized placement, including residential treatment, hospitalizations and specialized foster or group care arrangements. It is also a function of variation among counties in the proportion of children assigned to the waiver who were in placement at the time of assignment and the success of those counties in ending those placements and returning children home.

## C. Variations in Expenditures by Characteristics of Cases

A reasonably consistent pattern is evident across counties in the relationship between services and placement that is consistent with the goals of the waiver program. The next question that can be asked is whether this pattern is evident for different types of children. Table 4.1 provides expenditures from all funding sources during the five-year extension period included in the financial records for various subcategories of waiver and control children. As can be seen, for each category, more funds were spent for preventive and remedial services for waiver children than control children. Correspondingly, for each category, fewer funds were spent on placement for waiver than control children.

**Table 4.1. Expenditures for Services and Placement  
for Waiver and Control Children by Subcategory – All Funding Sources**

Subcategory	Total Payments for Services	Total Payments for Placement
Waiver: CPS	\$2,772	\$5,172
Control: CPS	\$964	\$13,184
Waiver: Delinquent ever during study period	\$4,065	\$9,716
Control: Delinquent ever during study period	\$1,093	\$16,900
Waiver: CPS in placement at waiver assignment	\$2,844	\$7,055
Control: CPS in placement at waiver assignment	\$1,158	\$17,769
Waiver: CPS not in placement at waiver assignment	\$2,758	\$4,117
Control: CPS not in placement at waiver assignment	\$639	\$5,875
Waiver: In placement at assignment	\$2,879	\$7,419
Control: In placement at assignment	\$1,140	\$18,364
Waiver: Not in placement at assignment	\$3,059	\$4,271
Control: Not in placement at assignment	\$720	\$5,977
Waiver: No special needs	\$2,719	\$3,965
Control: No special needs	\$813	\$9,639
Waiver: Special needs	\$4,402	\$16,786
Control: Special needs	\$1,891	\$35,602
Waiver: No past removals	\$2,975	\$5,330
Control: No past removals	\$975	\$13,124
Waiver: Any removals before waiver/control removal	\$2,924	\$9,486
Control: Any removals before waiver/control removal	\$1,038	\$17,747
Waiver: No previous substantiations	\$3,272	\$5,723
Control: No previous substantiations	\$862	\$11,432
Waiver: Any previous substantiated investigations	\$2,888	\$5,899
Control: Any previous substantiated investigations	\$1,014	\$14,326
Waiver: Female	\$2,852	\$5,055
Control: Female	\$1,006	\$12,428
Waiver: Male	\$3,069	\$6,560
Control: Male	\$963	\$14,852
Waiver: Preschool	\$2,480	\$3,176
Control: Preschool	\$942	\$8,576
Waiver: Ages 6 to 12	\$2,985	\$5,701
Control: Ages 6 to 12	\$1,005	\$14,458
Waiver: Ages 13 and older	\$3,537	\$9,043
Control: Ages 13 and older	\$1,024	\$18,901

The cost data was further broken down by type of service and placement expenditure. The service expenditures were rearranged into categories that differed somewhat from those described in Chapter 3. Three categories were created:

- 1) *Services related to placements.* Although many of the services could be and were offered to children who were never removed, the majority were directed toward children in placement. These included payments for clothing, medical or dental services, child treatment services, foster services for children and parents, visitation facilitation, monitoring services, independent living, adoption assistance and assisted guardianship. The latter four were very small and could have conceivably been included under certain placement categories.
- 2) *Payments for material and therapeutic support of families.* This category includes the set of family support services described in the previous chapter (material assistance, respite care, parent education, family functioning assessment, general products and services of various kinds and others not described fully in payments records) along with counseling, substance abuse treatment, family reunification and child care. As pointed out previously, the last of these was infrequently found in the payment records for this analysis.
- 3) *Home-based services.* This is the same category used in several analyses of outcomes and includes home-based family centered casework and therapy, various general home-based services, including homemaker services.

In addition, four categories of out-of-home placement settings were created. These categories were based on evaluators' codings of more than 400,000 payment records. The service descriptions were sometimes present but in most cases we depended on the name of the vendor listed in the files in determining the kind of placement being provided. The institutional placement category was the most problematic, because some of these were child placing institutions that maintain foster homes and group homes for children as well as residential treatment facilities. Exactly what type of placement was being paid for could not always be determined and there was no way to clearly link the payment record to ICWIS placement records and vendors.<sup>20</sup> The four categories were:

- 4) *Payments for therapeutic foster services.* These included therapeutic foster care, special foster care for sexual abuse cases, special needs foster care at various levels, care for the

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<sup>20</sup> The linkage between payments and children was made but we could not determine how each payment record was related to individual placement episode as children moved from one placement to another.

medically fragile. In addition, emergency foster, group and institutional care was included in this category.

- 5) *Payments for relative placements.* Children placed in the home of a relative.
- 6) *Payments for foster placement.* As noted, this may underestimate the foster care totals, as some foster care that was supervised by institutions may have been included in the next category. The much smaller category of group homes was included here rather than under institutions, as payments for transitional living.
- 7) *Payments for residential treatment.* This category included residential treatment centers, cottages, villages, shelters, academies, youth centers, hospitals and secure facilities.

Mean expenditure values were calculated in each of these service categories for waiver and control children in various subcategories. These are summarized and shown in Tables 4.2a and 4.2b. Note that the means shown were for expenditures *during the entire five-year waiver period*. Thus, the amounts could be and were sometimes very large because children were included who had long open cases and continuing stays in out-of-home placement.

**1. Delinquents and Non-delinquents.** In this analysis delinquency was defined as *ever* a delinquent from the type of assignment through the end of data collection. Most of these children started as delinquents but some others, which started as child maltreatment cases, changed as new events occurred and the child was adjudicated as a juvenile delinquent. The means for these children are shown in the first category in Table 4.2a. As was noted in the previous chapter, more spending occurred in material, therapeutic and home-based services under the waiver for delinquents than non-delinquents, but less for services related to placements. Control children followed the same pattern but at much lower dollar levels. Delinquents were seldom in relative placement and some of these may have been CHINS children who subsequently entered delinquency status. The comparatively large categories for delinquent children were foster care and residential treatment, since the large majority were removed and placed outside the home. The mean amounts for control children followed a similar pattern but were larger, again in part because waiver children were returned home sooner.

**2. Special Needs Children.** This general category was described in the previous chapter and represents a single coding for either psychological problems, disabilities or medical needs. The second section in Table 4.2a shows the mean payment values for special need and no special needs children. As is evident, more spending occurs for these children in virtually



**Table 4.2a. Mean Expenditures for Categories of Services and Placement in Waiver and Control Cases by Delinquency, Special Needs, Placement at Waiver Assignment, Previous Removals Ending before Waiver Assignment, Previous Substantiated Investigations before Waiver Assignment, Gender and Age (n = 9,699 waiver cases, 9,699 control cases)**

	Payments for services re child placement	Payments for material & therapeutic services to families	Payments for home-based services	Payments for therapeutic placements	Payments for relative placements	Payments for foster placements	Payments for residential treatment
<b>1. Delinquency</b>							
Waiver: Non-delinquent	\$427	\$1,150	\$1,194	\$628	\$97	\$1,735	\$2,712
Control: Non-delinquent	\$375	\$369	\$221	\$1,856	\$208	\$4,428	\$6,692
Waiver: Delinquent ever during study period	\$220	\$1,422	\$2,422	\$481	\$11	\$842	\$8,382
Control: Delinquent ever during study period	\$106	\$516	\$470	\$1,075	\$4	\$1,232	\$14,590
<b>2. Special needs</b>							
Waiver: No special needs	\$319	\$1,082	\$1,319	\$379	\$75	\$1,237	\$2,274
Control: No special needs	\$256	\$307	\$250	\$1,137	\$182	\$3,200	\$5,119
Waiver: Special needs	\$841	\$1,823	\$1,738	\$1,910	\$132	\$3,686	\$11,058
Control: Special needs	\$759	\$836	\$296	\$4,971	\$159	\$8,018	\$22,454
<b>3. In placement at waiver assignment</b>							
Waiver: In placement at assignment	\$506	\$1,124	\$1,250	\$808	\$141	\$2,292	\$4,178
Control: In placement at assignment	\$412	\$467	\$261	\$2,321	\$243	\$5,400	\$10,400
Waiver: Not in placement at assignment	\$284	\$1,261	\$1,515	\$399	\$26	\$891	\$2,955
Control: Not in placement at assignment	\$206	\$262	\$252	\$771	\$71	\$1,549	\$3,586
<b>4. Removals before waiver assignment</b>							
Waiver: No removals	\$395	\$1,200	\$1,379	\$548	\$81	\$1,510	\$3,192
Control: No removals	\$294	\$406	\$274	\$1,738	\$194	\$4,023	\$7,169
Waiver: Any removals before waiver/control removal	\$400	\$1,134	\$1,389	\$1,000	\$106	\$2,207	\$6,173
Control: Any removals before waiver/control removal	\$607	\$288	\$143	\$1,763	\$77	\$3,535	\$12,372

**Table 4.2b. Mean Expenditures for Categories of Services and Placement in Waiver and Control Cases by Delinquency, Special Needs, Placement at Waiver Assignment, Previous Removals Ending before Waiver Assignment, Previous Substantiated Investigations before Waiver Assignment, Gender and Age (n = 9,699 waiver cases, 9,699 control cases)**

	Payments for services re child placement	Payments for material & therapeutic services to families	Payments for home-based services	Payments for therapeutic placements	Payments for relative placements	Payments for foster placements	Payments for residential treatment
<b>5. Substantiated investigations before waiver assignment</b>							
Waiver: No previous substantiations	\$278	\$1,254	\$1,740	\$332	\$25	\$747	\$4,618
Control: No previous substantiations	\$175	\$344	\$343	\$908	\$78	\$1,548	\$8,898
Waiver: Any previous substantiated investigations	\$427	\$1,175	\$1,286	\$678	\$100	\$1,825	\$3,297
Control: Any previous substantiated investigations	\$377	\$403	\$235	\$1,958	\$205	\$4,586	\$7,578
<b>6. Gender</b>							
Waiver: Female	\$430	\$1,113	\$1,309	\$546	\$94	\$1,647	\$2,769
Control: Female	\$347	\$393	\$265	\$1,566	\$206	\$4,036	\$6,620
Waiver: Male	\$367	\$1,261	\$1,441	\$658	\$76	\$1,560	\$4,267
Control: Male	\$325	\$388	\$250	\$1,893	\$155	\$3,894	\$8,911
<b>7. Age at waiver assignment</b>							
Waiver: Preschool	\$378	\$1,004	\$1,098	\$413	\$130	\$1,789	\$845
Control: Preschool	\$345	\$337	\$260	\$1,531	\$264	\$4,704	\$2,077
Waiver: Ages 6 to 12	\$435	\$1,265	\$1,285	\$844	\$75	\$1,964	\$2,818
Control: Ages 6 to 12	\$415	\$393	\$197	\$2,253	\$213	\$4,512	\$7,480
Waiver: Ages 13 and older	\$387	\$1,350	\$1,800	\$609	\$44	\$1,087	\$7,304
Control: Ages 13 and older	\$262	\$455	\$307	\$1,553	\$60	\$2,691	\$14,596

every category. They are the recipients of more services and their placement costs are higher. However, the overall pattern under the waiver holds for these children, in the apparent shift of costs from therapeutic, foster and residential care to various service payments. It is also apparent that the costs of residential treatment for special needs children are the highest both for waiver and control of any of the sub-categories in Tables 4.2a and 4.2b.

**3. In Placement when Assigned to the Waiver.** Waiver children that were in placement at the time of pair-waiver assignment compared to those who were not followed the same pattern of shifted costs. However, we may note that the placement costs for control children that were in placement were comparatively very much larger than for control children.

**4. Removals before Waiver Assignment.** This category is the fourth in Table 4.2a and refers to out-of-home placements that *had ended* before assignment to the waiver. We noted earlier that this was a risk category that might be predictive of future reports of child maltreatment and future removals. However, no evident trend can be seen in the comparison of either waiver or comparison children in regard to the three service categories. Waiver children in this category showed greater costs for therapeutic foster care but no corresponding trend was seen for control children. The big difference in this section of the table was seen in the relative reduction in residential treatment for children with former placement. Roughly half as much spending for residential treatment was found for waiver than for control children.

**5. Substantiated Investigations before Waiver Assignment.** This was another category thought to indicate risk (Table 4.2b). However, regarding spending little difference was found among control children and the differences between the two waiver categories were not consistent.

**6. Gender.** Are boys treated differently from girls under the waiver or under the control? The means in Table 4.2b indicate little difference within the waiver and control groups for services. Of course, more spending for services appears for waiver children but the increase is fairly consistent and comparable for both boys and girls. The table shows that boys tend to be placed in residential treatment more often or for longer periods than girls and this difference was apparent for both control and waiver groups but with overall reductions on the waiver side.

**7. Age at Assignment.** The differences that appear in this section of Table 4.2b show that family support services were substantially higher for teens and their families. Residential

treatment was more expensive for this age group but foster care was less expensive. This doubtless reflects the juvenile delinquent population, which were predominantly in their teens.

Overall, Tables 4.2a and 4.2b support the difference shown in the earlier charts. Comparisons of spending are consistent with a shift under the waiver from foster and residential treatment to preventive and remedial services. Some differences were found among subpopulations, such as increased payments for special needs children and delinquents in the service categories, but the pattern of differences remains the same across all the categories analyzed. This is also consistent with the assertion that the waiver produced changes in practice across all of the subgroups considered with compared to the pattern found in control cases.

## Chapter 5. Summary and Conclusions

### Overview

**Timelines.** The Department of Health and Human Services originally approved the State of Indiana’s child welfare waiver demonstration in July 1997, under Section 1130 of the Social Security Act. The IV-E foster care project was authorized for five years until December 2002 and was administered by the Family and Social Services Administration. The project continued after 2002 under an interim understanding and in 2005 the state received formal approval from DHHS to operate the waiver for an additional five years, from July 2005 through June 2010. This is the final evaluation report of the demonstration extension.

**Purpose.** Indiana is one of only a small number of states to have implemented a flexible funding demonstration. The purpose of the state’s waiver program was to find more effective and less costly ways of keeping families intact, improving child wellbeing, removing fewer children from their homes, and shortening the length of removals that were made. The objective of the program was to accomplish these goals by providing support and wraparound services that met the individual needs of children and their families.

**Scope.** The Terms and Conditions allowed the state to operate the demonstration statewide and the waiver project was implemented on a county-by-county basis in each of the state’s 92 counties. The state had considerable latitude in which children it included in the waiver. The target population included children who were at risk of removal from their homes or who were in out-of-home placement, along with their parents or other caregivers, whether or not the children were Title IV-E eligible or not. A guideline of 25 percent non-IV-E eligible children was in effect throughout the demonstration, but it was not a formal limit, and the state always took it as a cautionary figure for cost neutrality purposes. From the beginning of the original demonstration, the state also included some adjudicated delinquent children in the waiver in addition to children in child protection cases.

**Utilization.** Throughout the entire demonstration, from 1998 to 2010, 16,388 children were assigned to the waiver. The actual number of Title IV-E ineligible children who were assigned always exceeded the number of IV-E eligible children. The Terms and Conditions capped the number of children who could be assigned to the waiver at 4,000 at any one time, but this limit was never reached.

**Evaluation Design.** The design of the evaluation was constrained and shaped by the nature and scope of the waiver demonstration in Indiana. A randomly assigned control group was not possible. However, because the number of children that could be assigned at any one time to the waiver, the treatment group, was limited to 4,000, other children being served by local offices and not assigned to the waiver group were available to serve as control cases. During the original demonstration (1998-2002) a quasi-experimental design was developed based on a pair-matching methodology, and this design continued to be employed during the extension (2005-2010).

Impact, process, and cost effectiveness studies were conducted during both the original and extended demonstration periods. The matched comparison group design formed the basis of the impact and cost effectiveness studies as well as the cost neutrality analysis. A supplementary case studies project was also conducted and submitted in a separate report.

**The First Evaluation.** The first process study found significant variation in the nature and use of the waiver across the state. A set of 'program' counties that made good use of the waiver were identified. At the conclusion of the demonstration period, a large majority of county OFC county administrators, including all who used the waiver extensively and many who used it more sparingly, as well as a majority of informed community stakeholders, held a positive attitude toward the waiver and wanted to see it continued.

Impact analyses found the waiver to be positively associated with certain immediate experiences of the child and his or her family, such as increased services, increased community-based services, increased family-oriented services, placement avoidance, shortened length of time in placement, increased reunification, and improved educational experiences. While statistically significant, such differences between waiver and non-waiver cases were often modest and found only when cases from program counties were compared with their matched non-waiver cases.

The conclusion of the final evaluation report recommended a number of modifications were the waiver to be continued. These included: 1) providing increased and more active monitoring and oversight of county waiver programs; 2) providing clear and concise guidelines to counties on how the waiver may and may not be used; 3) providing on-going training to county administrators, family case managers and bookkeepers; 4) providing structured opportunities for counties to learn about exemplary programs and best practices identified in other parts of the state; and 5) establishing a method for identifying IV-E eligible families at a point in time when this information could impact case planning and decision making.

## Process Study

**Waiver Extension: A New Beginning.** A new waiver management team was put into place in 2005 that began to act systematically on lessons learned within the state during the initial demonstration and on evaluation findings and recommendations from the original demonstration period. An increase in the utilization of the waiver statewide was given a high priority as was a fuller integration of the demonstration into child welfare practice at the county level. A renewed emphasis was placed on using the waiver to provide intensive, wrap-around services to families and to help the new Department of Child Services become more effective in achieving its goals of child safety, permanency and family integrity. Guidelines were established to identify which types of in-home and out-of-home cases the waiver should target. Efforts were made to strengthen the state-region-county program structure. Regional managers were brought together on a recurring basis by the waiver management team to discuss and review waiver policies and operations. A new training program for DCS management and staffs was implemented across the state, beginning with regional managers, but also aimed at local DCS supervisors, family case managers and bookkeepers. Operational protocols were developed for all levels of DCS county staff other than clerical. Protocols for family case managers and child welfare supervisors were designed to guide local-area decision making about waiver assignment and make the process more coherent and uniform across the state. New guidelines emphasized that counties should limit the waiver, in cases of children in placement, to those with a prospect of being reunited within a 60-day period. Targeted site visits were made and technical assistance provided to counties that had underutilized the waiver in the past or used it inappropriately. Regional “waiver champions” were identified to promote waiver utilization and understanding. A central eligibility unit was created and IV-E eligibility was to be determined for every child assigned to the waiver.

**Utilization.** During the extension, waiver use increased by 73 percent over the original demonstration period, although the percent of those who were IV-E eligible declined. Altogether, over the 150 month period from the start of the original demonstration, Indiana assigned to the waiver 7,697 children (47.0 percent) who were IV-E eligible and 8,691 (53.0 percent) who were not. There were 627 waiver children in active cases at the end of the demonstration extension on June 30, 2010. While there continued to be variation in the level of waiver use from county to county, the majority of counties (74 of 92) increased waiver usage during the five-year extension period compared with the first five years of the demonstration; at the same time 55 counties (60 percent) assigned more non-IV-E eligible children to the waiver than IV-E children.

**Case Characteristics.** Mid-way through the extension, the state agency made the decision to eliminate two categories of cases as appropriate for the agency and, therefore, the waiver. These were cases in the lowest risk-level categories (service referral agreement and service cases). One

result was that the percentage of CHINS (highest risk level) cases among cases assigned to the waiver rose, as did children in informal adjustment cases. Together these cases accounted for about 80 percent of waiver cases, up from two-thirds during the original demonstration; delinquent wards declined as a percent of all waiver cases from 22 to 11 percent.

Slightly more than one in three children (37 percent) were in out-of-home placement settings when assigned to the waiver, while 63 percent were living in their family homes. Somewhat more than half (54 percent) of waiver children had been in placement settings at some time in their past lives. Overall, children assigned to the waiver tended to come from families with higher than average levels of unemployment and reliance on public assistance. Nearly two in three respondents to family surveys said that in the last 12 months they had received food stamps, a common indicator of poverty.

**Attitudes and Perspectives.** In the summer of 2007 evaluators conducted a survey of the directors of county DCS programs. Attitudes towards the waiver were more positive than at the end of the original demonstration period, and little difference was evident between the responses of administrators from so-called ‘program counties’ and those from other counties. Eight in ten directors reported that their staffs had received training or technical assistance; half said that their approach to the waiver had changed because of this. Interviews conducted during site visits indicated that county offices had begun to employ more standardized approaches to the waiver. Children and families that were selected for the waiver were reportedly those who were likely to achieve prevention of removal or reunification if services were provided. Services and assistance purchased through the waiver for a family were more often what could not be provided by any other means. In a majority of counties visited, staff described using the waiver to address basic needs that families had which were barriers to keeping a family together or reuniting the child.

Between 2006 and 2007, the three individuals that formed the de-facto waiver management team left their positions, and during the final half of the waiver extension a number of the new initiatives established to enhance the waiver all but stopped. In 2009 the agency began planning for the phasing down of the demonstration, centralized DCS accounting, and implemented policies that complicated the use of waiver funds for waiver cases. At the end of the five-year extension period a final survey of county directors and CPS workers was conducted. These surveys found that attitudes in local offices about the waiver had declined and confusion over program policies had increased. Respondents noted the need for training, hands-on administration and consistent policies. In comments and during interviews in 2009 and 2010, some county directors talked about the waiver as if it were no longer a significant program. At the same time, directors continued to see the positive potential of the waiver.



## Case Studies

Forty-three cases were examined in detail as part of a case studies project. These case studies, it was hoped, would provide a greater understanding of the uses and effects of the waiver, its potential and its challenges, and shed light on what was being found in macro-level analyses involving either the full population or very large samples of study cases.

The case studies showed the level of complexity encountered by CPS workers and their efforts to assist families using the waiver. Assignment of a child to the waiver was often triggered by a family's financial need. In these cases, establishing an adequate living environment, through rent or utility assistance or other assistance, was frequently a central objective in case plans, though this need was frequently enmeshed with other needs, such as childcare, transportation and/or treatment for substance abuse or mental health problems. Absence of these basic necessities created barriers to reunification and threatened family stability. Reimbursement available through the waiver allowed DCS offices to meet financial and service needs directly and without extensive delay. Often, according to case managers, there was no other source of funding available in these cases and use of the waiver shortened the case length by weeks or months. The flexibility of the waiver meant that any need a family faced that threatened a child's wellbeing or the family's integrity could potentially be addressed. Case success was therefore not hindered by fiscal or logistical limitations but based only on the mutual determination of a family and a case manager to create positive change.

## Services, Outcomes and Impacts

**Services.** Services were analyzed through selected case reviews completed by workers, feedback from families via the family survey, and state financial records. Findings were consistent across these three sources. Workers reported that actions had been taken and assistance provided in specific cases that would not have happened without the waiver. Waiver family caregivers reported more preventive and remedial services than their control counterparts. Payment records indicated substantial changes in service delivery, with the waiver leading to an increase in both traditional services, such as counseling and therapy, as well as material assistance and other family support and home based services. Services of these kinds were delivered in waiver cases significantly and substantially more frequently than in control cases. The case study analysis demonstrated in detail the kinds of family needs that the agency encountered in waiver cases and the way that workers responded with services to meet those needs. Another finding consistent with the goals of the waiver was that waiver family caregivers more often reported satisfaction with the services they received and believed their children were better off.

During the evaluation of the first five years of the waiver, evaluators were asked to assess whether greater use was made of community-based services under the waiver. Under the current evaluation it was possible to answer that question definitively because virtually all the service payments analyzed were made to agencies in the community. It is certain that the waiver led to a substantial increase in the number of children receiving services from various community-based providers.

This analysis also demonstrated that juvenile delinquents, who formally were believed to be associated with child protection only as a means of handling payments for foster and group care, also received increased services designed to assist their families, such as home-based services and counseling. Special needs children were also assisted at higher levels through the waiver.

Waiver children and their families were more likely to receive various types of preventive and remedial services than their control-group counterparts (64.3 percent vs. 26.7 percent). Increased preventive and remedial services to waiver children and their families occurred consistently across counties. Most waiver counties maintained services for 60 percent or more of their waiver children and many for 70 percent or more. By contrast the same counties provided similar services for less than 40 percent of control group children and families.

As noted, flexible funding waivers are intended to free up spending for services in order to avert removal and placement or to shorten the length of placement of children already removed. Findings regarding services when coupled with the cost analysis show that for many children the waiver was used as it was intended.

**Outcomes and Impacts.** Several positive outcomes were found. Lower proportions of waiver children were removed from their homes. Reunifications of placed waiver children with their families occurred at higher rates than among similar control children. Time in out-of-home placement was shorter for waiver children. Waiver children had fewer subsequent substantiated investigations. One negative outcome was found in the relative increase in subsequent removals of waiver children who had previously been reunified with their families.

Service analysis was integrated into the outcome analysis. Permanency was shown to be facilitated by the increase in services that occurred through the waiver. The analysis showed that lower proportions of removals of waiver children were related to increased home-based services. It was found that the increased delivery of preventive and remedial services facilitated reunification of placed children with their families. Family support services were found to be associated with reduced time in placement and thus appear to have facilitated reunification of children with their

families. Reductions in subsequent substantiated investigations were determined to be related to the delivery of remedial and preventive services during the original waiver case. Even regarding the negative finding of increased subsequent removals, it was shown that services were important intervening variables in preventing new removals after reunification. Overall, there was strong evidence that services reduced time in placement and averted removal of children.

Regarding child well being, waiver children were more often reported by their parents to be doing excellent or good in school. No waiver-control differences were found regarding a series of measures of behavioral and physical health of children. Concerning parental satisfaction, waiver families were more satisfied with their case manager, with the understanding the worker had of their situation and needs and their own involvement in decisions that were made regarding their case.

**Methodological Issues.** It would be difficult to argue that the increase in services delivered to children and their families was not the result of the waiver or that services were not responsible for better outcomes. A criticism of the methods used in this evaluation, however, is that pair matching does not insure the complete comparability of the control group. This is a valid criticism. Pair matching was selected as a second best method (after random assignment) since the state had already implemented the waiver statewide and ruled out random assignment before the original evaluation began. At best pair matching results in group comparability on a limited set of variables and there is always the possibility, indeed the likelihood, that some part of the positive outcomes found, along with the negative outcome, were due to preexisting differences between experimental and control children that were not controlled. Thus, an important question remains that can only be addressed in an experimental design: How much of the positive outcomes actually resulted from new approaches under the waiver and how much can be attributed to other factors?

## Cost Analysis

The cost study utilized payment records for all waiver and control children and included spending from various categories of federal, state and county sources. Overall, the analysis demonstrated that service costs for waiver children had increased while placement costs had declined, in comparison to control children. In addition, service costs increased substantially for waiver children as a percentage of all costs per child.

Analysis of this difference among counties demonstrated that this occurred across Indiana counties. Mean spending (over the entire five years of the extension) for services for control children seldom rose above \$2,000 per child in counties and in most counties was less than \$1,000 per child. Comparatively means in about half of counties were \$3,000 or more for waiver children and the

majority spent over \$2,000 per child. Substantial variation was found among counties, showing that continued underutilization occurred in some localities. Utilization of waiver dollars for services was shown to be lower in the largest counties, perhaps indicating the difficulty in continuing implementation of the waiver among large CPS populations.

Further analysis showed that some differences existed in expenditures for services and placements for different types of children. However, it also demonstrated that the overall shift from spending on placement to spending on preventive and remedial services occurred across the different types of cases considered in this study, including delinquents and CPS children, children in placement and not placed, special needs and non-special needs children, higher risk and lower risk cases, boys and girls, and children in different age groups.

Assuming general comparability of the waiver and control groups, the findings support the assertion that the introduction of flexibility in spending produced desired shifts in approaches to children and families and was implicated in the positive outcomes generally observed. Even on the supposition of some preexisting differences in the control group, the waiver can still be supposed to have brought about changes in the approaches of local workers. The relative reductions in placement costs were impressive but what clearly could not have occurred under traditional Title IV-E rules was the shift in spending into the large service categories.

**Cost Effectiveness.** Coupled with the outcome findings of the previous chapter, the cost findings in this chapter suggest that the Indiana waiver is cost effective. While substantially more was spent on services, much less was spent on placement, and several positive outcomes (and one negative outcome) were found. In addition, the increase in services was shown to be related to several of the outcomes (including the negative). That relationship is the linkage between the cost and outcome analyses and, on the supposition that the outcomes analysis was valid, shows that the Indiana waiver extension was cost effective overall.

## Conclusions

Two general observations of this evaluation reflect positively on the success of the Indiana Title IV-E Waiver and have implications for consideration of its continuation. First, this evaluation has determined that many of the lessons learned from the original demonstration and recommendations of the 2003 evaluation report, which evaluators believe remain valid, were implemented at the beginning of the extension. These led to high positive attitudes among directors and staffs in the 2007 statewide survey regarding the new implementation of the waiver. Second, the evaluation has demonstrated that the waiver also led to overall positive results in

services, costs and outcomes, that services were related to outcomes, that costs reflected service changes and that outcomes were consequently cost effective.

However, these positive results are tempered by two other general observations. First, much of the momentum that was generated early during the renewal period was lost later in the extension, as technical assistance and training of county staffs and such initiatives as the waiver champions all but ceased. This was reflected in the final survey of local directors and staff conducted in 2010. A decline was found in positive assessments of the waiver by county directors and their staffs, along with an increase in confusion concerning the demonstration's policies and goals. The original focus of the waiver that had been reestablished and strengthened during the early period of the extension appeared to have dissipated to a great extent. However, local staffs remained positive about the potential of the waiver to assist families and children, and believed that significant help had been provided to families through the waiver.

Second, certain methodological limitations of the outcome/impact study raise questions of how much of the positive services, cost and outcome findings was due to changes brought about under the waiver and how much was a reflection of preexisting differences between waiver and control children that could not be effectively controlled through pair-matching.

The Children's Bureau has given the state another temporary bridge period following the June 2010 end of the waiver extension while formal approval of the continuation of the demonstration is considered. Given the results of the evaluation, evaluators believe the following points should be a part of that consideration.

1. The overall positive findings suggest that the waiver has benefited children and families and suggest that, as a service approach, it should be continued.
2. Positive effects resulted largely from initiatives put in place at the start of the demonstration extension that continued to influence the way the waiver was used during the time a high percentage of waiver assignments were made. These cases also had the longest tracking periods and, therefore, made the biggest impact on outcome differences.
3. As a continuing demonstration, in which the state is charged with demonstrating the value of the approaches permitted under the waiver, we suggest that the following points should be weighed:
  - a. Flexible funding waivers assume a change in approach to cases in which children are in danger of removal and placement or are already removed with the goal of returning

home. The potential for various services to avert removal of children or to reunify children in placement with their families should again be emphasized as the primary reason for waiver assignment.

- b. A new assessment of needs should be conducted which focuses on the past impact, present status, and future goals of the waiver in the state. A planning group might be convened which would include key central management personnel as well as representatives from local offices that made active use of the waiver during the demonstration. The group should strive to align the vision of the administration with the opinions and ideas of county directors and supervisors regarding the best use for the waiver in case planning and service provision. A primary goal of this group would be to create a statewide waiver plan that successfully met fiscal and programmatic objectives of the state. Ideally, this plan would give uniformity to the program without compromising flexibility at the supervisor-worker-family decision making level. Secondary goals would be to coordinate DCS leadership with the field and reestablish buy-in to the idea and purpose of the waiver among all involved parties. Findings from the present evaluation can be used as a guide for discussion.
- c. For the waiver to function as a demonstration it must embody a relatively consistent program at the local level. Appropriate cases for the program should therefore be determined by local staff based on assessments of needs and strengths of case families. State level assignment to the waiver should be utilized only in close coordination with local decision makers.
- d. As a part of this, it will be necessary to ensure that there is a linkage between waiver status and Title IV-E funds, so that local offices and case managers are always aware that children have been assigned to the waiver and that waiver funds are available for the provision of non-traditional and intensive services.
- e. A permanent, full-time waiver management and training team should be established. This team should include a state-level coordinator to provide guidance to local offices and ensure that local programs adhere to the waiver's fundamental goals. An initial need is for a coordinator to re-articulate clear and coherent policies and procedures for the program, including assessment, selection, and the linkage of services to needs; to re-emphasize the purposes of the demonstration and the underlying intervention strategy, to meet the individual needs of children and families through the provision of preventive and remedial services that will often need to be intensive and wraparound in nature; and to develop an adequate technical assistance and program monitoring

- system. The process of reestablishing the momentum of the demonstration would be more effective if regional representatives or regional and local teams were established to work together with the state management team.
- f. Permanent trainers are needed both to provide targeted assistance, as at the beginning of the last extension period, and to organize and conduct an ongoing training program. Because of turnover and other local changes, training can never be considered to be over while the demonstration continues. A trainer that is part of the management team might also help satisfy the technical assistance needs of the waiver. Given the statewide nature of the demonstration, training related to the waiver might beneficially be integrated into the department's existing training arrangements.
4. Another extension of the waiver would require some level of evaluation. Impact findings of the current evaluation are largely positive but a more controlled evaluation could establish them with greater confidence. Several alternatives may be considered:
    - a. Random assignment should be considered. Certain local offices have been shown to have understood and implemented the demonstration especially well. These offices might be considered for a limited period of random assignment of children to an experimental and a control group. Eighteen months to two years of random assignment in several counties—urban, suburban and rural—should be sufficient to establish a randomized trial of the flexible funding approach. These counties might be offered an incentive to participate.
    - b. Random assignment should be done after a child has been determined to be appropriate for the waiver with procedures designed and monitored by the external evaluator. Experimental children should be offered services available through the waiver while control children should be treated in the traditional fashion. Note that this can only work if the waiver is again regarded as a treatment, that is, as an approach that children and families would not otherwise receive. Experimental and control cases should be tracked through the end of the waiver extension. A five year extension would permit three to five years of tracking on cases assigned during the first 24 months.
    - c. The full process and outcome analysis of the current evaluation should be continued with as much continuity in instruments and data collection as possible—to permit comparison of results. But special emphasis should be given to the process study in random assignment counties and to case studies of experimental and control cases.

- d. A local (Indiana) external evaluator might be considered for the extension, one which can provide, in addition to the requirements of the evaluation, on-going technical assistance to both the state management team and local area offices. An arrangement with a state university program that has both the technical expertise required and program-level experience and competence needed would seem to be a beneficial option.