

# Child Welfare Services Face Setbacks



Early intervention and prevention programs have proven to be the least expensive and often most effective part of Minnesota's child welfare system. They do what they are designed to do—prevent abuse and neglect of children. Yet as this report reveals, these were the programs that were first to be cut or eliminated as a result of Minnesota's state leaders' actions in 2003.





## CDF Act to Leave No Child Behind Addresses Child Welfare Problems

The Act to Leave No Child Behind is a comprehensive children's bill (S. 498/H.R. 939), first introduced in 2001, and reintroduced in the 108th Congress, that lays out a vision of how we can and must care for our children in the 21st Century. The Act puts all the pieces together because it is pointless to provide food for a child but not give him a decent home, and it is useless to give a child a good education if she has no health insurance and is sick and misses school. We know what children and families need and we know what works.

Title Eight of the Act, "Safe Start Ensuring Every Child A Safe, Nurturing, and Permanent Family," provides for full and comprehensive funding of the child welfare system and if fully enacted would help address a number of concerns outlined in this report. For more information on the Act, visit: [www.cdfactioncouncil.org/act.htm](http://www.cdfactioncouncil.org/act.htm) and join to the Movement to Leave No Child Behind, call 1 800 CDF-1200.

**T**he child welfare system was created to help every child have a safe and secure home life according to the Child Welfare League of America. This responsibility has been given to the public child welfare agencies, but they can't do it alone. The courts, private child welfare agencies, and other systems (such as mental health, substance abuse, healthcare, education, domestic violence) are all partners in serving children and families who come to the attention of the child welfare system.

The public child welfare system is responsible for:

- Responding to reports from people in the community who think that children are being abused or neglected
- Helping families solve the problems that cause abuse and neglect
- Helping children to be safe and secure
- Preventing separation of children from their families when safely possible
- Working with the families so their children can return home (when children have been separated from their families to be safe)
- Ensuring that children receive adequate care while they are away from their families
- Finding another suitable permanent home for children who cannot return home.<sup>i</sup>

In 2002, Minnesota's child welfare system assessed 17,805 reports of child maltreatment involving 26,388 children. African American and American Indian children were more than seven times more likely to be determined victims of abuse and neglect than White children. Additionally, in 2002 about 17,200 children were taken out of the home as result of child maltreatment allegations.<sup>ii</sup>

Many of the services that make up the child welfare system receive state funds. Unfortunately, the counties and community

organizations that provide these services in Minnesota have begun to experience the impact of state budget cuts made by the state's lawmakers during the 2003 legislative session in an effort to close the biennium 2004-2005 \$4.2 billion budget gap. They are now witnessing the effects of their reduced capacity.

Prior to the 2003 budget cuts, Minnesota's approach to child welfare was already weak. In a recent federal review, Minnesota (similar to a number of states reviewed so far) did not conform on any of the seven national child safety, permanency, and well-being outcomes.

Nonetheless, there is potential in Minnesota's approach. Minnesota has been a leader in promoting effective child welfare programs, especially those that intervene early with families to help prevent maltreatment and more aggressive and expensive intrusions into families' lives later. But, the state relies on counties and community organizations to deliver those proactive, innovative services, and it is precisely those organizations that are being most affected by state budget cuts. Children's Defense Fund Minnesota's preliminary analysis reveals that:

- Early intervention and prevention programs, designed to prevent families from entering emergency situations, are being significantly reduced and in some cases eliminated; and
- Services for homeless youth, including transitional housing and emergency shelter that provide youth a safe way to get off the streets, have been cut dramatically.

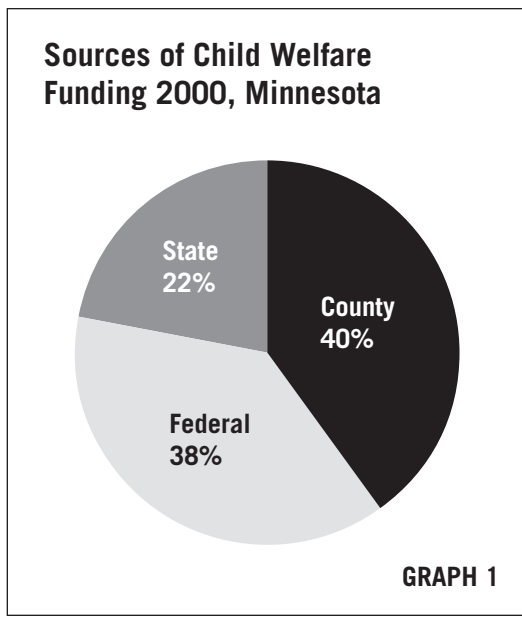
However, the analysis also suggests that:

- For the most part, even deeper cuts to programs and cuts to core services for the most vulnerable children and families in crisis were temporarily spared due to the use of one-time money by Minnesota counties and local communities. Program directors believe that those cuts may need to be made for next year, assuming these funds are no longer available.

It is disturbing that Minnesota's most vulnerable children, youth, and families are at greater risk for abuse and neglect because of the state's need to find some short-term budget savings. It is also likely that these cuts will cost Minnesota much more in the long run. If fewer community resources are available to prevent family crises, families' situations are more likely to be severe enough to necessitate having the children taken from their families and placed in foster or group homes. This is a traumatic experience for a child, and it certainly is not less expensive to taxpayers than the preventative programs—the average yearly cost for out-of-home care in Minnesota in 1998 was close to \$20,000 per child.<sup>iii</sup>

### **\$37.5 Million Reduction in Direct State Spending on Child Welfare Services for 2004-2005**

Because Minnesota's child welfare system is state-supervised and county-administered, each of the 87 counties is responsible for addressing the needs of its own children and families who are in crisis. Many counties, in turn, contract with local, community organizations to help provide the necessary services. The structure of the system also means that counties are obliged to raise, through property taxes, much of the public funding for child



welfare services. In 2000, the state contributed only 22 percent of the approximately \$500 million spent for these services. (See Graph 1) Other states contribute on average nearly twice that percentage (39 percent) to their state's child welfare services budget.

Nonetheless, it was an important part of the total child welfare budget, especially because some of the state money was targeted directly at programs serving children and families across geographic boundaries, from every county in the state. (See sidebar.)

During the 2003 legislative session, there was a \$37.5 million reduction in state spending on child welfare grants for the 2004-2005

### **Child Abuse Consultation Hotline Disconnected**

Midwest Children's Resource Center (MCRC), located at Children's Hospital in St. Paul, used to receive a direct grant of \$60,000 annually from the state to provide a statewide consultation hotline for professionals with questions concerning severe physical and sexual child abuse cases. County attorneys, doctors, social workers, and others used the line to seek advice on how to identify, report, investigate, and prosecute these types of abuse cases.

In 2002, MCRC received over 5,400 calls, an increase of 52 percent from 1999. But the state funds for this service are no longer available because they were included in the block grant to counties. MCRC disconnected the hotline after they lost this funding in 2003.

## **The 16 grants that were merged into one block grant**

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|---|---|
| Community Social Services (CSSA) Grants                 | Children with Substance Abusing Mothers Grants                                  |
| Family Preservation Grants                              | Fetal Alcohol Intervention, Education and Advocacy Demonstrations               |
| Children's Mental Health Grant                          | Children whose Mothers were Incarcerated Grants                                 |
| Mental Health Adolescent Services                       | Social Services Supplemental Grants   |
| Children's Mental Health Collaborative Wraparound Grant | Hennepin County Social Services Grants for Group Residential Housing Recipients |
| Juvenile Mental Health Screening                        | Minority Placement Grants   |
| Children's Mental Health Homeless Children Grants       | Training of Criminal Justice  |
| Crisis Nursery Grants                                   |   |
| Homeless Children Grant                                 |   |

**FIGURE 1**

biennium. Lawmakers first merged the funding for 16 of these grants into one block grant to be distributed to all of the counties. (See Figure 1). They then cut the total amount by \$25 million and saved an additional \$12.5 million with a one-time accounting shift. The \$25 million cut represents a 17 percent reduction in the state's prior commitment for those grants.

By block granting this money to the counties first (rather than allowing some of it to continue to be sent directly to community organizations), this policy change will have consequences. First, it is politically more palatable to cut funding to broad-based block grants to counties than to individual programmatic grants. By block granting the funds, the state has potentially made future cuts to child welfare services easier. Second, block granting means that state policy makers will have less ability to impact services they think are valuable because they cannot control how the funds are directly used. Lastly, as a result of this block granting policy, there will be major variation among counties in the types of child welfare services available because counties are not all on the same level-playing field in terms of their ability to fund child welfare services. Some counties have a much wealthier tax base allowing them if necessary to invest more funds than a poorer county. As a result, which services are available for families and children depend on where they live. By reducing more of its contributions to the overall child welfare system and further transferring responsibility for protecting vulnerable children and families directly to counties, the state will potentially increase disparities across counties.

### **State Limits Counties' Ability to Respond to Local Needs**

The 2003 Legislature also hampered county officials' power to mitigate the state cuts for their local communities. First, by mandating limits on local levies, state lawmakers curbed counties' ability to raise more funds locally. Second, state funding for local government aids, money that helps fund a variety of county services, was also significantly reduced. Again, the result of these two decisions is a potential

increase in the inequalities of child welfare services across geographic boundaries. Counties with greater property tax bases will necessarily be able to put more revenues into protecting their children, while many other counties will be forced to reduce their investments in their children. In addition, with less funds overall available at the local level, the needs of abused children or homeless teens, will necessarily be pitted even more against each other and others, such as those of the disabled and the elderly, for limited funding on a county-by-county basis.



### **Intervention and Prevention Services First to Be Cut**

To understand the impact these decisions have had on child welfare services, Children's Defense Fund Minnesota examined the 2004 budgets of 10 counties that provide child welfare services to more than fifty percent of Minnesota's child welfare population.<sup>v</sup> The analysis reveals a troubling trend. To offset state funding reductions and still maintain services for the most needy, counties dramatically reduced, and in some instances eliminated, funding for early

intervention and prevention programs that help families and children before they are in crisis. (See sidebar.) Arguably, they had no other choice—these proactive services are often the ones counties are not specifically mandated by law to provide. According to the Association of Minnesota Counties, when asked last year about the impact of the state budget cuts, county social service directors commonly reported combating the cuts by “reducing or eliminating optional prevention and early intervention services in favor of mandated ‘deep-end’ treatment services, which are usually more expensive.”<sup>vi</sup> County directors also expressed a fear that with fewer early intervention programs, there is a much greater potential for an increase in the need for the deep-end services, such as child protection investigations and foster care services.

### **Youth and Adolescent Services Cut**

In 2003, the Wilder Research Center estimated that between 500 and 600 youth were homeless on their own each night in Minnesota, and that 17 percent were

without permanent shelter for over a year.<sup>ix</sup> An estimated 10,000 to 12,000 youth were homeless at least once during the year. Reasons for homelessness among youth vary. Some are running from abusive situations, others are mentally disturbed, and still others are not allowed to return home due to a parental conflict. But these children do have one thing in common: they all need help. Various organizations and programs across the state provide services to get homeless youth off the street and into stable, caring homes. Services include counseling, outreach, transitional housing, and emergency shelter.

Unfortunately, the ability to provide youth homeless services was severely curtailed by the 2003 state budget cuts. Prior to the Legislature's actions, state funding for these services totaled \$708,000 annually and served approximately 1,140 youth through 17 community service organizations across the state that serve homeless youth from every county in the state. But, the funds that each program used to receive directly from the state were

included in the new block grant to counties.

Consequently, the funding was cut and distributed across all 87 counties. This resulted in reduced funding for each of these programs, as it would be impossible for them to request continued funding from every county in the state. The programs are currently relying heavily on funding from the communities in which they are located, but this local assistance will not last forever. Communities have also been hit hard by cuts from federal and local governments and all of these funds are often used to leverage private donations. According to program directors, the cuts initially resulted in the loss of 9 emergency shelter beds (8% of the total number of emergency shelter beds statewide), 137 units of supportive transitional housing (28% of the total number of units statewide), and 39 youth case workers or youth advocates.<sup>x</sup> Lutheran Social Services of Minnesota closed its emergency shelter for youth located in Brainerd and temporarily suspended operations of its youth shelter in St. Paul. The St. Paul shelter re-opened nine months later but future funding for opera-

## Crisis Nurseries: Need Increased and Capacity Reduced

One of Minnesota's innovative early intervention services is the Crisis Nursery program. Crisis Nurseries provide voluntary, temporary child care and family support services for families dealing with emergencies, such as sudden illnesses, housing problems, divorce or separation, and financial strains. Such circumstances are stressful and emotional, and the turmoil can, sometimes, lead to violence. Because Crisis Nurseries are family-initiated and they offer a short-term, safe place for the children, the programs prevent child abuse and neglect. They also help families avoid further, more expensive services from their county. According to evaluations of Minnesota's Nurseries, there is a 46 to 72 percent reduction in child protection services involvement for families who make use of Crisis Nurseries' services.<sup>vi</sup>

Despite their effectiveness, overall state funding for Crisis Nurseries has been reduced by 27 percent. Lutheran Social Service of Minnesota (which manages four of the sixteen Minnesota crisis nursery programs) surveyed these programs across the state and determined that the majority of programs experienced cuts of 30-50 percent. These reductions forced programs to decrease their hours, cut-off 24-hour hotlines, and eliminate family violence prevention programs and



classes.<sup>viii</sup> The Ramsey and Dakota County Crisis Nursery programs managed by the Children's Home Society were forced to merge. Many of the programs reported that their local government or community had found some one-time money to keep the program open this year, but that more reductions to their services will be necessary next year.

Simultaneously, Crisis Nurseries across the state report that the demand for these services has increased. Because of job loss and other state budget cuts (like those that have reduced parents' access to affordable child care, see Children's Defense Fund Minnesota's 2004 report, *Feeling the Pain: The Emerging Impact of Minnesota's \$86 Million Cut to Child Care*), more Minnesota families are in crisis. In other words, there is increased need for their services exactly when Crisis Nurseries' capacity is being reduced.

tions is tenuous. The resulting situation for homeless youth in Minnesota is dire. Ultimately, more will be forced to either return to unstable and abusive households or live on the streets. Living in these precarious situations with no adult guidance increases the likelihood that these youth will drop out of school for good and that they will get involved in criminal activity such as drugs and prostitution.

## Most Core Child Welfare Services Temporarily Spared

Finally, the analysis suggests that, at least for now, Minnesota counties were largely able to preserve core funding for child welfare services, such as child protection investigations and foster care and adoption services. This was accomplished primarily by utilizing county budget reserves funds or other one-time money from the federal government or foundation grants. However, these one-time funds will not be available next year, and the 2004 legislative session did not provide additional funds for these services. In fact, because there is a structural deficit for the state's 2006-2007 biennium, more cuts are very likely. Soon enough, county governments will have to consider cutting core child welfare services for the most vulnerable children and families. But even this year, some counties did make cuts in these state-mandated services. For example, Hennepin County cut a number of foster care caseworkers positions, which will result in delaying the average length of time for children to be adopted.<sup>xi</sup>

## Conclusion

Minnesota has historically been a leader in promoting proactive and effective policies and programs to address the needs of its vulnerable children. An example is Alternative Response, a new way of addressing the less egregious reports of suspected child maltreatment. Under this approach, rather than initiating a formal child protection investigation, the caseworker conducts a family assessment that considers the family's strengths as well as their individual needs. The case worker then has the flexibility to build on the family's and community's assets by connecting the family to community resources that can

provide support such as counseling, parent education, financial assistance, transportation, adequate housing, and safe, affordable child care. Independent evaluations of the program's effects for children, families, and communities are positive.<sup>xii</sup>

However, the Alternative Response approach only works if the community resources to which families can be connected are available and accessible, and these are exactly the local resources the state budget cuts are crippling. A recent survey by the Minnesota Council of Foundations reports that family support programs are some of the most under funded programs in Minnesota.<sup>xiii</sup> Local service organizations across the state are reporting reductions in their capacity, while the demand for their services is increasing. As a result, the effectiveness of the Alternative Response method is being seriously eroded. Indeed, a recent evaluation of Minnesota's child welfare system by the Wilder Research Center concluded, "higher [out-of-home] placement rates occur where community-based service networks are weak or underdeveloped."<sup>xiv</sup>



In 2002, 26,388 Minnesota children were reported as being possible victims of child abuse and neglect. Minnesota must improve the outcomes for these

children. The state has a legal obligation in statute to ensure their needs are met, and that other maltreatment is prevented. Although certainly not perfect, the Minnesota approach of trying to intervene early and partner with local communities to provide preventative services or alternative options is a good one. Rigorous evaluations of early intervention and prevention programs document their potential for reducing families' involvement with child protection and foster care services, and for consequently being much more cost-effective in the long-run.<sup>xv</sup> But Minnesota's strategy is impossible if state lawmakers continue to reduce the state's involvement and resources, and ignore the role those resources play in addressing the overall needs of the child welfare system.

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## Resources and References

<sup>i</sup> Child Welfare League of America. (2003.) *A Family's Guide to the Child Welfare System*. Washington DC. Available at [www.cwla.org/childwelfare/familyguide.htm](http://www.cwla.org/childwelfare/familyguide.htm).

<sup>ii</sup> Minnesota Department of Human Services. (2004) *Minnesota's Child Welfare Report for 2002*. St. Paul, MN, available at [www.dhs.state.mn.us/main/groups/publications/documents/pub/DHS\\_id\\_026375.pdf](http://www.dhs.state.mn.us/main/groups/publications/documents/pub/DHS_id_026375.pdf)

<sup>iii</sup> Minnesota Department of Human Services. (2003). *1998 Children in Out-of-Home Care Report*. St. Paul, MN. Available at: [www.dhs.state.mn.us/CFS/Research/outofhome98/indicator25.htm](http://www.dhs.state.mn.us/CFS/Research/outofhome98/indicator25.htm).

<sup>iv</sup> Minnesota counties paid for 39 percent and the federal government paid for the remaining 38 percent of the costs. Wilder Research Center. (June 2003). *Minnesota Kids Who Don't Live at Home*. St. Paul, MN. Available at [www.wilder.org/research](http://www.wilder.org/research).

<sup>v</sup> The budgets of the following counties were examined: Hennepin, Ramsey, Saint Louis, Anoka, Dakota, Olmsted, Washington, Beltrami, Scott, and Carver.

<sup>vi</sup> Association of Minnesota Counties. (2004). *Responses to AMC Survey on the Impact of State Budget Cuts on County Human Services Agencies*. St. Paul, MN. Available at: <http://www.mncounties.org/>.

<sup>vii</sup> Data compiled by Carla Brown, Minnesota Department of Human Services (2001.)

<sup>viii</sup> Lutheran Social Service of Minnesota. (2004.) *Consequences to Crisis Nurseries from the Choices Made in the 2003 Legislative Session*. St. Paul: MN.

<sup>ix</sup> Wilder Research Center. (June 2003). *Minnesota Kids Who Don't Live at Home*. St. Paul, MN. Available at [www.wilder.org/research](http://www.wilder.org/research).

<sup>x</sup> Personal communication with Rich Wayman, Collaborative Director, StreetWorks (June 24, 2004.)

<sup>xi</sup> In Minnesota the average length of time for adoption to take place was increased from 28 months to 30-31 months. The federal standard for length of time an adoption should occur is 24 months.

<sup>xii</sup> Institute of Applied Research. (2004). *Minnesota Alternative Response, Select Interim Findings*. St. Louis, MO, Available at: [www.iarstl.org/papers/MnARyear3Summary.pdf](http://www.iarstl.org/papers/MnARyear3Summary.pdf).

<sup>xiii</sup> Minnesota Council on Foundations (2004.) *Supporting Minnesota's Youth: The State of the State's Youth Development Funding*. Minneapolis, MN. Available at: <http://www.mcf.org/mcf/giving/youthreport.htm>

<sup>xiv</sup> Wilder Research Center. (June 2003). *Minnesota Kids Who Don't Live at Home*. St. Paul, MN. Available at [www.wilder.org/research](http://www.wilder.org/research).

<sup>xv</sup> Fight Crime: Invest in Kids (2003). *New Hope for Preventing Child Abuse and Neglect: Proven Solutions to Save Lives and Prevent Future Crime*. Washington DC. Available at: <http://www.fightcrime.org>.



## Children's Defense Fund Mission

The mission of the Children's Defense Fund is to **Leave No Child Behind**<sup>®</sup> and to ensure every child a Healthy Start, a Head Start, a Fair Start, a Safe Start, and a Moral Start in life and successful passage to adulthood with the help of caring families and communities.

CDF provides a strong, effective voice for **all** the children of America who cannot vote, lobby, or speak for themselves. We pay particular attention to the needs of poor and minority children and those with disabilities. CDF educates the nation about the needs of children and encourages preventive investment before they get sick or into trouble, drop out of school, or suffer family breakdown.

CDF began in 1973 and is a private, nonprofit organization supported by foundations, corporation grants and individual donations and does not accept government funds. In 1985, CDF established the St. Paul office to direct its efforts in Minnesota.

Marian Wright Edelman, founder and president of CDF, has advocated for disadvantaged Americans and advanced children's causes throughout her entire professional career. Under her inspired leadership, CDF has become the nation's strongest voice for children and families. Over the past 30 years, she has held firmly to a single, overarching goal: Leave No Child Behind.



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