

## Chapter 2

### Detailed Time Line of Events

*“But I also know that the time we're taking to figure all of this out maybe would have been time better spent on the front end, when we were trying all of these incremental changes, to take a step back and say, 'That didn't work. Why didn't it work? What could we have done better?' before leaping to the next big change.”*

*~ CASA Staff*

## Detailed Timeline of Events

- September 2002 The U.S. Department of Health and Human Services releases the 2002 Nebraska Child and Family Services Review (CFSR) final report. Nebraska met national standards in the incidence of maltreatment of children in foster care and foster care re-entries, among other standards. However, the report found that the state failed to achieve substantial conformity with any of the seven safety, permanency and well-being measures. (Few states achieved substantial conformity with any of the seven measures.<sup>19</sup>) The CFSR is a periodic evaluation of states' safety, permanency and well-being outcomes for children. Nebraska completed its plan to address the CFSR findings, known as a Program Improvement Plan (PIP), in 2005.<sup>20</sup>
- December 23, 2003 The Governor's Children's Task Force releases its report, *A Roadmap To Safety For Nebraska's Children*. Governor Mike Johanns created the task force in the wake of a number of recent, violent child deaths in Nebraska. Among the issues addressed in the report were caseworker workload and retention issues.<sup>21</sup>
- April 13, 2004 Gov. Johanns signs child welfare legislation that includes allocation of \$5.5 million to help pay for 120 additional social services workers. The legislation was prompted by the 2003 Children's Task Force Report.<sup>22</sup>
- January 6, 2005 Nebraska Supreme Court Chief Justice John Hendry announces establishment of the Supreme Court Commission on Children in the Courts. A goal of the commission is to ensure state courts are as responsive as possible to children in the court system.<sup>23</sup>
- June 21, 2006 Gov. Dave Heineman announces a series of Health and Human Services System (HHSS) directives targeting the state's management of foster children and other state ward cases. Among the governor's concerns, he said, is that the state continues to have one of the highest rates of children in out-of-home care in the nation, according to data from a national child advocacy organization.
- Shortly after the announcement, an attorney for a national child advocacy organization suing the state in federal court said that the governor's recommendations lacked both specifics and a commitment to secure money needed to fix the system. The advocacy organization, along with the Appleseed Center for Law in the Public Interest and several law firms, alleged in the 2005 lawsuit that the state foster care system is failing to protect thousands of abused and neglected children. (A federal judge in 2007 accepted the recommendation of a magistrate to dismiss the lawsuit based on a 1971 U.S. Supreme Court ruling that federal courts should abstain from hearing certain issues brought by plaintiffs who have related issues pending in state courts. The magistrate also denied the petitioners' request for class certification, but he concluded that most of the seven named plaintiffs—all of them current or former foster children in DHHS custody—had “demonstrated a risk of fu-

- ture harm” that was “sufficiently real” to give them legal standing to sue the state.)<sup>24</sup>
- August 21, 2006 Gov. Heineman announces “dramatic progress” since the June directives. He referred to the reduction of state wards from a record 7,803 in April to 7,603 in July. The governor said the data were too preliminary to be described as a trend, but that he was encouraged. “I do not expect this to be an overnight success, and there may well be bumps along the way,” he said. “I am, however, pleased to see progress beginning to take shape.”<sup>25</sup>
- September 27, 2006 The “Through the Eyes of the Child Initiative” is inaugurated at the end of a three-day summit at Lied Lodge in Nebraska City. Attendees included Gov. Heineman, Chief Justice Hendry and his successor, Michael Heavican, Attorney General Jon Bruning, and more than 200 other stakeholders in the juvenile services system.<sup>26</sup>
- December 20, 2006 Despite the addition of 120 social services workers in 2004, caseloads remain too high among Nebraska child welfare and protection services workers, according to the 2005 annual report of the HHSS Office of Protection and Safety. The report indicated that average caseloads fell from about 129 percent above state standards in 2004 to about 114 percent in 2005.<sup>27</sup>
- January 24, 2007 The Foster Care Review Board (FCRB) says Nebraska has made “huge progress” toward reducing the number of children in foster care, but that even more gains are needed. Executive Director Carol Stitt, speaking shortly after the FCRB issued their annual report, said the state cannot achieve true reform of the foster care system without spending more money.<sup>28</sup>
- March 15, 2007 Gov. Heineman signs legislation restructuring HHSS. The bill, LB 296, merged the three HHSS agencies into a single entity, the Department of Health and Human Services (DHHS or department). The bill also created the Division of Children and Family Services (CFS or division) within the department. Under the former system, children and family programs were managed by the same director responsible for the state’s veterans’ homes and for behavioral health and developmental disabilities services.<sup>29</sup>
- April 2007 CFS begins implementation of the new social services safety model, the Nebraska Safety Intervention System (NSIS). Among other goals, the NSIS was designed to improve safety decisions, provide clarity of purpose for initial and continual assessments, and improve the ability to professionally support decisions.<sup>30</sup>
- June 26, 2007 Gov. Heineman appoints Todd Landry, CEO of the Child Saving Institute in Omaha, to head the newly created division. Mr. Landry said he has a mandate to “reform the system, to get different outcomes.” He said too many children are in foster care and are moving too often. “We are going to have to make some significant changes,” he said.<sup>31</sup>

- July 10, 2007 Gov. Heineman announces his priorities for the restructured DHHS; among them, the acceleration of child welfare reform and improvement in the state's performance on the upcoming CFSR.<sup>32</sup>
- September 14, 2007 Mr. Landry announces "a new day" in child welfare and juvenile services in Nebraska. Earlier in the week, CFS administrators released a new mission statement and announced an administrative restructuring.<sup>33</sup>
- November 15, 2007 At a conference commencing the state's self-evaluation for the upcoming CFSR, Mr. Landry tells more than 140 child welfare and juvenile services stakeholders that Nebraska might fail the second round of the CFSR, despite any improvement since the 2002 review, because the federal government has raised the CFSR standards. The self-evaluation is a preliminary step to the CFSR process and includes reviewing data on foster children and interviewing stakeholders in the child welfare and juvenile services. Conference attendees created a Program Improvement Plan development team to monitor the state's progress and to identify strategies, goals, action plans and benchmarks.<sup>34</sup>
- November 29, 2007 The Partners Council holds its first meeting. The council, comprised of stakeholders in the state child welfare and juvenile services systems, was established by Mr. Landry to monitor outcomes and improvements and to provide him input on improving federal outcomes.<sup>35</sup>
- December 2007 The Children's Behavioral Health Task Force, created by LB 542 and comprised of legislators, DHHS officials and child advocates, releases its report. One of the DHHS responses to the report was to develop a "true continuum of services" that reflected the department's goal of serving children with the appropriate services "at the right level of care, in the right setting (and) for the right amount of time."<sup>36</sup>
- February 13, 2008 Gov. Heineman signs LB 157, the Nebraska "safe haven" bill.<sup>37</sup>
- March 17, 2008 Mr. Landry publicly announces a Request for Bid (RFB) from private agencies to provide "a continuum of Safety and In-Home services" for at-risk children. The RFB, part of a larger strategy to better coordinate the delivery of services through increased centralization, developed from one of many PIP action steps.<sup>38</sup>
- June 11, 2008 The state signs contracts with five lead agencies to provide comprehensive safety and in-home services to CFS clients.<sup>39</sup>
- July 1, 2008 CFS begins implementation of the safety and in-home services contracts. The implementation reduced from about 115 to five the number of service contracts the department had to monitor. The division said the contracts—totaling \$32.7 million—will provide incentives for agencies to meet performance results related to safety, permanency and well-being. However, some child advocates said the division timeline—from the RFB announcement in

March to the July 1 starting date—was “aggressive.” In addition, some winning bidders had concluded they would not make money and declined to sign contracts.<sup>40</sup>

- July 11, 2008 Mr. Landry says he wants to accelerate a two-year trend in the net decline of children entering the state welfare system. More children were released from the system than entered it during the period, and Mr. Landry said the state’s new goal is to reduce the current number of state wards by about 800 by the end of the year. CFS and the FCRB will spearhead the new effort. “While we celebrate the progress that’s been made, there’s still more work to do,” Gov. Heineman said.<sup>41</sup>
- July 14, 2008 The second CFSR begins with on-site reviews of 65 cases in Dawson, Hall and Douglas counties.<sup>42</sup>
- August 8, 2008 Mr. Landry briefs the Partners Council on the CFSR, out-of-home reform and other child services issues. He said that none of the 26 or more states that have completed the current CFSR round have passed the review.<sup>43</sup>
- September 5, 2008 CFS releases a framework of recommendations for the reform of out-of-home care. The framework built on ideas underlying the Safety and In-Home Services program that began two months earlier. Under the proposed framework, contracting agencies would provide services and services coordination. The proposed framework gives CFS case management oversight responsibilities; critical case decisions—child and community safety assessments, whether to recommend removal of children from homes, etc.—would continue to be made by division staff. The document indicates the contracts would take effect July 1, 2009.<sup>44</sup>
- September 12, 2008 Jerry Davis, vice president and director of National Advocacy and Public Policy for Boys Town, issues a memorandum, “Privatization: Lessons Learned.” Mr. Davis wrote that privatization outcomes nationwide “have been mixed” and improvements in costs or effectiveness typically take two or more years.<sup>45</sup>
- September 18, 2008 CFS holds the first of five public forums in the Eastern Service Area on the department’s plan to reform out-of-home care. In total, the division organized 14 forums statewide. Among the comments from participants in the Eastern Service Area forums was an admonition to the department to provide bidders accurate information on the number of children projected to be served. “Numbers need to be much more accurate than In-Home,” according to department notes on one of the forums. “The provider will meet with failure if [*sic*] bid one thing and then experience another.” According to notes on the September 18<sup>th</sup> and 29<sup>th</sup> forums, participants suggested the reform was moving too fast: “Why the rush to reform?” notes from one of the forums stated.<sup>46</sup>

- September 22, 2008 In a letter to Mr. Landry, Children and Family Coalition of Nebraska (CAFCON) president Jim Blue advises the CFS director to take steps to reduce potential lead contractors' financial risk. Mr. Blue, after expressing support for the proposed reform, wrote that adequate funding was crucial. "While we understand that there will be 'no new money' for the out-of-home component, it is very important that financial resources are available to support the new care coordination responsibility," he wrote.<sup>47</sup>
- September 24, 2008 The Nebraska Association of Homes and Services for Children (NeAHSC) president recommends in a letter to Mr. Landry that the department create a workgroup of potential bidders and DHHS staff to review child services data and develop utilization projections before commencement of the bidding process. Echoing statements by the CAFCON president two days earlier, Nick Juliano called the reform "a step in the right direction," but wrote that the In-Home services data had been inaccurate. "As a result, there is some concern with current contracted providers as to whether there is sufficient funding to meet the current demand for these services," he wrote."<sup>48</sup>
- October 5, 2008 Kathy Bigsby-Moore, director of Voices for Children in Nebraska, says the success of privatization will depend on how well DHHS monitors the reform. Ms. Bigsby-Moore, referring to a recent legislative audit report about the department's inadequate oversight of transportation contracts, said, "That (monitoring) hasn't been their strong suit."<sup>49</sup>
- November 6, 2008 DHHS releases a summary of the input CFS received in emails and at the 14 public forums it organized on its plan to expand reform of child welfare and juvenile services. As a result of respondents' concerns that the July 1, 2009 target date was too soon, the division announced it has extended the full implementation date to January 1, 2010.<sup>50</sup>
- November 14, 2008 The Nebraska Legislature begins the special session on the safe haven legislation passed earlier this year. During the week-long session, lawmakers adopted LB 1, which limited the safe haven provisions to infants under 30 days old.<sup>51</sup>
- November 26, 2008 CFS releases its plan to reform out-of-home care. Acknowledging the current "heavy focus" on high-end services and services provided to children who have been removed from their homes, the division said it is committed to child services system reforms that will include serving more children in their homes and providing them the right level of service. In response to the e-mail and public forums feedback, the division included in the release a revised framework of recommendations that described in greater detail the duties and case coordination roles between CFS case managers and services contractors.<sup>52</sup>
- December 2, 2008 CFS releases the request for qualifications (RFQ) to provide services coordination and non-treatment continuum of care services. Some of the division goals articulated in the document were: to ensure the safety of children; re-

- duce the time children are in state custody; reduce from 70 percent to 30 percent the number of children in out-of-home care. The division estimated that final contracts from the RFQ will total \$119 million a year. The RFQ reflected the division administrators' intention to "create a continuum of services," including coordination of services, by combining all safety and in-home and out-of-home non-treatment services.<sup>53</sup>
- March 13, 2009 The state receives a courtesy copy of the CFSR final report. Nebraska received an overall rating of "strength" on indicators related to repeat maltreatment, foster care reentry and placing children in close proximity to their parents and with siblings. However, the report concluded Nebraska failed to achieve substantial conformity with any of the seven measures related to children's safety, well-being and permanency. Receipt of this report set the stage for development of a PIP.<sup>54</sup>
- March 22, 2009 Gov. Heineman signs LB 603 that, among other things, created the Children's Behavioral Health Oversight Committee within the Legislature. The bill was, in part, a response to concerns raised during the 2008 safe haven debate.<sup>55</sup>
- March 27, 2009 DHHS says most states did not do well in the 2008 CFSR and only three of 19 states that have so far undergone the current review performed better than Nebraska in system outcomes. The federal government toughened the CFSR standards since 2002; for example, raising the standard to obtain substantial conformity from 90 percent to 95 percent, DHHS said. In an interview, Mr. Landry, the CFS director, said the CFSR results were unsurprising. "This really was a validation of everything we had seen ourselves" in the statewide self-evaluation, he said.<sup>56</sup>
- April 2, 2009 Todd Reckling, formerly an administrator in the CFS policy section, becomes division director. Mr. Reckling replaced Mr. Landry, who accepted a job in Texas.<sup>57</sup>
- May 1, 2009 The FCRB votes to inform the Legislature's HHS Committee of the board's misgivings with the privatization plan. Board Chairwoman Georgie Scurfield said she questioned the department staff's ability to monitor the contracting agencies. "This will require a far greater level of oversight by DHHS than has been seen up until now," she said in a Journal Star article. The news article also reported contract negotiations with the six selected contractors were ongoing.<sup>58</sup>
- June 11, 2009 CFS officials submit a draft PIP to the U.S. Department of Health and Human Services. The PIP was prepared and submitted in response to the CFSR final report.<sup>59</sup>
- June 29, 2009 Gov. Heineman appoints Kerry Winterer chief executive officer of DHHS. Mr. Winterer replaced former CEO Chris Peterson, who retired Jan. 2.<sup>60</sup>

- July 29, 2009 The last of the six agencies selected by the state to coordinate child welfare and juvenile services signs its “implementation” contract with CFS. The agencies agreed in the contracts—all signed in July—to develop infrastructure, staffing and programs necessary to provide the services coordination. Most of the contracts called for the agencies to begin providing the services October 1, 2009, with full implementation dates of January 1, 2010. The majority of contracts were later amended to a November 1, 2009 beginning date and to an April 1, 2010 full implementation date. The six agencies were: Alliance for Children and Family Services; Boys and Girls Home; Cedars Youth Services; Nebraska Families Collaborative; KVC Behavioral Healthcare Nebraska; and Visinet. A second set of contracts, the “services” contracts, expected to be signed in the fall, would require the agencies to actually provide the services.<sup>61</sup>
- October 26, 2009 The Alliance for Children and Families announces its decision not to sign a services contract with the state. Gary Henrie, Alliance president, told the Journal Star the agency learned recently its contract would be about \$1 million less for the year than expected. The Alliance would have coordinated services in the Central Service Area. Mr. Reckling, the CFS director, told the newspaper the state had to withhold some of the contracts money to pay for services provided since July 1.<sup>62</sup>
- November 20, 2009 The last of the five remaining lead agencies signs its services contract with the division. The contracts generally obligated the agencies to provide an “individualized system of care” for state wards involved in the child welfare and juvenile services system. Some agency heads told the news media that the limited amount of money the state will spend in the first full year—now reported to be \$106 million—will pose challenges to the reform effort. The agencies will have to be “very creative,” said Judy Dierkhising of Nebraska Families Collaborative.<sup>63</sup>
- December 15, 2009 KVC announces it will open an Omaha office that will eventually employ 180 people in Nebraska. The Omaha World Herald reported that, according to KVC officials, the company will be serving more than 1,500 children when the transition phase ends in January. Also on December 15, the FCRB releases its annual report on the state child services system. The report cited some progress, but also noted serious concerns, including an increase in the percentage of children who returned to the system after being reunited with their families, and privatization reform that was moving too quickly. Mr. Reckling, the CFS director, told the newspaper that Nebraska, unlike Kansas, is not privatizing the entire system. “We’re not relinquishing our critical decision-making responsibilities for children and families,” he said. Mr. Reckling said the transition, which he said began in September 2008, would be completed in April 2010.<sup>64</sup>
- January 2010 A partnership of CFS quality assurance staff, child reform contractors and representatives of Nebraska’s five service areas begin conducting quarterly reviews in the service areas. This periodic review process, referred to as the

Mini Child and Family Services Review, was part of the draft PIP the state developed to address the 2008 CFSR.<sup>65</sup>

- April 1, 2010 All of the lead agencies fully implemented their services by this date.<sup>66</sup>
- April 2, 2010 Cedars Youth Services announces it will withdraw as a lead agency. Mr. Blue, the Cedars president and CEO, told the World-Herald the agency was withdrawing because of inadequate reimbursement from the state. “It became apparent to us that the cost to provide the services was substantially higher than we anticipated and funded by HHS,” he said. Mr. Blue anticipated losing more than \$5.5 million during the 20-month contract, the newspaper reported. Meanwhile, Jim Hoffman, Visinet CEO, told the newspaper his agency was reviewing its finances and considering whether to withdraw from its contract.<sup>67</sup>
- April 8, 2010 Visinet files for bankruptcy and the state terminates the contract. The end of operations for Visinet, at midnight April 15, triggered an emergency mode among DHHS workers, who suddenly had to find foster care, therapy sessions and other services for an estimated 2,000 children in eastern and southeastern Nebraska.<sup>68</sup>
- April 9, 2010 Mr. Reckling tells the World-Herald the department remains optimistic about reform, despite the recent loss of two lead agencies. “We’re in this for the long haul,” he said. He told the newspaper later that month the reform could take as long as five years to implement. Sen. Tim Gay, chairman of the HHS Committee, told the World-Herald Mr. Reckling was “ultimately responsible” for proceeding with the privatization plan, even though some had counseled the division to first try a pilot project.<sup>69</sup>
- April 13, 2010 HHS Committee introduces LR 568, an interim study resolution on privatization.<sup>70</sup>
- April 27, 2010 Former Visinet employees and a few foster parents and children protest at the Capitol. The former employees claimed clients have “fallen through the cracks” because the state has not provided them with services after Visinet filed for bankruptcy.<sup>71</sup>
- April 28, 2010 Mr. Davis, the vice president for National Advocacy and Public Policy at Boys Town, in a letter to Mr. Winterer, DHHS CEO, estimates lead agency contracts will be underfunded by \$23 million to \$24 million over the course of the 20-month contracts signed last year. Mr. Davis wrote that even subtracting from the projected shortfall the dollars the agencies had budgeted to lose, “additional dollars must be found” to cover unanticipated costs borne by the lead agencies. The agencies were serving significantly more children than they had budgeted for because, during the budget planning phase, the state had supplied data to the agencies that “appears to have been off,” Mr. Davis wrote.<sup>72</sup>

- May 14, 2010 Eighteen former Visinet subcontractors, in a letter to the Visinet chief financial officer, demand payment for approximately \$1.4 million in services they claim the company has defaulted on. A number of the claimants sent a similar letter to Mr. Reckling.<sup>73</sup>
- May 19, 2010 Mr. Reckling tells the HHS Committee and the Children's Behavioral Health Oversight Committee that DHHS administrators are attempting to understand the funding issues that undermined Cedars and Visinet, and Mr. Winterer tells the legislative panel that the department will audit the two agencies. Mr. Winterer said the privatization plan for the child services system will proceed. "That ship has sailed," he said. The panel also heard testimony on a resolution introduced by Sen. Gay, the HHS committee chairman, to review the reform.<sup>74</sup>
- May 21, 2010 The FCRB receives a report from its staff highlighting purported deficiencies in the child services reform effort. According to the report, the deficiencies included inadequate documentation, high staff turnover, payment delays to foster families and subcontractors, and transportation, placement and visitation concerns. Mr. Reckling, in an interview with the Journal Star, said the state was making progress. The state is tracking maltreatment of children in foster care, he said. The national standard is for 99.68 percent of such children to experience no maltreatment; as of March, Nebraska was at 99.62 percent. "We are moving in the right direction," Mr. Reckling said.<sup>75</sup>
- May 24, 2010 DHHS representatives announce the department has reached an agreement with Visinet regarding the payment of Visinet employees, subcontractors and foster parents. Under the agreement, DHHS will reimburse subcontractors and foster parents, and Visinet will pay its former employees.<sup>76</sup>
- June 16, 2010 The Children's Behavioral Health Oversight Committee holds a hearing on access to, and funding of behavioral health services for children in Nebraska.<sup>77</sup>
- July 16, 2010 CFS officials receive formal notification from the U.S. Administration For Children, Youth and Families that the federal office has approved the PIP the state officials submitted in May.<sup>78</sup>
- August 13, 2010 KVC-Nebraska invested \$5.5 million of its own money during the first 8 months of its contract with the state, according to financial reports. Also, Ms. Dierkhising, executive director of Nebraska Families Collaborative, said her organization would lose an estimated \$2.5 million in the first year of its contract. Mr. Winterer, the DHHS CEO, said the department and lead agencies continue to make changes as the reform proceeds. He said the agencies knew the process would involve risks.<sup>79</sup>
- August 20, 2010 Pathfinder Support Services president Brian Essen, in a letter to Sen. Gay, informs the HHS Committee chairman of the demand for payment Pathfinder has made to Boys and Girls Home and Family Services, one of the

remaining lead agencies. Mr. Essen attached a copy of the letter Pathfinder's legal counsel addressed to Boys and Girls Home demanding payment of \$364,749 within 14 days. Pathfinder is a Boys and Girls Home subcontractor.<sup>80</sup>

- August 25, 2010 A Boys and Girls Home representative tells the HHS Committee the agency has laid off 50 workers in the last month, including 28 two days ago. Chief Financial Officer Jeff Hackett told lawmakers the agency has solicited a consultant to improve cash flow and efficiency. Boys and Girls Home and the two other remaining lead agencies—Nebraska Families Collaborative and KVC Behavioral HealthCare—said they were spending millions of dollars to remain viable and cover losses.<sup>81</sup>
- August 27, 2010 A FCRB staff report raises concerns about missing information in state wards' case files. Ms. Stitt, the FCRB executive director, said the information includes case plans, placement details and documentation on court-ordered family visits and sibling contact. Mr. Reckling said the state has been working with lead agencies on the issue and believes progress has been made. He added that Nebraska is currently meeting three of six federal standards, compared with two of six last year.<sup>82</sup>
- September 11, 2010 Recent data from the U.S. Department of Health and Human Services indicates Nebraska is falling behind other states in the number of children in foster care. According to the federal department, in 2009 the number declined 6.5 percent, but *increased* nearly seven percent in Nebraska.<sup>83</sup>
- September 22, 2010 Legislators question top DHHS administrators about child services reform at an HHS Committee hearing on the department's budget.<sup>84</sup>
- September 30, 2010 DHHS and Boys and Girls Home announce they have mutually agreed to terminate the contract, effective Oct. 15. Boys and Girls Home held a contract for the Western, Central and Northern service areas. State officials said they will assume responsibility for payments Oct. 1 and will handle the agency's cases until a new lead agency is found.<sup>85</sup>
- October 2010 DHHS provides the remaining contractors with \$6.3 million beyond the original contract amount.<sup>86</sup>
- October 15, 2010 Mr. Winterer announces the department is developing a plan with lead agencies to transfer certain case management decision responsibilities to the agencies. The target date for the transfer is Jan. 1. Mr. Winterer would not say whether the transfer would require the lay-off of state workers, or how many state positions might be eliminated.<sup>87</sup>
- October 22, 2010 Ms. Stitt, in a letter to Mr. Winterer, expresses the FCRB's concerns with the foster care system. One of the six recommendations Ms. Stitt offered in the letter was that the "current system be stabilized (and) that a thorough review" of the reform plan be conducted. "It is unfortunate that DHHS is ac-

- celerating the Reform effort as stated in the October 15, 2010, announcement,” she wrote.<sup>88</sup>
- November 3, 2010 Mr. Reckling says a pilot project to test various services provision models is not a “workable solution.” In a letter to child advocates who proposed a pilot project in the Eastern Service Area, the division director wrote the proposal’s “structure would potentially create even more confusion in the system for children and families.”<sup>89</sup>
- November 15, 2010 Amid calls from child advocates to slow down the reform, Gov. Heineman says DHHS is headed in the right direction, but that completion of reform will take time. “I hope everybody realizes what we’ve been doing in the last 40 years hasn’t worked,” he said.<sup>90</sup>
- November 16, 2010 Mr. Winterer, in a letter to the FCRB Chairman Alfredo Ramirez and Ms. Stitt, the executive director, writes the reform plan has had some successes, including a decline in the number of state wards and evidence of a decline in the percentage of children receiving out-of-home care. “The state will continue to work hard and ensure fewer children in state custody and fewer children removed from their homes,” Mr. Winterer wrote.<sup>91</sup>
- November 17, 2010 Ms. Bigsby-Moore of Voices for Children and Sarah Helvey of Nebraska Appleseed brief legislators and legislative staff on the child services reform. Ms. Bigsby-Moore listed some of the complaints of which her agency was aware: late or lower-than-expected payments; more children in the system than anticipated; staff qualifications and training concerns. Ms. Helvey said the state did not provide contractors with additional money to cover costs of services DHHS added to the contracts.<sup>92</sup>
- November 30, 2010 At a briefing by DHHS officials under LR 568, legislators express skepticism about the planned transfer of more case management responsibilities to the lead agencies. Sen. Gay, chairman of the HHS Committee, called the plan “pretty vague.” Committee member Sen. Campbell suggested the department needed to slow down the reform effort. “I think we have a very fragile phase one that we have not worked out all the kinks to that system, and we’re scrambling to go to phase two,” she said. Mr. Winterer told the committee the department planned to press on with the reform. “We do believe we’re on the right path,” he said.

Mr. Reckling, the division director, presented to the Committee an action plan that included additional funding for the reform, now known as “Families Matter.” He said the remaining lead agencies, KVC and Nebraska Families Collaborative, would receive additional one-time funding. (In a news release the following January, Mr. Reckling announced that KVC and NFC would receive \$12 million and \$7 million, respectively, within nine months.) Reckling also presented a handout with information that: the state has improved in CFSR data measures since 2008; the number of state wards is down; more children are being served in their homes and with relatives. The

officials disclosed the department was negotiating with the nationally known Casey Family Programs to assist in the reform effort.<sup>93</sup>

- December 2, 2010 The FCRB releases its annual report and a separate report. According to the reports, child services reform so far has not significantly reduced the number of children in out-of-home care. Mr. Reckling countered that one of the lead agencies has had less than one percent of children in its aftercare program return to foster care. In addition, Mr. Reckling reiterated that the division is currently meeting three of six federal child services standards, an improvement since 2008. “We have shared this information with the (FCRB), but they seem to be looking backward while we are focused on improvements,” he said.<sup>94</sup>
- December 9, 2010 The Nebraska Department of Administrative Services (DAS) approves the DHHS plan to transfer more case management responsibilities from state workers to the private lead agencies. Nebraska law requires DAS approval of contracts between state government and private entities if the contracts involve the replacement of state workers with private ones. DHHS administrators have said the transfer will happen January 3.<sup>95</sup>
- December 13, 2010 More than 40 stakeholders meet in Lincoln to begin planning an assessment of the reform effort. Casey Family Programs, which will provide consultation, technical assistance and funding to CFS, distributed to participants surveys designed to identify areas of concern.<sup>96</sup>
- January 2011 DHHS provides the two lead agencies with \$19 million beyond the original contract amount.<sup>97</sup>
- January 3, 2011 KVC and Nebraska Families Collaborative assume case management responsibilities for children and families in two of the state’s five Service areas.<sup>98</sup>
- January 5, 2011 DHHS officials report the state has exceeded or been within a fraction of a percentage of the national standard for absence of abuse of children by foster parents. In addition, the number of children in state custody declined from a record high of 7,803 in April 2006 to 6,250 on December 31, 2010.<sup>99</sup>
- January 14, 2011 LR 37 introduced. The resolution would authorize the HHS Committee to investigate and assess the child welfare and juvenile services reform initiative. The process would involve consultation with a “broad array” of stakeholders, public and private. On February 7, 2011, the Legislature adopted the resolution on a 43-0 vote.<sup>100</sup>

## **Methodology**

The primary purpose of this timeline is to document the significant developments in child services reform that culminated in the passage of LR37 by the Nebraska Legislature in February 2011. A subsidiary purpose of the timeline is to provide some historical context to the “Families Matter” reform that hold some interest for policy-makers and stakeholders. This contextual information is meant to be representative, not comprehensive. The timeline does not note every significant development in the recent history of child services reform in Nebraska.

## **Post Timeline Update**

During the course of this audit, DHHS announced some changes relating to privatization. First, in June 2011, DHHS CEO Kerry Winterer announced the appointment of Vicki Maca as Families Matter Administrator. According to Mr. Winterer, there was a need to have someone devoted full time to the Families Matter reform efforts. Ms. Maca is responsible for reform in the Eastern and Southeastern service areas. Todd Reckling, director of the DHHS division of Children and Family Services, retains responsibility for the Central, Northern and Western Service Areas.

Second, in August, CEO Winterer stated publicly that the agency might not use the lead-agency model of privatization beyond the two service areas in which it is now in place. Mr. Winterer said “the jury is still out” on whether to expand the model to the more rural portions of the state. In January, the Legislature considered a bill (LB 95) to prohibit the department from entering into lead-agency contracts for the central, northern and western service areas until at least June 2012. The bill was held by the Legislature after the Governor announced he had instructed department officials to voluntarily postpone any such contracts until the June 2012 date.

Lastly, in October 2011, Mr. Reckling resigned as CFS director. Mr. Winterer appointed Scot Adams, Director of the department's Division of Behavioral Health, as interim director while the department looks for a permanent director.

## **LR 37 Health and Human Services Committee Time line**

January 14, 2011	Introduction of LR 37
January 28, 2011	Health and Human Services LR 37 hearing
January 31, 2011	Briefing by DHHS on Families Matter
February 7, 2011	LR 37 adopted with 47 ayes, 0 nays
February 15, 2011	Legislative Performance Audit Committee directs Legislative Performance Audit be completed
March 7, 2011	Nebraska Auditor of Public Account agrees to public audit
March 29, 2011	Moratorium of privatization Amendment to LB 95 adopted LB 95 on Select File bracketed until January 4, 2011
June 2, 2011	HHS Committee orientation on FCRB case reviews and tracking
June 23, 2011	NCSL briefing re research on Child Welfare and Privatization
August 3, 2011	LR 37 hearing in Grand Island, NE
September 7, 2011	Nebraska Auditor of Public Accounts Report release and briefing LR 37 hearing in Lincoln, NE
September 13, 2011	LR 37 hearing in Scottsbluff, NE
September 15, 2011	LR 37 hearing in Norfolk, NE
September 21, 2011	CFS CFSR and Program Improvement Plan (PIP) Annual meeting Commission Children National Leadership Conference Salt Lake City, UT- attended by Senator Campbell
September 23, 2011	Through the Eyes of the Child Regional Conference, Ashland NE
October 18, 2011	LR 37 briefing by Legislative Fiscal Office- Mike Calvert, Liz Hruska, Tom Bergquist Foster Parent/Biological Parent Survey Ombudsman- Marshall Lux Attorney/GAL Survey -Appleseed- Sarah Helvey Judges/Through the Eyes of the Child Survey and Court Improvement briefing- Vicki Weisz Juvenile Probation Pilot Program briefing-Cory Steel
November 4, 2011	Release of the Legislative Performance Auditor Report and briefing
December 5, 2011	Release of FCRB Report with Privatization Update and briefing
December 15, 2011	LR 37 Report Released