

ORANGEWOOD CHILDREN'S HOME: OVERSTAFFED AND UNDERUTILIZED?

SUMMARY

The Orangewood Children's Home (OCH) has been, for the last several years, declining in juvenile population. The capacity of the home is 216 beds, but the juvenile population has slipped far below 100 residents. As late as the end of February, 2007, the juvenile population of OCH was 61 residents. Interviews with OCH staff have revealed that despite this lowered population, the staffing of the facility has remained remarkably constant with over 300 employees. The OCH reuse plan published in September of 2005 attributed the reason for the decline in population to a shift in philosophy in the Social Service Agency (SSA) which focuses on a menu of services that diverts children from Orangewood.

Another issue which surfaced in this study was the costs associated with the use of Health Care Agency (HCA) employees at OCH, which is under the aegis of SSA. Financial data received from the SSA and HCA indicate that for services provided by HCA at OCH, the labor burden is in excess of 30% of salaries and indirect costs associated with these services are in excess of 23% of the total salaries and burden. Clearly, the operation of OCH is an expensive reality. While recognizing that the services provided by this institution are critical, significant savings could be achieved without compromising the quality of services offered by Orangewood.

METHOD OF STUDY

The method of study included a number of data collection sources. Among these were:

- visits to several child-care facilities for abused and neglected children in and out of Orange County;
- interviews with management and employees;
- a review of the literature on congregate care for children including relevant laws and codes; and
- a review of financial data from SSA and HCA

BACKGROUND

The OCH has been the emergency center for the care of abused and neglected children in Orange County for more than 20 years. Following a national priority to reduce child abuse and neglect, OCH was the county's center for protection of young victims. Filled to capacity in its early years, OCH expanded its size to 236 beds in the early 1990's. This was subsequently reduced to 216 beds in 2001.

Changes in Orange County's child-care philosophy for abused and neglected children have caused a dramatic reduction in occupancy at OCH. The philosophical change that impacted OCH was an anti-institutional stance by the child-care community. The new strategies developed as a result of this philosophical shift include:

- The First Step Assessment Center –This is a “warm and friendly” environment for children during the time that relative and non-extended family members are being evaluated for placement. The purpose of this center is to place children at an appropriate home within 23 hours of their arrival at OCH.

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- Wrap-Around is a process that builds community capacity for child services that reduces the need for placement in facilities like OCH.
- Increased relative and non-relative placement of children within 23 hours.
- Increased mental health and social services which provide additional services to families at their homes, thus leaving more difficult children in the community and preventing their return to OCH.
- SSA contract with the Regional Center of Orange County (RCOC) provides one full-time service coordinator at OCH who is responsible for finding placement for juveniles with development delays.
- Team Decision Meetings (TDMs) are meetings held with various interested parties to determine the best placement option for a new OCH resident. The meetings can include any person who is willing to care for the child.

The success of the above programs, along with other factors, has reduced the average population of OCH to significantly below 100 children. As a result of the settlement of the case *Booraem v. Orange County* (798871, California Superior Court, Orange County, August 31, 1998) the county has modified its practices with respect to the placement and care of young children in OCH; and most children under the age of six in Orange County are placed in foster homes instead of the shelter. In this case, allegations against the county defendant included:

- depriving children of a secure emotional relationship with a primary care giver;
- confining children under the age of six in emergency shelters without a court order specifying the need for an extensive evaluation;
- confining children for long periods of time in overcrowded conditions under the supervision of untrained staff who are unable to meet their most basic developmental needs; and
- being unable or unwilling to treat psychological and behavioral disturbances experienced by children.

As a result of the settlement, the County has dramatically decreased the number of young children confined in OCH. Additionally, OCH has used out-of-county foster homes to house OCH former residents. As of February 22, 2007, over 370 Orange County children were being cared for in San Bernardino and Riverside counties because of a lack of foster care homes in Orange County.

Given the long-term reduction in the average number of children at OCH, the question arises as to the large size of its staff. Meetings with SSA/OCH personnel have indicated that a staff-to-child ratio of 6:1 is in place at OCH. Title 22 of the California Code of Regulations indicates that from 7 a.m. to 10 p.m., there shall be a minimum of one on-duty child care staff person to each ten children, or fraction thereof, present. Moreover, in group homes providing care and supervision to 31 or more children, "there shall be a minimum of one child care person awake and on duty from 10 p.m. to 7 a.m.. for the first 30 children; and a minimum of one child care staff person awake and on duty for each additional 30 children or fraction of that amount." With policies implemented that swiftly place children in relatives' care and 300 SSA employees at OCH working with generous staff-to-child ratios, the question remains as to whether the facility is overstaffed.

The overriding philosophy of SSA is to “remove the harm from the children, not the children from the harm.” To that end, SSA often returns the child to the home and provides services to ensure the home is a safe environment for the child. When the child has to be removed from the home, SSA seeks to find the least restrictive environment for the child, which is, in most cases, another family home environment.

SSA staff indicates that OCH has a “dual role”. It is both a licensed group home and an emergency shelter. The level of care required to fulfill this dual role leads OCH management to believe that a potential exists for cases to be assigned to them that require 1:1 supervision because of the severity of the child involved, citing AB1197 that requires a minimum 1:3 staffing level 24/7. Interviews with other parties indicate that OCH was never intended to have 1:1 staff for selected children. Children who have severe psychological needs could be sent to a crisis center or group home, but OCH management feels these facilities are potentially too restrictive and would require the child to be moved and placed more often. A federal law, the Adoption and Safe Families Act of 1997 (AFSA), rates a county’s social services efficiency based on the number of facilities in which a child is placed. AFSA changed the focus of the Child Welfare System to one which is outcome-based and driven by kinship care, guardianship or adoption, and an anti-institutional stance. In 2004 California implemented AB636, the Child Welfare System Improvement and Accountability Act which holds counties and the state agencies accountable for the outcomes achieved. This is formally known as the California Child and Family Review System (C-CFRS), implemented in January, 2004, which operates on the philosophy of continuous improvement, inter-agency partnerships, community involvement and public reporting of outcomes. The key components are:

- Quantitative Data: Quarterly Reports
- Quantitative Data: Peer Quality Case Reviews
- Self-Assessment
- System Improvement Plan

OCH management indicated that there is a high turnover of SSA staff. This is attributed to many employees entering in at a group counselor entry-level position and then, after a period of time transferring to more senior SSA positions in other departments. The explanations given by SSA, when queried about these ratios and placements, appear to be a defense of the status quo which provides a convenient training ground for SSA group counselors.

Another area of interest to the Grand Jury was the levels of labor burden and indirect costs applied to the use of Health Care Agency employees at OCH. A review of financial records supplied by the SSA and HCA indicated that the labor burden of these employees is approximately 30% of wages, and the indirect costs applied amounted to another 23% of wages plus burden.

There are children at OCH for more than 30 days, even though SSA states that OCH is a temporary/emergency children’s shelter. OCH and SSA have contracts with over 40 Group Home Providers and over 30 Foster Family Agencies where OCH children could be placed. However, because of SSA policies, OCH rarely uses these non-family agencies to place children. For example, as of February 22, 2007, of the 2792 children under SSA care, only 126 children were in group homes. Most of the SSA contracted group homes handle the

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higher-level-care child. SSA management sometimes has difficulties placing seriously emotionally disturbed children, in a timely manner, in facilities that are better equipped to handle these juveniles. Given the number of employees, the generous staff-child ratios, the high overhead added to employee wages, and the policy of family placement only, child care at OCH is an extremely costly affair.

SSA staff indicated that approximately 85% of OCH funding comes from state and federal sources and the amount of funding absorbed by Orange County is “only about 15% of the budget.” This seems to be a very cavalier attitude toward the spending of tax dollars, regardless of their source.

Grand Jury visits and interviews with comparable organizations indicate that cost-conscious management alternatives, such as asking for Requests for Proposals for the placement of staff by the private sector in OCH, have not been seriously explored. This could reduce the labor burden and associated overhead costs. When the Grand Jury asked the SSA and HCA management if OCH could be turned over to a private contractor, their response was that the level and continuity of care would be reduced.

Interviews with SSA management on the subject of OCH have a “circle the wagons” feel, with large numbers of individuals deflecting questions with esoteric verbiage, philosophies, and theories. The Grand Jury’s attempts to pin down facts and resolve obvious contradictions are met with obfuscation and rhetorical spin. Nevertheless the facts remain constant:

- Orangewood Children’s Home has over 300 SSA employees;
- the average population of Orangewood Children’s Home is at times far below 100 children, with a stated goal of 60; however, the current staffing level is for 90 children.
- the staffing ratio of personnel to children is far higher than mandated ratios as outlined in Title 22 documents;
- the staffing of Orangewood Children’s Home is greater than any reasonable expected surge in population;
- the major objective of Orangewood Children’s Home is to place the majority of children protected in homes within 23 hours; and
- there are significant burden rates associated with SSA using HCA employees to staff Orangewood Children’s Home and there is no plan in place to examine alternatives.

FINDINGS

In accordance with California Penal Code sections 933 and 933.05, each finding will be responded to by the government entity to which it is addressed. The responses are to be submitted to the Presiding Judge of the Superior Court. The 2006-2007 Orange County Grand Jury has arrived at the following findings:

- F-1. Despite the decline in the OCH population, OCH still maintains a staff of over 300 SSA employees.
- F-2. The staffing ratio to children at Orangewood is far more generous than

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is mandated by California law.

- F-3. Orangewood Children's Home has a very small population of children.
- F-4. The labor burden of HCA employees working at OCH is approximately 30% of wages, and the indirect costs applied amount to another 23% of total of wages plus burden.
- F-5. SSA management appears reluctant to place seriously emotionally disturbed Children, in a timely manner, in facilities that meet their unique needs.
- F-6. The Orangewood Children's Home has not had an operational performance audit recently.

Responses to Findings F-1 through F-6 are requested from the Orange County Social Services Agency.

A Response to Finding F-4 is requested from the Orange County Health Care Agency.

A Response to Finding F-6 is required from the Orange County Board of Supervisors and the Orange County Auditor and Controller and is requested from the Orange County Chief Executive Officer (CEO).

RECOMMENDATIONS

In accordance with California Penal Code sections 933 and 933.05, each recommendation will be responded to by the government entity to which it is addressed. The responses are to be submitted to the Presiding Judge of the Superior Court. Based on the findings of this report, the 2006-2007 Orange County Grand Jury makes the following recommendations:

- R-1. The Social Services Agency should consider reducing staffing levels at Orangewood Children's Home bringing staff to child ratios more in-line with the requirements set forth in Title 22 of the California Code of Regulations. (This recommendation arises from Finding F-1 and F-2.)
- R-2. If the current philosophy of swift placement of children in familial or group homes remains in place, then other uses of Orangewood Children's Home should be seriously examined. (This recommendation arises from Finding F-3.)
- R-3. The Social Service Agency should explore the possibility of privatizing some Orangewood Children's Home services, such as medical services or group counselors, in order to reduce overhead costs. (This recommendation arises from Finding F-4.)
- R-4. SSA management should be more assertive and creative in quickly placing seriously emotionally disturbed children in facilities that are better equipped to handle these dependants. (This recommendation arises from Finding F-5.)

R-5. Orangewood Children's Home should have an operational performance audit. (This recommendation arises from Finding F-6.)

Responses to Recommendations R-1 through R-5 are requested from the Orange County Social Services Agency.

A Response to Recommendations R-5 is required from the Orange County Board of Supervisors and the Orange County Auditor and Controller, and is requested from the Orange County Chief Executive Officer (CEO).

REQUIRED RESPONSES:

The California Penal Code specifies the required permissible responses to the findings and recommendations contained in this report. The specific sections are quoted below:

§933.05(a) For purposes of subdivision (b) of Section 933, as to each grand jury finding, the responding person or entity shall indicate one of the following:

- (1) The respondent agrees with the finding.
- (2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.

(b) For purposes of subdivision (b) of Section 933, as to each grand jury recommendation, the responding person or entity shall report one of the following actions:

- (1) The recommendation has been implemented, with a summary regarding the implemented action.
- (2) The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation.
- (3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.
- (4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.