

## MINUTES

### AUDIT SUBCOMMITTEE OF THE LEGISLATIVE MANAGEMENT COMMITTEE

The Audit Subcommittee of the Legislative Management Committee met in Room 131, State Capitol Building, Salt Lake City, Utah, June 25, 2002 , from 1:00 p.m. until 2:30 p.m.

Committee Members Present: Speaker Martin R. Stephens, Co-Chairman  
President Al Mansell, Co-Chairman  
Senator Mike Dmitrich  
Excused Representative Brad King

Legislative Audit Staff: Wayne L. Welsh, Auditor General  
John M. Schaff, Deputy Auditor General  
Rick Coleman, Audit Manager  
Paul Hicken, Lead Auditor  
Janice Coleman, Audit Supervisor  
Deanna Herring, Performance Auditor  
Lynda Maynard, Recording Secretary  
Camille Ahlstrom, Legislative Secretary

Other Interested Parties: Robin Arnold-Williams, Ex. Director, Dept of  
Human Services (DHS)  
Dallas Pierson, President, Utah Foster Care  
Foundation (UFCF)  
Kelly Peterson, Dir of Education, UFCF  
Kay Dea, Chairman of the Board, UFCF  
Richard J Anderson, Director, Division of Child &  
Family Services (DCFS)  
Patty VanWagoner, Deputy Director, DCFS  
Jack L. Green, Dir Liability Mgmt, DCFS  
Valoy Seeley, UFCF  
Rebecca Oakley, Board of DCFS  
Richard Shipley, UFCF/DCFS Board  
Deborah Lindner, UFCF  
Patricia Worthington, FCCRB  
Carol Sisco, Public Information Officer, DHS  
Vanessa Thompson, DHS  
Eric C Isom, Leg. Administrative Asst., Senate  
Stephen Jardine, Policy Analyst, GOPB

James Thalman, *Deseret News*  
Jacob Santini, *Salt Lake Tribune*

## 1. Call to Order

Speaker Stephens called the meeting to order at 1:00 p.m.

2. **Approval of Minutes** Senator Dmitrich made a motion that the minutes from the April 30<sup>th</sup> meeting be approved. The motion passed.

### 3a. **A Performance Audit of the Utah Foster Care Foundation** (Report #2002-04) Presented by Paul Hicken, Lead Auditor

The Utah Foster Care Foundation (UFCF) began as an initiative by Governor Leavitt. In June 1997, as part of his ALERT Declaration, the Governor set a statewide goal to have 3,000 trained foster care families by the year 2000. To achieve the goal of nearly tripling the number of foster families, the Governor's idea was to create a partnership between private and public interests to recruit, train, and support foster parents for the Division of Child and Family Services (DCFS). In October 1998, the Utah Foster Care Foundation was incorporated as a private, non-profit organization. The first contract was signed in September 1999 transferring the responsibility to recruit and train from DCFS to the foundation and by January 2000 the foundation was operating statewide.

Initially, there were some ambitious goals outlined for the foundation in their business plan or in statute and contracts. However, the foundation has not fully achieved these expectations.

- ▶ **Increase the Number of Licensed Foster Families to 3,000.** While the goal were well-intentioned, it was not realistic. With the foundation, there have never been more than 1,272 basic foster homes and the focus now has changed from the statewide number of foster families to meeting regional needs.
- ▶ **Increase the Number of Well-trained Qualified Volunteers in the Child Welfare System.** The initial emphasis on volunteer recruitment and training was redirected to retention of foster families. Volunteer utilization, while still valuable, has been given a lower priority and volunteer coordinator positions in several regions have been eliminated.
- ▶ **Raise Funds from Private Sources to Help Pay for Incremental Growth and Program Development.** The foundation found fund-raising to be more difficult than anticipated because many potential donors consider foster care the responsibility of the state. With limited fund-raising success, the foundation relies on DCFS to fully fund its basic operations.

Although the foundation has not realized the original goals, it does provide some valuable services for

DCFS. For example:

- ▶ Recruitment efforts are now focused on specific regional needs as determined and communicated by DCFS regions.
- ▶ Good quality and widely accessible training and education is provided and good training records are kept.
- ▶ Retention efforts have improved, especially through local cluster groups of foster families that support and encourage each other.

While the foundation provides good services, it is costly. Contract payments from DCFS have steadily increased to over \$2.7 million compared to about \$600,000 that DCFS spent to recruit and train foster parents in 1998. Most of the additional funds were provided by an extra \$1 million legislative appropriation and federal matching funds. Some additional costs are tied to the foundation for employee salaries and benefits and office space compared to DCFS. As a result, the cost effectiveness of the foundation is debatable.

Because the foundation is a new and unique organization, both UFCF and DCFS have had to learn how the foundation fits into the child welfare system. In the past year, we feel DCFS has improved how it directs and monitors the foundation. Based on our audit work, we made the following recommendations:

*We recommend that DCFS:*

- ▶ *work with the UFCF to more clearly define their roles pertaining to support and retention of foster families.*
- ▶ *continue to improve its contract monitoring of UFCF by regularly evaluating the foundation's progress and efforts and providing detailed feedback about the division's needs and expectations. If DCFS determines that the foundation is not cost-effectively meeting the division's needs, they should consider providing the services with the division staff rather than contracting for them.*

*We recommend that the foundation:*

- ▶ *reconsider the purpose and objectives of the volunteer program.*
- ▶ *look for ways to control costs and efficiently utilize their resources.*
- ▶ *clearly identify fund-raising objectives and clarify how they plan to use the donations. The foundation should also determine whether or not a perpetual endowment fund will be established.*

## **Discussion following presentation:**

Dallis J. Pierson, President, Utah Foster Care Foundation (UFCF), addressed questions raised by the audit and members of the Audit Subcommittee. He said,

- UFCF has rewarded the State of Utah.
- The Foundation is one of the best investments the State has produced.
- Because of innovative and creative services rendered, the Foundation has saved Utah tens of thousands of dollars—if not millions.
- The Foundation's most single important function has been to recruit, train and support foster families.

Mr Pierson also said that the Foundation has increased the number of foster homes and newly recruited families based upon the needs of children in care—geographical needs, specialized needs, ethnicity, and cultural sensitivity. The Foundation has also provided a new 32-hour pre-service training that has demonstrated consistent quality and has also been translated into Spanish in order to better service the Spanish speaking families.

Mr. Pierson concluded by saying that although the Foundation does differ with some content of the audit, they agree with the five recommendations made in the audit and they pledge their time, talents and resources to be able to accomplish these recommendations.

Richard Shipley, founding chair of the UFCF, said that he is very proud of the quality of the work that has been done by the Foundation and that the board has been excellent. He does not believe that the audit addresses the things the Legislature held most important when UFCF was set up— what was wrong with foster care; the quality of service; and, numbers were not the solution --- quantity was not the answer. The Foundation has address and corrected these issues.

Becky Oakley, foster parent and past board member of the Foundation, told the Audit Sub- committee that seventy-five percent of the current foster parents have been recruited and trained by the Foundation. Ms. Oakley said the services that are available to foster parents now were not available prior to the creation of the Foundation.

Richard Anderson, Director, Division of Child & Family Services (DCFS), gave the following reasons why children in foster care are declining:

- Family members (kinship) have been recruited for child placement
- The number of referrals had leveled off, but have started to pick up again, and
- The system is better able to address problems if the child is kept at home

Motion: Senator Dmitrich made a motion that the **Performance Audit of the Utah Foster Care Foundation** (Report #2002-04) be accepted and sent to the Health and Human Services Interim Committee, the Health and Human Services Joint Appropriations Subcommittee, and the Child Welfare Oversight Panel. The motion passed.

### **3. New Audit Requests**

Wayne L. Welsh, Auditor General, gave the Audit Subcommittee members a copy of a letter requesting an audit of the Utah Performance Assessment System for Students (UPASS), that was passed during the 2000 General Legislative Session. He explained that the requesters are interested in finding out if the system has been implemented according to legislative intent.

Motion: President Mansell made a motion that the request for an audit of the Utah Performance Assessment System for Students (UPASS) be accepted and placed at the top of the Audits In Process list, under Future Audits, as number one. The motion passed.

Speaker Stephens requested that the approved UPASS audit be completed by the end of the current calendar year.

#### **4a. Audit Subcommittee Brochure Draft**

Wayne presented a draft of the Legislative Audit Subcommittee brochure to the committee and requested comments on its content and design.

Speaker Stephens said that his only comment on the brochure would be that the names of the Audit Subcommittee either be left off the brochure or that a limited number of brochures be printed as the members of the Audit Subcommittee change frequently.

#### **4b. Special Project Policy Draft**

John Schaff, Deputy Auditor General, prepared a Draft Policy for handling Special Projects/Informal Letter Report (ILR) requests. The draft described Special Projects and what their scope should be. John's policy draft indicated that the hours spent on Special Projects should not exceed 500 hours.

Wayne explained that if a Special Project request appeared to need more than 500 hours to complete, the Auditor General would bring the request before the Audit Subcommittee for approval and prioritization.

Speaker Stephens and Senator Dmitrich expressed concern that 500 hours for a Special Project seemed

excessive and agreed that 250 hours expended on a Special Project would be a sufficient amount of time.

Motion: Senator Dmitrich made a motion that the Policy Draft be amended to read that the process for Special Projects/ILR's would not exceed 250 hours. The motion passed.

After further discussion, the Audit Subcommittee members made the following changes to the Policy Draft:

1. In paragraph one, third line from the bottom - delete 500 hours and replace with 250 hours,
2. On the second line in the second paragraph - delete 500 hours and replace with 250 hours, and
3. On the fifth line in the second paragraph - delete 400 hours and replace with 175 hours.

Motion: President Mansell made a motion that the recommended changes to the Draft Policy for Special Projects/Informal Letter Reports (ILR's) be adopted. The motion passed.

## **5. Adjournment**

Speaker Stephens adjourned the meeting at 2:30 p.m.