

# Impact of PACE program on racial disparities in the child welfare system

By Mathangi Swaminathan <sup>1</sup>

## Context

Minnesota ranks among the worst states in racial disparities among outcomes for children <sup>2,3</sup>. Between 2016 and 2019, African American children in Olmsted County, Minnesota, were twice as likely as white children to be reported to child protection and multiracial children were seven times as likely as white children to enter out-of-home care <sup>4</sup>.

Racial disparities exist within child protection reports due to education-related challenges as well. Defined as the “failure to educate the child required by law,” educational neglect can be a reason for reporting children to child protection if they fail to maintain at least 95% attendance in accordance with Minnesota state laws <sup>5,6</sup>. This translates to seven unexcused absences per school year. 60% of educational neglect reports in 2019 were against children of color, despite children of color representing only 35% of the overall student population <sup>3,7</sup>.

PACE program in Olmsted County was intended to address this.

## PACE Program

PACE is a diversionary program for children of color between ages 5 and 12 reported to the child protection system for education-related issues. Deeper-end child protection services include foster care placement and court systems that often traumatize children and their families and put a significant financial strain on county systems. PACE diverts kids of color from the child protection system by offering front-end case management services that wrap around the needs of the family. Services include resources and referrals to meet the family’s basic needs such as housing, medical, social, and emotional needs and those related to the child’s educational well-being. Efforts are made to improve engagement between the child, their family and school.

PACE offers both preventive and corrective case management services, not just for the child referred, but for all children in that family. Implemented with a budget of \$174K to serve 31 children in 2010, the program has grown 300% in budget and has served 605 children along with their siblings and families between 2010 and 2019. PACE is managed by six full-time staff along with a program manager.

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<sup>2</sup> Children’s defense fund. “Minnesota Children Count 2019: Navigating systems for Children’s Well-being.” 2019

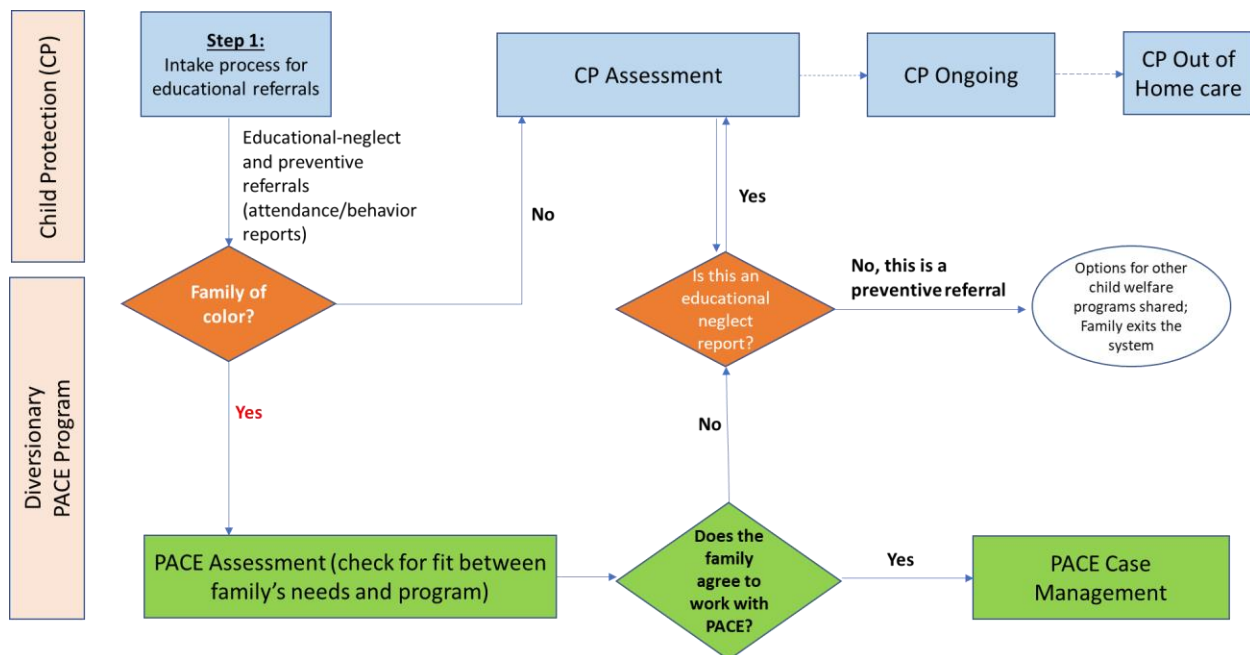
<sup>3</sup> MPR News. “Minnesota No. 4 in child well-being, but among worst in racial disparities.” June 2019.

<sup>4</sup> Reports published by Minnesota Department of Human Services

<sup>5</sup> Child Welfare Information Gateway. “Definitions of child abuse and neglect.” March 2019

<sup>6</sup> American Institutes for research. “School Discipline Laws & Regulations by State & Category | Safe Supportive Learning.” 2020.

<sup>7</sup> Minnesota Report Card. “How well are students doing?” 2019.



### PACE Demographics

Between 2010 and 2019, the median age of a child referred to PACE was 9 and 64% of children were in elementary school. The primary parent’s average age was 35 and this has consistently remained in the 30s since the beginning of the program. 61% of single-race primary parents are African American and 17% of primary parents are Hispanic. Nearly one in two primary parents stated their marital status as “single, never married.” Most families have a history of having been referred to the system before being referred to PACE: 51% were referred between 1 and 7 times and only 22% never received a case management service before a PACE referral.

### Program Evaluation Set-up

The goal of the PACE program is to ensure academic success of children and prevent entries into the system. PACE was hence evaluated on two outcomes related to entry rates into the system after exit from PACE:

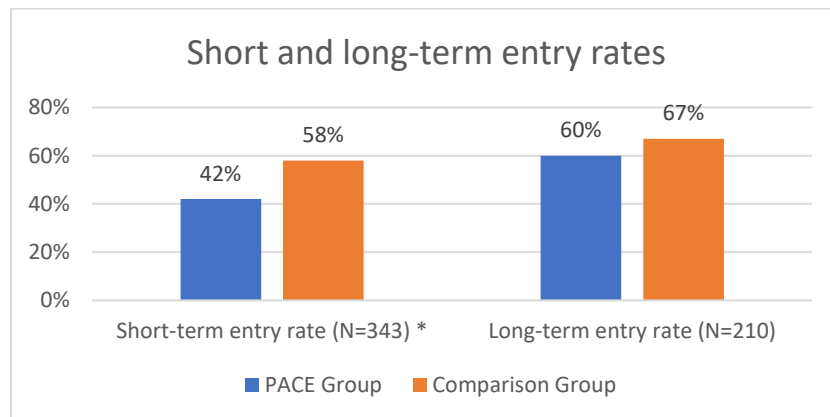
- Short-term entry rate, and
- Long-term entry rate.

These are defined as entry into an assessment or case management stage in any part of the system within one year of exit from PACE and three years of exit from PACE respectively.

A counterfactual group was constructed to compare outcomes of children who received case management services from PACE to those who did not. This counterfactual group consisted of all children who were referred to the PACE program from intake but did not receive case management services. The children from the PACE group were then matched with the counterfactual group based on multiple observable characteristics using the quasi-experimental Propensity Score Matching technique. The main source of data was the Social Services Information System (SSIS) used by all child welfare agencies in Minnesota. The final set of matched data from the PACE and counterfactual groups were used to conduct the evaluation.

## Evaluation Results

Children who received case management services from PACE reduced their short-term entry rates by 16% and long-term entry rates by 7%, as compared to those who didn't, on average, controlling for family size; primary parent's age, marital status, race and ethnicity; target child's age and gender; history of interactions with child welfare and child protection systems; nature of referral (educational neglect or preventive); year the family was referred and year the PACE case was closed. While the short-term impact of 16% was statistically significant at the 95% level, the long-term impact was not.



\* statistically significant difference at 95% level ( $p < 0.05$ )

A sensitivity analysis was conducted using nearest neighbor, kernel and mahalanobis propensity score matching techniques. Short term entry rates showed statistically significant results between 13% and 16% whereas long-term entry rates remained statistically insignificant at 7%.

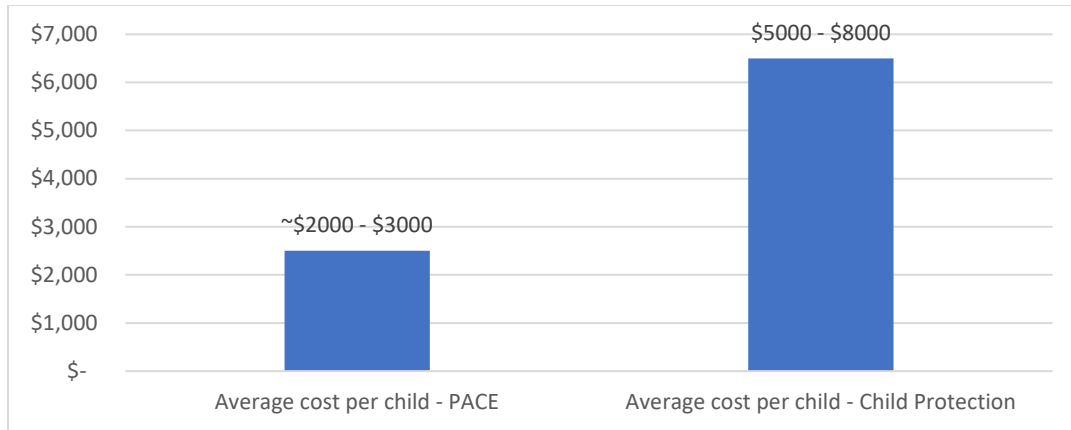
## Financial Returns for investing in diversionary programs

Besides the social, emotional, and ethical implications of investing in front-end services rather than deeper-end child protection services, investing in prevention also has fiscal implications.

**The average cost of serving one child through Child Protection is between two and three times more expensive than the average cost of serving one child through PACE.**

This was derived in three steps:

- **Budget:** The annual budget information between 2010-2019 was used for both the programs. For child protection, the budget was available separately for three stages (Assessment, Case Management and Out-of-Home) for each year.
- **Number of children served:** Since the staff work with all children in the family who need help, not just the child referred to the system, two different scenarios were constructed to derive a range of costs for both scenarios.
- **Weighted average** of the per-child cost of each stage was calculated to derive a program-level average cost.



### Annual cost avoidance to Olmsted County due to PACE

By diverting children of color to PACE instead of the more expensive child protection system, **Olmsted County avoided cost of ~\$2 Million between 2010 and 2019.** This was derived in three steps:

- **Historical trend:** For each year between 2010-2019, the proportion of children moving across the three stages of child protection (assessment, case management and out-of-home care) was considered.
- **Estimation of the counterfactual:** Had PACE not existed, all children in PACE would have been referred to child protection. Hence, the number of children from PACE who would have moved to each stage of child protection was estimated using the above proportions, for each year.
- **Cost avoidance calculation** was done using annual per-child costs of each stage of child protection and the annual PACE budget.

Out-of-home care costs comprise the largest share of total child protection costs at ~40% of the total budget and is the largest contributor to the differential per-child cost between PACE and Child Protection. As the county invests more in prevention services, out-of-home placements should reduce, driving down budgets overall. Considering both scenarios (only children referred to the system and all children in the family), the total cost avoidance to the county was between \$1.8Mn - \$2.7 Mn during the period 2010 and 2019.

### Discussion

Neglect is often a symptom of poverty and neglect often co-occurs with other forms of abuse<sup>8</sup>. For example, in a 2010 study of 303 children referred for neglect, only 5% experienced neglect without any other form of maltreatment<sup>9</sup>. Working with families preventatively by helping them access resources without further traumatizing them can go a long way in improving outcomes for children and their families. That prevention is better than cure is not a new story. The Family First Prevention Services Act was set up to financially incentivize foster care

<sup>8</sup> Pelton, L. H. (2015). "The continuing role of material factors in child maltreatment and placement." *Child Abuse & Neglect*, 41,30-39.

<sup>9</sup> Mennen, F. E. (2010). "Child neglect: Definition and identification of youth's experiences in official reports of maltreatment." *Child Abuse & Neglect*, 34(9), 647-658.

placement prevention programs. Creating front-end diversionary programs, especially for children of color, can be an effective strategy to promote racial equity and preserve families.

PACE is intentional about staff diversity. 80% of PACE staff including case workers and program manager are staff of color. Research indicates that recruiting and retaining staff of color is associated with better outcomes for children and their families and reduces racial disparities.

Implementing such a program comes with its set of challenges. PACE is a voluntary program and families could choose not to work with the program. A separate “assessment” stage was introduced to have an effective program-level understanding of who received case management services and who did not, to measure outcomes accurately. Increasing acceptance rates from families, having uniform entry and exit criteria for case management services, and identifying more preventive referrals as compared to educational-neglect referrals have been ongoing implementation challenges with the team.

While the evaluation indicates that there is a strong statistically significant impact with short-term entry rates, the evidence does not support statistically significant impact long-term. However, the long-term impact could still be practically significant.

For a comparative reference, a study on the entry rate following a 2010 community-based child abuse prevention program in California reported no statistically significant results following 270 days of start of the program<sup>10</sup>. While more recent research studying entry rates for front-end prevention programs have not been found, considering the financial returns to the county and the moral, ethical and social implications of investing in front-end prevention programs, the impact of a 7% reduction in long-term entry rates can have positive implications.

Diversionary programs can be an effective strategy to prevent children and families from getting into the child protection system.

When designed keeping children and families of color at the center, they can be effective equity strategies as well.

As with all programs, the challenge is to implement them well.

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<sup>10</sup> Terry V. Shaw. “Reentry into the foster care system after reunification” Children and Youth Services Review. Volume 28, Issue 11. 2006. Pages 1375-1390.