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Key Points
· This article describes work of the Annie E. Casey Foundation’s Casey Strategic Consulting Group (CSCG), a 10-year, multistate initiative that embeds outside experts – both public-system and traditional management consulting – in child and family services systems to improve system performance and outcomes.
· The article describes five types of levers that were influenced in different combinations to promote change in different state systems. We call these “catalytic combinations.”
· In numerous states, including Maine, Louisiana, Virginia, and Indiana, the CSCG initiative produced measurable improvements in key performance areas, including shortening stays in foster care, improving rates of permanent placements for children in foster care, reductions in foster-care recidivism, and improving the percentages of children “aging out” of foster care who leave the system with a strong community/family connection.
· Different states have different strengths and challenges. What worked in one place won’t necessarily work in another. The authors’ postulate, however, that by influencing “levers of change” in combination, one can drive broad improvement in how overall systems operate.
· Turning systems around is a long-range and difficult exercise, and one that is never complete. Influencing catalytic combinations creates sufficient startup results for improvements to continue over time.

In a state with a national reputation for being one of the best run in the country, it was an early and unpleasant eye-opener for newly elected Virginia Governor Tim Kaine: The commonwealth sported the worst record in the country when it came to children aging out of foster care absent any permanent connection to family or community. Said Kaine, who took office in 2006,

When we saw the data we realized that what we knew anecdotally to be a problem was in fact persistent and pervasive, that Virginia was a clear outlier, with fewer discharges from foster care to permanency of any state. (Walters, 2010)

But while Kaine may have viewed Virginia as an outlier, the fact is that many states continue to struggle when it comes to moving children out of foster care and into permanent homes with families. It is a simple reflection of a persistent problem: Public agencies assigned the difficult task of improving outcomes for vulnerable populations – poor children and families – have a mixed record. An extensive body of literature proposes various solutions for improving the performance of such agencies. Yet there has never been – nor is there ever likely to be – any silver bullet in this area. Complex systems, like complex families, have diverse strengths and needs, requiring thoughtful, tailored assistance; and transforming them sometimes requires novel solutions.

One emerging and promising approach to such system change is the concept of “catalytic mechanisms,” developed by management expert
Jim Collins (2001) and employed to remarkable effect in reforming Virginia’s child welfare system. Catalytic mechanisms are, according to Collins, “the crucial link between objectives and performance.” They are “catalytic,” he argues, because they produce unexpected results, redistribute power, create positive and negative consequences, and have an ongoing effect. For example, Collins (1999) cites a gravel company’s new approach to customer satisfaction as a “catalytic mechanism”: giving customers the right to pay only for those services they deem satisfactory. Once adopted, Collins reports that this policy radically and permanently improved the company’s performance and profitability.

While these so-called catalytic mechanisms may sound simple (too simple, really), Collins points out that it takes strategic thinking to identify and leverage the catalytic mechanisms that lead to improved performance. The change in billing policy was strategic because it was not the act alone that had so much impact, but rather its connection to other parts of the company’s system that made the difference. Clearly, the short-pay policy forces both learning and change.

It impels managers to relentlessly track down the root causes of problems in order to prevent repeated short payments. It signals to employees and customers alike that Granite Rock is dead serious about customer satisfaction that goes far beyond slogans. (Collins, 1999, p. 73)

The question we consider in this article is whether the concept of catalytic mechanisms can be applied in the public sector – to child welfare in particular. Specifically, we want to see if it can help public agencies serve children more effectively and efficiently, and achieve well-defined objectives.

The approach described here was developed by the authors while working as employees and consultants with the Casey Strategic Consulting Group (CSCG) of the Annie E. Casey Foundation.1 In 2001, the foundation created CSCG as an in-house strategic consulting group to work with state and local government human-services agencies engaged in system-reform efforts. The CSCG teams combined staff with traditional consulting experience with staff with nonprofit and public-sector experience. The foundation invested in CSCG teams, which were assigned to state or city “clients,” as an alternative to traditional grantmaking. Teams worked intensively at client sites on a weekly basis like private-sector consulting teams, in contrast to the more occasional technical assistance help that was offered by the foundation.

The “catalytic combinations” approach evolved over a series of multi-year engagements with child welfare agencies around the country. Although we focus on using catalytic mechanisms to change public child welfare systems, we believe that it has broad application for all client-oriented public agencies, including education, health, mental health, and juvenile justice. The difficulty of improving the results of public-sector agencies has been widely documented in both the professional and academic literature, spawning many

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approaches including David Osborn’s *Reinventing Government* (1993), Michael Barzelay’s *Breaking Through Bureaucracy* (1992), and Michel Barber’s *Instructions to Deliver* (2007). The approach we describe here is tailored for a client-serving public system that depends on frontline workers to achieve change.

**Public Child Welfare Systems**
Public child welfare agencies are charged with keeping children safe from abuse and neglect. Based on CSCG’s experience, we have found that such agencies tend to share a core set of problems, including a lack of significant family participation (especially by parents who have been accused of abuse or neglect); insufficient supply of community-based services, including an adequate number of high-quality foster homes; inadequate financial incentives regarding use of high-cost institutional placements over less expensive community-based services; and policies, practices, and organizational dynamics that frequently fail to keep pace with evidence-based interventions.

When we focused on a specific problem we discovered we could leverage that tight focus toward achieving systemwide improvement if the solution forced learning and change in other parts of the organization. The key was to focus on one strategic problem with a combination of actions, thus our term for the phenomenon: “catalytic combinations.”

Crisis – child fatalities in particular – frequently drives change in public child welfare systems. Typically such crises lead to a political firestorm, but little actual system change. Based on CSCG engagements around the country, we discovered that leaders respond to crisis in one of two ways: They either add a new process to already overly bureaucratic systems or they try to blame a specific person or policy, which often results in someone being fired or in some immediate yet symbolic policy changes. Because both of these responses result in leaders making changes without first conducting a thorough analysis of a system’s strengths and shortcomings, the net result is that all too often nothing gets fundamentally fixed.

Further, we found that in large, complex government agencies, working on numerous problems at once is not an effective strategy for pushing fundamental change, nor is trying to create reform by changing one policy or practice. When we focused on a specific problem, however, we discovered we could leverage that tight focus toward achieving systemwide improvement if the solution forced learning and change in other parts of the organization. The key was to focus on one strategic problem with a combination of actions, thus our term for the phenomenon: “catalytic combinations.”

That is the essence of the catalytic-mechanism design. The change in the gravel company’s customer satisfaction policy, described by Collins, was catalytic because it focused on one fundamental company issue – improving customer satisfaction, which, when “solved,” caused a chain reaction in how staff dealt with customers, how managers dealt with problems, how staff got paid, and others.

The question for CSCG was whether and how a change strategy that seemed to work well in the business world could be adapted to a large public system.

**New York City**
The first opportunity to test and adapt Collins’ approach came in 2003, when New York City’s Administration for Children’s Services (ACS) approached CSCG for help on what would otherwise have been considered a narrow reform request: reducing the use of congregate or insti-
tutional placements for teenagers. Congregate care refers to 24-hour residential group facilities for children in state or local custody. Research indicates that the therapeutic value of congregate care is suspect, especially as stays lengthen. Some studies, in fact, show outcomes to be worse. What’s more, congregate care placements can cost six to 10 times more than family-based placements (Barth, 2002).

Despite years of successful permanency and prevention efforts that reduced the New York City foster-care population by 27 percent from 1996 to 2001 (Casey Strategic Consulting Group, 2003), the number of teens in congregate care rose five percent over the same time period. At the time, nearly two-thirds of the teens who entered care were placed in congregate care facilities. In 2003, ACS decided to ratchet up reform by focusing on reducing the number of teens in institutional placements. An additional incentive was a city budget reduction target that ACS vowed would be absorbed by savings related to reduced use of congregate care.

Our first step in adapting Collins’ approach was to map out how potential changes to congregate care might cascade through a system. Every organization is made up of subsystems – that is, parts of the organization that interact and combine to create the overall system. Our experience led us to focus on five specific subsystems within the child welfare agency because these, in combination, had the potential to have the fundamental disruptive impact on a public organization that Collins describes:

- **Service array**: The array of public and private programs, placements, and service options available for children and families.
- **Frontline practice**: How caseworkers interact day to day with clients.
- **Finance**: What is and is not paid for, and how.
- **Performance management**: Regular use of outcome measures and trends to make decisions and guide the agency.
- **Policy**: The official rules and regulations that underpin day-to-day practice of child welfare workers.

Consequently, these subsystems became our “levers of change” that needed to be deployed in combination to affect fundamental change.

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A second step was translating Collins’ description of the effects of catalytic mechanisms to a public-sector setting. Collins explains that activities are “catalytic” when they incorporate five distinct characteristics, which we applied and defined for the public sector (see Table 1).

The congregate care reduction effort in New York City focused on three levers of change: service array – decreasing the number of congregate beds available for placement; performance management – using outcomes data to make funding decisions to eliminate group-home programs with the weakest outcomes; and new frontline practice, which emphasized talking with teens to identify potential family or “kinship” placement options instead of institutional placements.

Selecting the right combination of levers to achieve a catalytic effect is equal parts art and science. The “science” is identifying the right actions to disrupt the system in a way that improves results for children and family. The effect has to be measurable and needs to have a baseline and
a target goal. The “art” involves figuring out what is politically and organizationally feasible. In New York City, the agency already decided to reduce the number of congregate care beds, so it was natural to adopt the strategy of changing the service array. New York also had a tremendous amount of performance data on its providers (a rare occurrence in child welfare), so leveraging performance management fit naturally in the existing organization. We also focused on frontline practice, not because it fit with what the city was already doing, but because addressing how placement decisions were made for teens was a prerequisite for broader reform. The levers we chose played both to the strengths of the client and to the necessary prerequisites to change – including behaviors that had the power to stop reform if they were not addressed.

As CSCG expanded and adapted this approach beyond New York City, we learned that a critical part of every engagement was working with clients to determine which combination of levers was right for the particular context. While some sites, like New York City, elected to “close” residential beds more quickly, other sites followed what might be called an attrition strategy.

As a starting point in New York City, each congregate care provider was evaluated on outcomes related to how quickly they moved children into either stable alternative placements or into permanent placements. This focus on performance was logical inasmuch as the goal to eliminate 600 beds (out of approximately 4,400) was in part going to be achieved by shutting down poor performers. To ensure that teens living in facilities targeted for closure were not simply transferred to other congregate care facilities, ACS worked with multiple stakeholders – including casework and supervisory staff, providers, families, legal advocates, and permanency experts – to design a case-review process that focused on finding family placements for teens. Teams of social workers interviewed teens to explore permanency options based on existing adult connections, asking questions such as: “Whom do you trust? Who visits you? Who is listed on your cell phone speed-dial? Where do you go on holidays? With whom do you want to live?” ACS teams then contacted signifi-

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2 We used a broad definition of “client” and gathered input from multiple stakeholders, including but not limited to different layers of staff, providers, families, and courts, in determining the best strategy.

3 New York City has some of the most detailed and extensive data on provider performance in the country.

4 The permanent closure was critical to overcome a “this too shall pass” attitude of workers and providers.
Discovering ‘Catalytic Combinations’

Significant adults in teens’ lives to discuss permanency options along with any support services needed for such potential family placements.

The initial pilot caseworker teams, which included supervisors and managers, returned from visits to the congregate care facilities surprised by the number of potential individual placements that teens were able to identify; caseworkers did not expect to so quickly and easily move that many children out of institutions. Over the summer of 2003, 11 agencies in New York voluntarily closed 169 beds and transferred as many as 40 percent of teens to family-based settings (Casey Strategic Consulting Group, 2003). Within a year, more than 600 beds had closed.

What was the system impact of the drive to reduce the use of congregate care – the disruption that led to positive change? First, it redistributed power to children and families so they were involved in making decisions. Second, the surprising ease with which children were moved home helped begin debunking the belief that all congregate care placements were appropriate and necessary. Third, there were real financial consequences – lost contracts – for lower-performing providers. When workers, supervisors, and managers saw all the changes, they began to re-evaluate how congregate care was being used and get behind a new push for alternative placements.

While reducing both the number of children placed in congregate care and the time they spend outside of family settings is beneficial to children, other subsystems needed to change for the system to improve safety, permanency, and well-being.

ACS has achieved remarkable results over time in connection with its congregate care-bed strategy. The number of contracted congregate care beds decreased 47 percent, from 4,174 in 2002 to 2,192 in December 2008, with no increase in re-entry rates (New York City ACS, 2009). Bed capacity stands at 1,440 today (New York City ACS, 2011). Concurrent with the reduction in bed capacity, ACS continues to reduce the percent of children spending time in residential care, outpacing the national decline. (See Figure 1.)

When the congregate care reform work began in 2003, two-thirds of teens were initially placed in congregate care, while one-third were placed in family settings. By 2006 the reverse was true, with two-thirds of teens initially placed with families. In addition, by 2009 New York City had reinvested more than $30 million of the money saved by moving more children in congregate care into foster-parent support and aftercare services.
Embedding Catalytic Combinations in Public-Sector Systems

Since 2003, we have employed our congregate care reduction approach in multiple sites. The complementing actions – the catalytic combinations – CSCG might recommend in any given case were not predetermined, however, as indicated by the range of activities (see Table 2). In fact, the art of system reform includes taking into account the contingent and unique nature of each child welfare agency’s subsystems along with the specific challenges those agencies face. It takes experience – along with a keen eye and ear and the willingness to work directly with those on the frontlines of service delivery – to scope out which subsystems need to adapt in order to produce broad, enduring change. But CSCG found that with practice, experience, and the ability to be on the ground for a significant amount of time, one fundamental catalytic combination can, in fact, yield relatively speedy and meaningful results that help drive and actually embed change in complex and historically change-averse systems. As our work evolved, we identified a series of what we call “embedding steps” that helped clients put into place the additional changes needed to solidify the reform effort.

Understanding the effective sequencing of catalytic combinations became an important factor for CSCG teams. For example, in order for congregate care reduction to have an ongoing impact, the system needed to build capacity to replace congregate care beds with family-based placements. To do this, practice around recruiting and retaining foster parents needed to change. We concluded that starting the reform effort with foster-family recruitment could not produce catalytic change. Creating bed capacity in foster families did not have sufficient leverage to shift the system away from overreliance on congregate care. However, after enacting the initial catalytic combination focused on congregate care (by focusing on a new policy and performance management, for example) the system was then positioned to accommodate other reforms, such as improving foster-parent recruitment.

Maine

In 2004, more than 27 percent of the children in Maine’s foster-care system were in congregate placement – far above the national average of 17 percent (Casey Strategic Consulting Group 2004). The system had a strong bias against placing children with relatives and frequently placed children far from their home communities, even out of state. Working together, CSCG and Maine’s Office of Children and Family Services (OCFS) proposed removing 10 percent of children from congregate care – 70 children in all – and transferring them to permanent, home-based placements. To accomplish this, CSCG and OCFS looked at three...
levers of change that they believed, done in combination, would support the initiative to reduce congregate care.

The selection of levers in Maine followed the strategic process used in New York City. First and foremost, the combination of levers had to create the disruptive consequences described by Collins. Second, we discovered that what was politically and organizationally feasible in New York City was not so in Maine, hence the “art” of selection. Maine leadership had no interest in closing beds right away, and the system did not have performance data on the providers. Accordingly, initial changes focused on new policies that made it more difficult for a caseworker to place and keep

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<td>• Help providers switch from residential care to community-based services.</td>
<td>• Use targeted recruitment to increase community foster homes.</td>
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<td>• Discourage creation of congregate placements.</td>
<td>• Re-allocate funding to community-based services from congregate care.</td>
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<td>• Use flexible funding to make more kin eligible as caregivers.</td>
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<td>• Provide financial and technical assistance to providers who want to change their service mix.</td>
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<td>Frontline practice</td>
<td>• Talk to young people about their placement preferences.</td>
<td>• Increase engagement of parents and family through Team Decision Making or Family Team Meetings.</td>
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<td>• High-level staff participate in meetings with children and families.</td>
<td>• Highlight successful home-based placements for unlikely children through regular communication.</td>
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<td>• Model success in a visible jurisdiction.</td>
<td>• Build leadership and frontline support for reform by involving a range of staff members in designing reforms.</td>
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<td>• Redesign training program to focus on strengthening families.</td>
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<td>Finance</td>
<td>• Alter financial incentives for congregate care.</td>
<td>• Redirect savings from decreased use of congregate care to community-based services.</td>
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<td>• Use flexible funding to create more community services.</td>
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<td>• Finance the change process for private providers who want to shift practice.</td>
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<td>• Provide financial support for kin placements.</td>
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<td>• Use performance data as a tool to manage staff (regional managers, supervisors, case workers) throughout the system.</td>
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<td>Policy and regulation</td>
<td>• Require prior authorization for placement in congregate care.</td>
<td>• Mandate search for potential kinship homes.</td>
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<td>• Require utilization reviews for continued stays in congregate care.</td>
<td>• Mandate family-based concurrent planning for all children.</td>
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<td>• Limit use of independent living as a case goal.</td>
<td>• Encourage youth to consider open adoption arrangements that permit birth-family contact.</td>
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<td></td>
<td>• Prohibit the placement of children under age 12 in congregate facilities.</td>
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children in a congregate facility. OCFS worked to revise key policies, instituting prior authorization and utilization review for all ongoing institutional placements, which produced surprising results – showing how easily children were safely and effectively moved from congregate care. The agency director also made a priority the creation of a performance-tracking system that allowed him to monitor the success of the regions and his regional directors regarding the new policy. In fact, the OCFS director took it upon himself to personally monitor the congregate care census each week, and each district director knew that he or she would have to explain his or her performance at monthly staff meetings. Peer pressure and natural competition then encouraged and emboldened regional leaders to join the effort to reduce the number of children in congregate care. Leaders who did not support the new approach were eventually removed. Finally, we also selected practice change for the same reason we selected it in New York City – if it did not change, nothing else would matter. Initially, “permanency teams” were designed and staffed to work with children and families to brainstorm ways to move children out of institutional settings. This change redistributed power from the caseworker alone to a team that included children and families, when possible and appropriate.5

As with New York City, the results achieved in Maine were substantial and came with remarkable speed. After six months there was an eight percent reduction in children in congregate care, and in two years a 46 percent reduction – 350 children. In July 2011, five percent of children in Maine’s custody were in institutional settings, making Maine one of the top performers nationally in limiting the use of congregate care.

Also parallel to the New York City experience, the catalytic combination of policy, practice, and performance-management changes associated with congregate care reform led to other systemwide changes. Most notably, Maine initially shifted $4 million from congregate care placements to family “wraparound” and community-based service.6 The state continues to invest in developing an array of community-based services, instituting evidence-based programs such as Multisystemic Therapy and Multidimensional-Treatment Foster Care.

Virginia

According to Collins, “catalytic mechanisms force the right things to happen even when those in power have a vested interest allowing pointless, expensive practices stay in place” (Collins, 1999, p. 75). In Virginia, CSCG, working with the newly-elected Gov. Tim Kaine, again used a fundamental push on congregate care reduction to drive a catalytic change involving two key levers. First, the group decided to work on congregate care finance in a locally administered child welfare system7 by adjusting how much the state reimbursed localities for the shared cost of foster-care placements. Second, the effort focused on frontline practice, piloting a new approach to foster-care placements in the city of Richmond. This “top-down/bottom-up” approach was critical in Virginia because children and family services are locally administered with state oversight, so it was essential that both state and local officials be engaged in the reform effort.

5 For more information, see Fixing a Broken System: Transforming Maine’s Child Welfare System, the Annie E. Casey Foundation (2010). http://www.aecf.org/~media/Pubs/Topics/Child%20Welfare%20Permanence/Other/FixingABrokenSystemTransformingMainesChildWel/AECF_FixingABrokenSystemFinal_Final.pdf


7 In nine states, including Virginia, child welfare systems are administered locally with state oversight. In these states, counties receive some of their funding from the state, but typically must match federal and state funds with some portion of local funds.
As part of a strategy to reduce congregate care, CSCG recommended that the state start paying a lower match rate to localities for congregate care placements and a higher match rate for community-based services provided on behalf of children remaining in their own homes. The governor’s office agreed that financing was clearly a powerful subsystem driving local government behavior, and so focused efforts on winning legislative support for the change in reimbursement rates. Under the new funding formula, cities and counties would be required to pay more to place children in institutional settings. This financial disincentive had immediate and significant financial consequences for local governments and providers, as fully one-third of children statewide and half of the children in Richmond were in some congregate care setting at the time of the initiative.

At the same time, CSCG and the Virginia team sought to address frontline practice through a pilot in Richmond aimed at both reducing the number of congregate care placements and improving family engagement by helping institute “Team Decision Making” (TDM), whereby any interested stakeholders – family, teachers, neighbors, friends, probation officers, clergy, coaches – would come together and discuss possible placement and treatment options for a child. This teaming model offered the child and family a forum in which to speak up for their needs, and took the onus for placement decisions off the shoulders of a single caseworker. As a result, workers were much more inclined to consider alternatives to institutional placements.

In Richmond, CSCG began with a pilot of 25 of the 282 children in institutional care. These 25 were 17-year-olds and on the verge of “aging out” of the system. Workers met with each teen to discuss moving from a group home to a family. Within weeks, half of the teens were able to move to a family setting and another 15 percent had a plan to move to a family setting within 60 days. Within two years of the start of the initiative, Richmond reduced the number of children in foster care from 548 to 388 and the number of children in congregate care from 282 to 71 (Virginia Department of Social Services, 2011).

This catalytic combination approach produced three of the five characteristics of catalytic change outlined by Collins: It produced desired results in an unpredictable way by getting so many children out of care in Richmond so easily, it redistributed power to the families and the community-based providers, and it had “sharp teeth” in that the financial implications of placements had an immediate and significant impact on local governments and providers.

Embedding Change in Maine and Virginia

After the initial congregate care reductions in Maine, agency leaders instituted deeper changes. They reoriented their mission and practice toward permanency for children. They have also expanded their performance-management system to include outcome measures for supervisors and caseworkers. Training has completely changed to reflect the updated mission and values. Providers, meanwhile, were offered incentives to change their services to reflect the new vision of child welfare, and many adapted to the new goals. Of Maine’s $10.4 million in original budget savings, $4 million was reinvested in wraparound services. The Maine General Assembly approved a perma-

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8 Team Decision Making is a teaming strategy originated by Family to Family, an Annie E. Casey Foundation initiative, for making child welfare placement decisions.

9 Virginia created the Council on Reform (CORE) to draw local support and buy-in by including local leaders in the change process. Without this capacity building throughout the system that supported the reform ideals, it is unlikely that the results in Richmond would have taken root in other counties.

The original congregate care catalytic-combination strategy, along with subsequent reforms, has had a profound effect: The number of children in out-of-home care has gone from 3,054 when reform started to 1,467 in August 2011.
nent line item in the budget to continue the funding, given continued congregate care savings. The original congregate care catalytic-combination strategy, along with subsequent reforms, has had a profound effect: The number of children in out-of-home care has gone from 3,054 when reform started in 2004 to 1,467 in August 2011 (Maine Department of Health and Human Services, 2011). The decrease in the number of children in congregate care has been dramatic, and Maine’s reduction in the percentage of children in congregate care has far outpaced the national decline (see Figure 2). Finally, the practice changes have lead to a sustained increase in children staying with relatives (see Figure 3). Maine’s child welfare reform is held up as an example for creating more effectiveness and efficiency in state government that other agencies should emulate. In *The Times Record*, the president of Maine Children’s Alliance and the child welfare agency ombudsmen wrote:

The good news ... is that fewer children enter state custody, more remain secure in their communities, and costs to the state are greatly reduced. ... [M]ore effective care at less cost is exactly what we hope will take place elsewhere in state government.” (Maine Center for Economic Policy, 2011)

System reform is picking up steam in Virginia through additional steps to produce improvement beyond right-sizing congregate care. Virginia continues to push reform based on five principles the state adopted earlier in its transformation effort: managing by data; engaging families by a family-engagement teaming process before any child’s entry into foster care; investing in resource family recruitment, development, and support; creating a continuum of community-based services; and establishing regionalized, competency-based training across Virginia.

In combination, these subsystem changes have produced dramatic results: Far fewer children are in foster care, and those who exit care are less likely to re-enter the system (see Figure 4). Placements in group care have dropped dramatically – from 25 percent to 15 percent – reflecting the shift in resources from group care to community based care (see Figure 5). Virginia started reform
Discovering ‘Catalytic Combinations’

The child welfare systems described in this article worked to expand their congregate care reform as a way to influence the whole system and to improve results for safety, permanence, and well-being for children. Getting children out of congregate care and into a safe, nurturing family setting is a positive step in and of itself. Simultaneously, as part of a catalytic combination, reducing reliance on congregate care disrupted systems and pushed them toward broader reform. In New

**Conclusion**

All of the child welfare systems described in this article worked to expand their congregate care reform as a way to influence the whole system and to improve results for safety, permanence, and well-being for children. Getting children out of congregate care and into a safe, nurturing family setting is a positive step in and of itself. Simultaneously, as part of a catalytic combination, reducing reliance on congregate care disrupted systems and pushed them toward broader reform. In New

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**FIGURE 4** In Virginia, Far Fewer Children Are in Foster Care, and Those Who Exit Care Are Less Likely to Reenter the System

**FIGURE 5** Virginia Is Meeting More Children’s Needs in Community-Based Care, Rather than Congregate Care

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ranked 50th nationwide in exits to permanence, between 2007 and 2010 exits to permanence increased from 64 percent to 73 percent (Virginia Department of Social Services, 2011a). And perhaps most impressively, Virginia did this by decreasing spending by six percent per year after years of relentless cost increases (see Figure 6), saving the state more than $100 million compared to projected costs (Virginia Department of Social Services, 2011b).

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York City, Maine, and Virginia, child welfare leaders were able to use congregate care reduction (along with additional levers) to promote and embed changes in programs, policies, and procedures – and to improve the lives of children and families. As the field continues struggling with how to improve outcomes for children and families, we suggest that all public-sector systems look for interventions that are catalytic in nature. Given the extreme budget cuts that child welfare agencies have seen and will continue to see in the foreseeable future, figuring out how to provide better services with fewer resources is critical. Based on our experience in moving complicated and calcified child- and family-services systems in a better direction, we believe that catalytic combinations are worthy of further support, experimentation, and study.

Philanthropists are in an ideal position to experiment with the right catalytic combinations in other policy areas, whether as specific as reducing homelessness or as sweeping as improving education systems. While the authors believe the concept is applicable in other human-services areas, the specific levers of change will be developed only by trial and error. Mark Kramer, in his article *Catalytic Philanthropy*, describes a new form of assistance for social change where foundations “have the ambition to change the world and the courage to accept responsibility for achieving the results they seek”; he asserts that foundations can do this by “creating the conditions for collaboration and innovation” (2009, p. 32). The CSCG model suggests that public-sector agencies need support in identifying and staging the combination of changes that will produce ongoing change. The catalytic-combinations approach we describe, and the role of the foundation in making the change operational, presents a model for moving toward catalytic philanthropy and social change.

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