

# Investment Plan to Address the Needs of At-Risk Children and Youth in Greater Kansas City

## EXECUTIVE SUMMARY

The needs of at-risk children and youth in the Kansas City metropolitan area are clear and compelling. Children and youth who face threats of homelessness, substance abuse, and early pregnancy, and who lack adequate resources to help deal with mental health issues deserve everybody's attention and care. This is a moral issue, but it is also an economic issue. Actions to protect children and youth from these threats or intervene as soon as they arise are much more cost-effective than dealing with the destructive consequences for the children, their families and the wider community in later years.

## DEMONSTRATED NEED

The scale of the challenge for the nine-county Kansas City region is clear:

- **134,570** children — 25 percent of the total population under 19 years old — were enrolled in the free and reduced school lunch program in 2011, a powerful indicator of child poverty. 
- **8,841** students were homeless and **3,662** youth were in foster care during the 2012-2013 school year. 
- **75,000** single parents, many of whom have very low incomes, live in the region. 
- **7,737** youth needed intensive substance abuse services in 2012. 
- **1,222** children were involved in substantiated cases of child abuse or neglect, and **14,256** incidents of domestic violence were reported in 2012. 
- **1,700** minors were referred for juvenile status offences in 2012.
- **1,998** youth aged 14 and under and **3,724** youth aged 15–24 were hospitalized with mental health disorders in 2011.

## LIMITED RESOURCES

Providers of services to at-risk children, youth and families in the Kansas City metropolitan region served over 285,000 children in 2013 but had to turn away over 21,000 more due to lack of capacity. Data from the the agencies responding to the survey suggests that an additional \$150 million is needed annually to serve all who need services. The greatest shortfalls are in the areas of family services, housing for homeless children and youth, and mental health.

*In 2013, providers turned away more than 21,000 children and youth due to lack of capacity.*

*Agencies estimate that an additional \$150 million is needed annually to serve all who need services.*

## PLAN GOALS

The plan has five goals:

### 1. Strengthen families.

Support at-risk families throughout pregnancy, early childhood, adolescence and adulthood with comprehensive and coordinated community services, including pre-K education, transportation, crisis intervention and integrated education and social services.

- 1.1: Provide early development and intervention services to at-risk children
- 1.2: Provide high quality pre-K programs to all children under age five.
- 1.3: Provide community-based services for at-risk children and youth.

### 2. End homelessness.

Help children, youth and families avoid homelessness, and provide appropriate shelter and housing services for those who are already homeless.

- 2.1: Provide the supports and services needed to prevent homelessness for children, youth and families.
- 2.2: Provide appropriate shelter and housing services to homeless youth and families with children.

### 3. Reduce substance abuse.

Protect children and their families from substance abuse through coordinated education, health and law-enforcement efforts, and provide screening and treatment services for those affected.

- 3.1: Provide the necessary substance use prevention services to at-risk youth.
- 3.2: Identify and address substance use issues through early identification of at-risk children, youth and families.
- 3.3: Provide the necessary outpatient and intensive substance use treatment for affected youth.
- 3.4: Provide supportive services to families with affected youth.

### 4. Improve mental health.

Identify and address mental health issues for at-risk children, youth and families through screening and early intervention services, and provide the necessary wrap-around and therapeutic services for children in both family and school settings.

- 4.1: Identify and address mental health issues early through mental health screening and early intervention service for at-risk children, youth and families.
- 4.2: Provide the necessary wraparound and therapeutic services for at-risk children and youth.
- 4.3: Provide all children in schools with the mental health services they need.
- 4.4: Provide supportive services to families with affected children and youth.

### 5. Support young mothers.

Educate and support teens to help avoid early pregnancy and provide health, education and other resources to young and single mothers.

- 5.1: Provide the necessary prevention and education services for youth at risk of teen pregnancy.
- 5.2: Provide early intervention services to teen parents and unwed mothers.

## PRINCIPLES

New resources, particularly public funding, should be focused on achieving goals broadly supported by the community and designed to achieve stated outcomes for the children and youth served. The following principles should be applied in considering any new funding to address these needs:

- Focus on prevention and early intervention.
- Focus on outcomes.
- Focus on return on investment.
- Focus on collaboration.

## PUBLIC OPINION

Over 1,000 area residents were asked about their understanding of, reaction to, and concern for the needs of children, youth and families in the Kansas City area. While most of the respondents were not

surprised by the statistics regarding at-risk youth in the region (see box at right), they consistently reported that they were at least somewhat concerned about the statistics. All categories received at least a *somewhat concerned* response, with many approaching *very concerned*.

## FINANCING

The evidence from this study points to significant gaps in services for at-risk children and youth in the Greater Kansas City region. These gaps cannot be effectively addressed within the existing financial framework characterized by public spending dependent on shrinking tax revenues, limited charitable donations, and community and faith-based efforts. Respondents to the telephone survey were asked how important they thought it was to increase the amount of money the community spends on each category. Four categories — child protection, youth mental health, youth homelessness, and youth drug and alcohol services — all received at least a *somewhat important* response, with child protection services nearing *very important*.

Two innovative approaches are in keeping with the need to ensure positive returns on investment and to pursue collaborative strategies as described earlier: social impact bonds and dedicated local public funds.

Survey respondents were asked their reaction to the following facts:

- **Homeless Youth:** At some time during the last school year, public school districts in our metro area reported almost 8,900 homeless youth, a 21 percent increase over the previous year.
- **Single Parents:** There were over 75,000 single parent families in 2010. A substantial proportion of these single parent families have very low incomes.
- **Youth Substance Abuse:** In 2012, there were 8,000 youth in need of intensive substance abuse services in the greater metro area.
- **Child Protection and Abuse Prevention Services:** Over 3,000 children in our metro area were taken out of their family homes and placed into foster care in 2012 because of dangers to their mental and physical health.
- **Youth Emotional Disorders:** Over 6,000 children in our metro area were in treatment for serious emotional disorders in 2012, including depression and suicidal thoughts.

Service Category	Number of programs available	Number served in 2013	Number turned away	Length of waiting list	Cost to service those turned away <sup>(1)</sup>
Temporary shelter, transitional living, permanent housing and respite care	32	74,356	9,111	One week to four months	\$70.8 million
Service to unwed/teen parents	6	5,271	349	Three to six months	\$3.2 million
Substance Abuse	8	579	TBD	TBD	TBD
Community- and family-based services	29	177,526	3,574	30 days	\$4.6 million
Professional mental health services	30	27,830	8,238	Four weeks to four months	\$70 million
<b>Total:</b>	<b>105</b>	<b>285,568</b>	<b>21,277</b>	One week to six months	<b>\$148 million</b>

**Source: Service Provider Survey, 2014.** Data from 35 participating agencies. (1) This figure is based on the agency's reported cost per unit of service multiplied by the average number of units clients consume and the number of clients the agency turned away.

## Social Impact Bonds

Under the social impact bond model (also known as social innovation financing, or pay-for-success), the government contracts with a private-sector intermediary to provide social services. The intermediary is paid for these services if and when performance targets are achieved. Performance is measured by comparing outcomes for people who receive services with those who do not. Independent, neutral evaluators are selected jointly by the government and the intermediary.

## Dedicated Local Funds

Due to proven success in other parts of the state, creating an overarching Children's Services Fund in Kansas City, Missouri-area counties has been identified as a way to pay for services. Missouri statutes provide for the creation of such a fund, subject to voter approval, to support specified services financed by a local sales tax of up to

## How Dedicated Funds Make a Difference

St. Charles County, Missouri, established a Children's Services Fund in 2004 and began distributing money in the fall of 2005. According to the 2014 St. Charles County Needs Assessment, the programs funded through the sales tax served over 72,000 children in 2013 and met 95 percent of their clinical outcomes. The report also states that the St. Charles Children's Services Fund has made an enormous impact on some very important community level indicators:

- 40.5 percent drop in teenage pregnancy.
- 54.3 percent drop in teenage runaways.
- 57.4 percent drop in delinquency offenses.
- 69.2 percent drop in status offenses.
- 44.4 percent drop in the dropout rate.
- 3.2 percent gain in graduation rates across public high schools.

one-quarter of one cent. Since 2004, seven counties have approved funds with sales tax levies of 1/8 to 1/4 cent (Boone, Franklin, Jefferson, Lafayette, Lincoln, St. Charles and St. Louis Counties) and St. Louis City approved a 1.2-cent property tax levy. A sales tax fund for Cape Girardeau County will be on the ballot in August 2014.

If Children's Services Fund sales taxes were adopted by the Missouri counties in the Kansas City metro area, as much as \$34 million could be generated annually to devote to the needs of at-risk children and youth.

## Community Perspective on Financing Options

During the community telephone survey, respondents were asked to provide their opinion regarding possible financial options and their willingness to adopt those funding options. Almost 60 percent of the respondents indicated that they would be willing to make a modest (\$25) charitable contribution to help address the needs. This financial option had the highest positive response rate when compared to the other two options, both of which require increasing taxes.

Respondents were asked to consider their willingness regarding an increased property tax. The results indicate that 44 percent of the respondents reported they were willing to support a new property tax, 40 percent were unwilling and 14 percent were neutral on the subject.

The surveyors asked the respondents to indicate their willingness to support a new sales tax. The results of the sales tax question are very similar to the results of the property tax question, with almost 45 percent indicating willingness, 40 percent not willing and 15 percent neutral on the issue.

The Children and Youth Project Team will use the investment plan to build support for increasing public and private resources to meet the needs of at-risk children and youth in our area.

*The Investment Plan for addressing the needs of at-risk children and youth in Greater Kansas City was prepared by the University of Missouri Institute for Public Policy under the direction of the Children and Youth Project Team for the Homelessness Task Force of Greater Kansas City. Funding to support the plan's development was provided by the Health Care Foundation of Greater Kansas City and the REACH Healthcare Foundation.*