Baylor University
INSTITUTE FOR STUDIES OF RELIGION

The ASSOCIATION of CHRISTIAN CHILDCARE ADMINISTRATORS

Keeping Children Safe

BY BYRON R. JOHNSON AND WILLIAM WUBBENHORST

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BACKGROUND

The role of faith-based childcare organizations has received significant attention in recent years, both positive and negative. On the positive side, then-President Trump issued an Executive Order on Strengthening the Child Welfare System for America's Children on June 24th, 2020. Included in this executive order was the directive to 'Encourage partnerships between government and private, faith-based and community organizations', both for the purposes of improving programmatic efforts towards family strengthening and, when that is not possible, providing greater supports and involvement of the faith community in recruiting, training and supporting foster parents. This direct call for greater collaboration between Faith-Based and Community Organizations (FBCOS) and government is unprecedented and constitutes a unique opportunity for FBCO resources to integrate with efforts of state and local child welfare agencies more effectively across the country.

On the negative side, the House Committee on Ways and Means issued a Majority Staff Report, entitled Children at Risk, criticizing the Trump Administration's waiver of foster care non-discrimination requirements [1]. This report seemingly alleges the opposite of President Trump's Executive Order; namely, that children, particularly LGBTQ children, are actually being harmed in the care of FBCOs and that the state child welfare agency is not acting in the best interests of the foster children under its care in referring children to FBCOs for care. Furthermore, the report contends that the work of Miracle Hills Ministries in South Carolina, which focuses it recruitment efforts primarily through the faith community, leads to fewer foster families available to serve the state's growing caseload. While Miracle Hills Ministries does not recruit and supervise same-sex foster families or foster families of other faiths, other agencies contracted with the state do recruit, train and supervise same-sex families.

What is missing from both of these perspectives is sufficient program data on outcomes for foster children served through faith-based versus secular child welfare organizations. The only major long-term study on outcomes for youth aging out of foster care, was conducted by Chapin Hall, which tracked youth aging out of foster care in the Midwest region of the country. Among the findings from this study are: [2]

- Only 58 percent of youth aging out of foster care will graduate high school by age 19 (compared to 87 percent of all 19-year-old youth).
- Males aging out of the foster care system are 4 times as likely to have been arrested as the general population.
- Approximately 33% of females in foster care become pregnant by age 18 and about half (50%) of males aging out of foster care reported they had gotten a female pregnant. In comparison, only 14% of females overall were pregnant by age 18 and only 19% of males up to 21 years of age got someone pregnant.

1 Specifically, the report cites the waiver issued to South Carolina to allow Miracle Hill Ministries, a FBCO, to recruit and train foster parents on behalf of the state's child welfare system. Currently, Miracle Hills supervises 15% of foster parents in South Carolina.
2 Courtney, M.E., and Dworsky, A. (2005). Midwest evaluation of the adult functioning of former foster youth: Outcomes at age 19. Chicago, IL: Chapin-Hall Center for Children.

While improving on these long-term outcomes should be the overall goal of efforts to improve care for foster children, the immediate outcome associated with the care of children in the custody of state and local child welfare programs should be safety. Any evaluation of foster care services should begin with an examination of children's safety while in foster care.

This study provides a preliminary assessment of child safety outcomes through a thorough analysis of insurance data for Christian child welfare organizations connected with the Association of Christian Childcare Administrators (ACCA) as it pertains to their liability for professional and sexual abuse.

INTRODUCTION

The purpose of this case study is three-fold:

1. To provide a brief overview and history of the ACCA in terms of its origins, composition, and changes and developments in its mission in support of faith-based child welfare programming.
2. To introduce and describe insurance loss ratios associated with the business of insuring child welfare organizations against liability for injuries and allegations of wrongdoing against children, as a readily available data measure for showing the relative safety of organizations in the care of foster children.
3. To calculate insurance loss ratios, which consists of the amount an organization pays for various types of liability protections (e.g., general, professional, sexual misconduct, etc.) as insurance premiums divided by the total amount of payments made for of settlements and defense costs for any incidents occurring in the organization involving the children they serve. The insurance loss ratios for a sampling of ACCA member organizations will be compared to an industry standard to see how they compare.

THE ASSOCIATION OF CHRISTIAN CHILDCARE ADMINISTRATORS (ACCA): A BRIEF OVERVIEW

The ACCA originated in 1947 as an association of Christian-based child welfare professionals in the Southwestern region of the United States. The original impetus for forming ACCA was to provide a platform for these professionals to network, share best practices, and compare different styles of care for foster children and vulnerable families in general. Few, if any, of the organizations associated with the ACCA through membership of its leaders received government funds for the work they did. These organizations were primarily funded by the churches that founded and supported many of them.

Beginning in the 1970s, ACCA began a series of workshops for direct-care staff, with a particular focus on 'house mothers', who were essentially live-in foster parents providing care to foster children through homes owned and operated by member Faith-based and Community Organizations (FBCOs). This model, which was expanded to 'house parents' to include married couples, had a very strong missionary focus, whereby the parents and couples dedicated themselves full-time to the care of up to 8 foster children as their primary responsibility, in contrast to the traditional foster parent model providing monthly stipends to parents where one or both might also be employed as well. As time went on, an increasing number of organizations represented by ACCA members began receiving more government funding. In 2014, the ACCA expanded to a national organization, with close to 60 individual members representing approximately 40 FBCOs, since there was often more than one member per organization. Currently, the ACCA has 45 individual members working in 26 different faith-based foster care organizations.

The ACCA does not engage in policy matters at the federal or state level, but instead focuses its efforts on networking amongst its members, along with providing staff training and development programs. In particular, ACCA has been instrumental in helping organizations navigate the Family First Services Prevention Act (FFPSA), a major piece of federal legislation that emphasizes prevention of the need for foster care and, where custody of children occurs, the use of foster families over group homes. During this time, there has also been a steady increase in the number of organizations represented through ACCA by its staff that were expanding into the area of Family Care, with a particular emphasis on meeting the needs of single mothers with children.

As previously mentioned, there is a dearth of program evaluations and research on the impact of the work of FBCOs in many areas of social and human services provision, including and perhaps especially around child welfare. Much of the data collected by the federal government through the Children's Bureau within the Administration for Children and Families focus primarily on tracking outputs, such as the number of youths in foster care and the number and type of services provided.

The ultimate aim for shifting more attention on the outcomes of services, as opposed to simply counting the number of youths receiving services, should be to increase resources applied to conducting longitudinal studies, such as the previously referenced Chapin Hall study, in order to identify program interventions that at least show a correlation, if not a causation, towards improved long-term outcomes (e.g., improved education/employment attainment, lower criminal involvement, and reduced incidence of teen pregnancy and single mothers). Unfortunately, the Chapin Hall study does not track the particular child welfare organizations that served the foster youth after they aged out of the system. Nonetheless, it is essential to understand how safe foster youth are under the care of a child welfare provider, be it through foster parents, family care homes, or other means, before considering long-term outcomes such as those tracked through longitudinal studies like Chapin Hall's Midwest Evaluation.

One source of data that can shed light on this question of safety is data pertaining to various types of liability insurance claims that relate directly to the safety of youth that are in the custody of the state. Child welfare providers report injuries and allegations by youth in care so that if costs are incurred, their insurance carriers pay the claims. Insurance loss ratios, which are calculated by taking the total amount of insurance payouts (i.e., for settlement of lawsuits regarding children molested, injured or killed while under the care of a child welfare provider, plus the costs of defense) divided by the total insurance premiums paid for liability coverage related, or potentially related, to the harm or injury of foster youths. These insurance loss ratios can serve as a helpful indicator of the overall safety of foster youths served by these organizations because the amounts paid out by the insurance carriers usually correlate with the severity of the injury, allegation, or death.

Advantages of Using Insurance Loss Ratios

One of the major challenges associated with doing any comparative research analysis between different organizations, or different types of organizations, is to ensure that the differences in risk levels for, in this case, youths under the care of one organization versus another, are accounted for. The insurance premiums generated by insurance companies essentially account for these different risk levels in setting their rates, thus serving as a built-in risk adjustment, based on the determination of risk factors made by the insurance company. This risk-adjustment not only allows for the comparison of the same type of service provided by different organizations (e.g., faith-based versus secular), but also allows for comparison of different type of programs (e.g., foster homes versus group homes, etc.).

The formula for calculating 'pure' [3] insurance loss ratios is as follows:

$$\text{Insurance Loss Ratio} = \frac{\text{Insurance losses and adjustment expenses paid by the insurer}}{\text{Insurance premiums paid by the covered welfare agency}}$$

DIVIDED BY

Based on this calculation, any pure insurance loss ratio below 50% generally represents, from the insurer's perspective, a 'profitable' client, meaning that the revenues paid to them for the insurance exceeded the payouts they needed to make for a given year. A pure loss ratio, combined with the administrative and overhead expenses incurred by the insurance company as a normal part of doing business, over 100% generally indicates an 'unproftable' client, requiring more payuts and expenses than the revenue generated from the premiums they received.

METHODOLOGY

A two-part survey was sent to the 26 child welfare organizations represented through membership of staff in ACCA, as follows:

1. A survey capturing information concerning the types of services provided by the agency, the staff/youth ratio for any residential programs they operated, data on the number of reportable incidents, substantiated allegations of wrongdoing, and number of youths reported as runaways and the number of youths who died under the care of the agency (See Appendix I for a copy of the survey instrument). Respondents were asked to supply this information over a six-year period from 2015 to 2020.
2. A request for information on the insurance premiums paid over the past five years (2016 to 2020) and the insurance losses incurred during that same time period.

We received survey responses from 12 of the 26 agencies (46% response rate) represented through staff membership in ACCA, and 11 of the 45 agencies provided insurance premium and loss data (42%) for at least 1 of the 5 years requested (see Appendix II for more detail on response rates). These 12 agencies serve close to 1,500 youths per year, with an overall average length of stay of 21 months, or 1.75 years.

3 A pure loss ratio calculates only the insurance losses related to the adjudication of a claim.

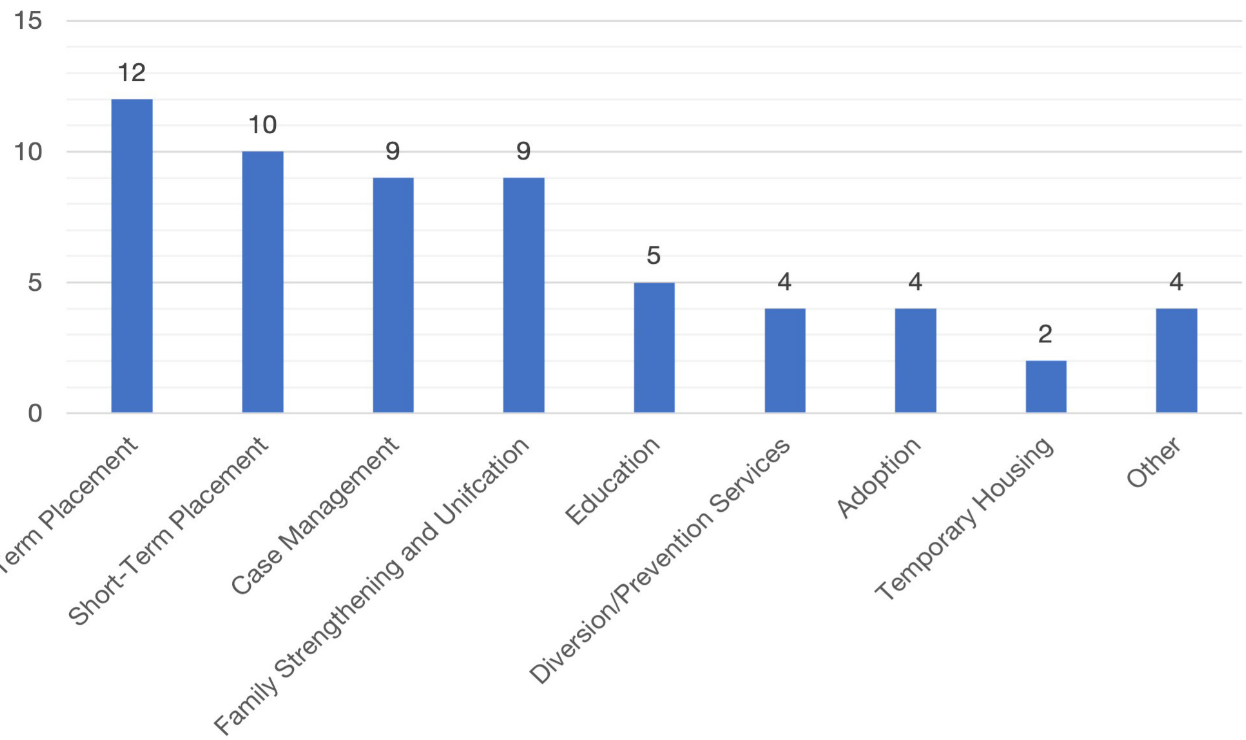
FINDINGS

Survey Results

Types of Services Provided

Exhibit 1 below shows the types of services provided by the 12 FBOs surveyed. All of the agencies provided long-term placements, while 10 of the 12 (83%) also provided short-term placement and 9 of 12 (75%) provided case management services.

Exhibit 1 - Child Welfare Services Offered



Youth to Staff Ratios

Youth to staff ratios are useful measures for gauging the level of staff presence which, in turn, can be relevant in terms of the level of safety for the children served in residential care. **The average youth to staff ratio for eight of the nine agencies for their residential programs was 3.82 youth per staff member, ranging from 2.85 to 6 youth per staff member.** The other agency, which provided residential programs for single mothers with children, had a ratio of seven mothers and children to one staff member. State licensing guidelines for minimum levels of care in residential care settings for children and youth are typically 6 youth to 1 staff. Clearly, the youth to staff ratio in the Christian child welfare organizations is significantly above the minimum requirements.

Agency Self-report of Incidents, Runaways and Deaths of Youth in Residential Care

Reportable [4] versus Substantiated [5] Incidents

One direct measure of safety associated with residential programs for youth is the number of reportable incidents. A total of 106 reportable incidents occurred over the course of 56 reporting periods [6], for an average of 1.9 reportable incidents per agency per year. Compared to the estimated 1,500 youths served by these 12 agencies, that comes out to about 1.5% of youths served during a given year. However, of these 106 reportable incidents, only 9 (6%) were substantiated, or .11 substantiated incident per agency per year, less than .1% of youths served by these 12 agencies had a substantiated incident.

Runaways

There were also 109 runaways reported over the course of 56 reporting periods [7], for an average 1.9 runaways reported per agency per year. This comes to an estimated 1.5% of runaway youths served in a given year, 33% below the estimated 2% of foster youths that run away nationally. [8]

Deaths

There were no deaths of youths under their residential reported by any of these 12 agencies over the 5-year period. Among 8,348,656 person-years for children in foster care from 2003 to 2016, there were 3,485 deaths or 35.4 deaths per 100 000 persons. [9] Given this rate, there were an estimated 13.3 youth deaths averted by these 12 agencies over the 5-year study period.

INSURANCE LOSS RATIOS

As previously mentioned, this preliminary study is using insurance loss ratios as a risk-adjusted, third-party (i.e., via insurance companies) metric on the comparative safety of children in residential care. This sampling of agencies reported a total of $2.98 million in premiums paid for a combination of General Liability, Professional, Physical/Sexual Abuse and Property policies [10]. **The total losses paid out by insurance companies for the eleven ACCA-affiliated child welfare agencies providing data was only $1.42 million, resulting in an overall 'pure' loss ratio of 48%.** The loss ratio by agency varied significantly, from a low of 0% to a high of 114%. All the losses reported were related to property. None of the losses were attributed to abuse.

4 Each State has laws requiring certain people to report concerns of child abuse and neglect. While some States require all people to report their concerns, many States identify specific professionals as mandated reporters; these often include social workers, medical and mental health professionals, teachers, and childcare providers. Specific procedures are usually established for mandated reporters to make referrals to child protective services. Mandated Reporting - Child Welfare Information Gateway

5 The meaning and use of the terms "substantiated" and "unsubstantiated" vary by State. For the purposes of this synthesis, "substantiated" means an investigation by child protective services determined there is reasonable cause to believe that the child has been abused or neglected. Decision-Making in Unsubstantiated Child Protective Services Cases (childwelfare.gov).

6 One agency provided reportable incidents for just one year and another provided reportable incidents for 3 of the 6 years requested.

7 One agency provided data on runaways for 5 of the 6 years requested.

8 Child Welfare Information Gateway. (2011). Foster care statistics 2009. Washington, DC: U.S. Department of Health and Human Services, Children's Bureau. http://www.childwelfare.gov/pubs/factsheets/foster.pdf

9 https://jamanetwork.com/journals/jamapediatrics/fullarticle/2764570

10 Although property damage, which is often caused by storms, is not relevant to the question of child safety, it was included in this analysis because the comparable loss ratio for the industry also included property insurance.

Property insurance premiums and losses were incorporated in order to compare with an industry ratio. A comparable 5-year 'pure' loss ratio for a combination of General Liability, Professional, Physical/Sexual Abuse and Property policies from an insurance company which, for competitive reasons, wishes to remain anonymous, is 222%, which indicates that this insurance company is actually losing money for policies for similar types of clients. If we were to apply this 222% loss ratio to the premiums paid by the seven ACCA-affiliated agencies, that would result in a projected $5.13 million in losses and expenses paid out by the insurance company. Compared to the $1.42 million in actual losses for the ACCA surveyed cohort, this would result in a total savings $3.71 million, or $742,320 per year, for an average savings or $67,484 per agency per year.

CONCLUSION

The lower insurance loss ratios for the ACCA organizations, in comparison to a comparable loss ratio from an insurance company involved with insuring these types of organizations, provide preliminary evidence that FBCOs, as represented by the sampled population of Christian child welfare organizations, keep foster children comparatively safer than most other child welfare agencies.

One of the major factors associated with the more favorable insurance loss ratios for FBCOs in child welfare is the focus on relationships and relationship-building characteristic of these mission-focused organizations. Rhonda Sciortino, who previously worked as an insurance program administrator for child welfare organizations and has lived experience as a former foster youth herself, described what she saw from her 25 years evaluating and insuring private, nonprofit child welfare organizations:

> *For over 25 years, I protected and defended private, non-profit child welfare organizations. I tracked the injuries, allegations, and deaths of children and caregivers, as well as whether or not the organization was Christ-centered. I found a dramatic difference in the frequency and severity of liability claims between Christian and secular child welfare organizations.*
>
> *When I began to notice these differences, I formed a committee of CEOs of Christian child welfare organizations to ask them how they were able to avoid some of the many claims that happened in secular organizations that cared for similar populations of children and youth. One of the results of those meetings was the identification of specific risk factors and prevention and mitigation influences. Together, we learned the triggers that led to injury and death, the times of day, and the days of the week when these tragedies were most likely to occur. What we discovered was that the number one cause of an incident that generated a claim was a break in relationship. The second most frequent cause was a break in routine.*

Sciortino and the committee then built these risk factors into a set of risk selection guidelines that allowed them to select and insure only those child welfare organizations that were operating at a high level of excellence in professional practice standards based on these guidelines. Most of the organizations meeting these standards and guidelines turned out to be those that were founded and operated on Christian principles. As Sciortino observed:

> *The programs of Christian child welfare organizations were generally based on healthy relationships between the organization and its staff, between staff and youth, between youth and youth, and between youth and their families. In my many years of data gathering and analysis, there appeared to be a clear correlation between the Christian child welfare organization's emphasis on healthy relationships and their lower than industry average loss ratios.*

Another factor that Sciortino attributes to this finding is what she perceives as the ability to successfully defend against claims of abuse, harm or death of a foster youth. The level of documentation and policies that many faith-based childcare organizations have as it relates to staff screening, supervision and training, all the elements of a strong organization, as well as the lower-than-average staff and foster parent turnover rate, also insulates these organizations from many of these lawsuits when injuries occur. As Sciortino concludes:

> *Their investment in relationships appear to be foundational to the safety of the children and youth in their care. In addition, this emphasis on relationships also seems to contribute to keeping their staff turnover rate low, which is also a known factor in improving safety for everyone involved. Higher staff retention also reduces the risk factor we identified as it relates to breaks in routine for the youth under their care.*
>
> *The real evidence of the veracity to our findings is in the loss ratio for the child welfare organizations I insured. Our loss ratio was dramatically below that of other insurers, as also confirmed through this preliminary case study analysis, with an overall loss ratio of 30% for all of our liability exposures.*

FUTURE RESEARCH / NEXT STEPS

These preliminary findings offer encouraging results in demonstrating the comparative success that FBCOs seem to show in terms of the immediate need to ensure the safety of foster children under their care using available data. Future research can sample a larger number of organizations and probe more deeply into the various programmatic factors that are associated with lower insurance loss ratios and greater overall safety of foster children. Also, as previously noted, future research should also examine and compare long-term outcomes, such as high school graduation, incidence of pregnancy, and involvement with the criminal justice system.

APPENDIX I : CHILD WELFARE DATA COLLECTION REQUEST

This survey is designed to gather information on your agency's insurance premiums and losses over the past five years. Also included are a few additional questions to help us understand more about your operations. This is all part of a broader effort to demonstrate the safety record, as represented through insurance loss ratios, in comparison with national industry rates. The aim of the study is to compare insurance loss data from ACCA members with national averages for child welfare organizations as a marker for the general safety of children in the child welfare system.

You have been identified as a key informant for your organization. A key informant is someone with operational and organizational knowledge about the performance of a program or organization. All answers are confidential.
In analyzing the survey responses no attribution will be made to individual respondents.

1. Name of Key Informat
2. Title of Key Informant
3. Name of Sponsoring Organization
4. Name of Foster Care Program your organization operates

5. What types of services do you provide your clients? Select all that apply.

- Adoption
- Diversion or Prevention
- Short-term Placement
- Long-term Placement
- Education
- Family Strengthening and Reunification
- Temporary Housing
- Long-Term Housing
- Legal Services
- Case Management
- Other

6. We are requesting copies of each year's insurance losses and premiums paid for the past five years. Please scan and return with this survey as an attachment.
7. If you operate a residential program, what is your typical staff/youth ratio?
8. What percentage of your total annual budget is dedicated to personnel costs?

9. Please complete the followint table.

Year	# of Reportable Incidents	# of Substantiated Allegations of Wrongdoing	# of Youths Reported As Runaway	# of Youths Who Died In Care
2015				
2016				
2017				
2018				
2019				
2020				

10. If any youths died (i.e., as listed in the last column, please provide a brief description of the circustances for each instance, if possible.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APPENDIX II : SURVEYS AND INSURANCE DATA RESPONSES

Name of Organization	Location	Survey Data	Estimated Annual Youths Served (ALOS in months)	Incident Data (2015 to 2020)	2016 Insurance Premium and Loss Data	2017 Insurance Premium and Loss Data	2018 Insurance Premium and Loss Data	2019 Insurance Premium and Loss Data	2020 Insurance Premium and Loss Data	Total Number of Insurance Data By Year
Epworth Children's Home	Columbia, SC	X	122 (31)	X	X	X	X	X	X	6
Sand Springs Home	Sand Springs, OK	X	18 (36)	X					X	2
Hendrick Home for Children	Abilene, TX	X	N/A	X						0
South Texas Chil-dren's Home	Beevile, TX	X	50 (18)	X						0
Black Mountain Home for Children	Black Mountain, NC	X	160 (10)	X	X	X	X	X	X	6
Arkansas Baptist Children's Home	Little Rock, AR	X	235 (N/A)	Partial		X	X	X	X	4
COMPACT Family Services	Hot Springs National Park, AR	X	549 (14)	Partial	X	X	X	X		4
Free Will Baptist Homes	Middlesex, NC	X	90 (N/A)	X	X	X	X	X		4
Texarkana Baptist Children's Home	Texarkana, TX	X	18 (24)	X		X	X	X	X	4
Southern Christian Children's Home	Morrilton, AR	X	25 (24)	X		X	X	X	X	4
Christian Homes, Inc.	Pargould, AR	X	N/A	X		X	X	X	X	X
Christian Children's Home of Ohio	Wooster, OH	X	70 (8)	X		X	X	X	X	4
TOTALS		**12**	**1,471**	**12**	**4**	**9**	**9**	**9**	**8**	**38**

ABOUT THE AUTHORS

Byron R . Johnson is Distinguished Professor of the Social Sciences at Baylor University. He is the founding director of the Baylor Institute for Studies of Religion (ISR) as well as director of the Program on Prosocial Behavior. Johnson is a senior fellow at the Sagamore Institute (Indianapolis). He is a leading authority on the scientific study of religion, the efficacy of faith-based organizations, and criminal justice. Recent publications have examined the impact of faith-based programs on recidivism reduction and prisoner reentry. Before joining the faculty at Baylor University, Johnson directed research centers at Vanderbilt University and the University of Pennsylvania. He has been the principal investigator on grants from private foundations as well as the Department of Justice, Department of Labor, Department of Defense, National Institutes of Health, and the United States Institute for Peace. He is the author of more than 200 articles and a number of books including *More God, Less Crime: Why Faith Matters and How it Could Matter More* (2011), *The Angola Prison Seminary: Effects of Faith-Based Ministry on Identity Transformation, Desistance, and Rehabilitation* (2016), and *The Quest for Purpose: The Collegiate Search for a Meaningful Life* (2017).

William Wubbenhorst is a non-resident fellow for the Institute for Studies of Religion at Baylor University (ISR). He recently completed a 21-month term as Associate Commissioner for the Family and Youth Services Bureau within the Administration for Children and Families. Previously, Mr. Wubbenhorst worked as a consultant to government and non-profits for over 30 years, most recently as a Return On Investment (ROI) Specialist, developing economic measures for community-based social and health programs. Mr. Wubbenhorst has collaborated with professors from several prestigious academic institutions, including Baylor University, Boston University and Harvard University. He has published a variety of peer-reviewed journal publications and case studies. Recently, Mr. Wubbenhorst co-authored a case studies entitled Harvest of Hope: *A Faith-Based Child Welfare Intermediary and The Crosswinds – Open Table Collaboration: An Aftercare Model for Runaway and Homeless Youth*. Mr. Wubbenhorst received an MBA with a concentration in Public and Non-Profit Management (Beta Gamma Sigma honors society) from Boston University.

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