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**HOUSE OF REPRESENTATIVES
COMMITTEE ON
CHILD & FAMILY SECURITY
ANALYSIS**

BILL #: HB 1013
RELATING TO: Foster-Family Incentives
SPONSOR(S): Representative Justice
TIED BILL(S): SB 1606

ORIGINATING COMMITTEE(S)/COUNCIL(S)/COMMITTEE(S) OF REFERENCE:

- (1) CHILD & FAMILY SECURITY
 - (2) HEALTH & HUMAN SERVICES APPROPRIATIONS
 - (3) FISCAL RESPONSIBILITY COUNCIL
 - (4)
 - (5)
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I. SUMMARY:

House Bill 1013 requires the department to establish a mentoring program within a specific appropriation and a tax-sheltered retirement account as an incentive for participation in the foster parent program.

The bill provides for each eligible foster-family to receive a \$500 yearly allowance to be paid into a tax-sheltered retirement account. The bill establishes that to be eligible for this program, a foster parent must have been providing family foster-home services to children placed with them through the state's child protection system for a minimum of 1 year, must not be licensed to care for any particular child, and must have cared for at least one child during each year a payment is made.

Foster families who participate in the mentoring program shall receive another \$500 allowance. The bill establishes that to be eligible for this program a foster parent must have been selected for and be participating in the statewide mentor program.

The bill provides for eligible foster children to receive a \$500 allowance to be paid into a master trust fund payable to the child when he/she turns 18 or upon termination from foster-care, whichever is later. These funds shall be paid pro-rated monthly for the term of participation and eligible age. The bill establishes that for a child to be eligible for this program, he/she must be at least 13 years old and must have been in foster care or residential group care for at least 6 months. The bill requires the department to apply for any grants available to fund this program.

SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

The recruitment and retention of foster parents has been a major issue of concern among child welfare professionals over the past several years. The recruitment of new foster parents has been the primary means by which child welfare agencies attempt to expand the number of foster homes. Recently, however, greater emphasis has been placed on retaining those foster parents already in the system. According to a study on foster parent involvement from the University of New York at Albany¹ *"Keeping families in the foster care system not only lessens the need to recruit new foster families, which is a very costly and time consuming activity, but it also helps to insure that skilled and experienced individuals are available to provide quality care for foster children. Foster parent retention also reduces the movement of children from foster home to foster home, thereby increasing stability for both foster children and their biological parents."* The study concluded that the retention of qualified foster parents help to reduce the shortage of available foster homes, it also helps to improve the quality of foster care.

A survey on foster parent satisfaction from the National Foster Parent Association² revealed that in order to deal with children who have behavioral problems and other day-to-day fostering duties, parents need a high level of support. The survey also revealed that parents join and stay in foster programs that offer ongoing support network of experienced foster/adoptive parents, caseworkers, professionals when challenges and crises occur and when they are agencies that provide regular planned respite opportunities and connections through mentoring.

Mentoring Program

The department emphasizes that foster care is and must remain a temporary circumstance for the majority of children who cannot be safely returned to their parents. However, demands for foster parents are rising and as, mentioned before, many foster parents are quitting because of lack of support. The following are examples of supports and services that the department considers a necessity for foster parents:

¹ Sanchirico, A., Lau, J.W., Jablonka, K., & Russell, S. (1998). Foster parent involvement in service planning: Does it increase job satisfaction? *Children and Youth Services Review*, 20(4), 325-326.

² Survey results taken from *Permanency Planning Today*, the semi-annual newsletter of the National Resource Center for Foster Care and Permanency Planning, Hunter College School of Social Work of the City University of New York.

“Funding to provide foster parents the opportunity to enhance and normalize the childhood of children in their care (e.g., music and art lessons, Cub Scouts, sports, sleep-overs, senior class pictures, etc.) 2. Specialized recruiting plans that match the needs of foster children (e.g., large sibling groups, teenagers, etc.) 3. Skills-based, criteria-based pre- and in-service training programs designed to assist foster parents in understanding, nurturing and teaching foster children.”

Providing new foster parents with mentors has a direct correlation with retention [James Bell Association] In the Wisconsin/Child Welfare League of America (CWLA) national study [1991], 80% of the respondents reported that mentoring programs positively enhanced retention. A 1996 survey (no public agencies) by CWLA revealed that *“64% of foster parents said the reason for leaving was due to agency related problems such as poor communication with the foster care worker, insensitivity of the agency to foster family needs, and lack of supports such as respite care, mentors/buddies, day care, and training.”*

The Department of Children and Families invests a great deal of time and other resources in the recruitment, training and licensure of foster parents and foster homes, an investment that is lost when a foster parent leaves the system. National research indicates that the initial period of foster parenting is often the most difficult resulting in as many as 40 percent of foster parents quitting by the end of their first year. In an effort to help with the retention of foster parents, the 2000 Legislature provided **\$4,226,100** to the department to establish a foster parent mentoring and recruitment program. The mentoring program, currently in early stages of implementation, will provide additional training and stipends to experienced foster parents who will provide support for new and inexperienced foster parents. Although the appropriated funds enabled the department to establish the mentoring program, it has not been authorized in statute.

Foster Family Benefits

Section 409.1753, Florida Statutes, requires the Department of Children and Family Services (the department) to ensure that, within each district, each foster home is given a telephone number for the foster parent to call during normal working hours whenever immediate assistance is needed and the child's caseworker is unavailable. This number must be staffed and answered by individuals possessing the knowledge and authority necessary to assist foster parents.

Section 409.803, Florida Statutes, required the department to establish two shelter and foster care services to dependent children pilot programs. The rural program is located in district 1 Pensacola and it is now a contracted program with the Children's Home Society. The second program is in St. Petersburg and it also privatized. According to statute, the services for foster families and children are but not limited to the following: *“(a) Make available for each child in shelter and foster care discretionary financial resources of at least \$500 annually to meet his or her special needs, including, but not limited to, the following: 1. Medical services. 2. Dental care. 3. Mental health services. 4. Accelerated family reunification services or other permanency planning. 5. Specialized educational or vocational skills services. 6. Social and recreational services. 7. Respite care services. 8. Advocacy services. (b) Arrange for and provide specialized training for foster and shelter parents to help care for the children already in their home and to prepare them for the individual needs of children pending placement”*. Staff asked the department for the evaluation reports on these programs, however the information was not provided.

Sections 411.224, Florida Statutes, directs the department to implement a family support planning process that was established by the Legislature to be used by the department as the service planning process for targeted individuals, children, and families under its jurisdiction. Children from birth through age 5 in foster care are eligible for this support program. This family support plan at a minimum must include the following information: the family's statement of family concerns, priorities, and resources; information related to the health, educational, economic and social needs, and

overall development of the individual and the family; the outcomes that the plan is intended to achieve; and identification of the resources and services to achieve each outcome projected in the plan. These resources and services are to be provided based on availability and funding. The plan must be revised annually. Section 393.0651 additionally directs the department to provide family or individual supports plans for older foster children and foster families.

Under section 409.903, Florida Statutes, payments shall be made for medical assistance and related services on behalf of eligible children in foster care. Payment on behalf of these Medicaid eligible persons is subject to the availability of moneys and any limitations established by the General Appropriations Act or chapter 216.

According to the department, during the time a child resides in a foster home, the state reimburses the foster family for at least part of the costs of caring for the child. The reimbursement rate is determined by the age of the child. In addition, Medicaid covers health costs for children in care. A foster care counselor is supposed to meet with the foster family and the child(ren) at the home at least once a month and also be available to assist with concerns and questions.

The 2000 Legislature appropriated a 5% increase in the foster home care board rates. This increase is applicable to family foster homes. According to the department, the new monthly amounts for each group ages are as follows:

	<u>O-5Years</u>	<u>6-12 Years</u>	<u>13 Years and Older</u>
FY 99/00	\$354	\$364	\$436
Rates Include:			
Allowance	\$10	\$10	\$12
Incidentals	\$8	\$9	\$11
Clothing	<u>\$35</u>	<u>\$36</u>	<u>\$43</u>
Total	\$53	\$55	\$66
Rate Only	\$301	\$309	\$370
5% Increase	\$15	\$16	\$19
FY 00/01 Rate	\$316	\$325	\$389
Plus:			
Allowance	\$10	\$10	\$12
Incidentals	\$8	\$9	\$11
Clothing	<u>\$35</u>	<u>\$36</u>	<u>\$43</u>
FY 00/01 Rates	\$369	\$380	\$455

In addition, an annual school clothing allowance is provided for children who have been in foster care for at least 6 months. The funds to purchase school clothing for these children are provided to caregivers or to the youth that are in Subsidized Independent Living.

Initial Clothing

<u>0-5 Years</u>	<u>6-12 Years</u>	<u>13 Years and Older</u>
\$50	\$50	\$70

Annual School Clothing

	<u>Ages 0-4</u>	<u>Ages 5+</u>
FY 99/00	\$100 per child	\$200 per child
FY 00/01 Increase	<u>\$100 per child</u>	<u>\$100 per child</u>

FY 00/01

\$200 per child

\$300 per child

A 1996 survey of the Child Welfare League of America (CWLA), identified several factors associated with the decrease in foster homes:

"The Economy and Foster Parents

- *Studies have consistently shown that most foster parents are in the low to lower middle-income ranges.*
- *Studies show that only 7.2% of foster parents want to foster as a way to increase their families' income.*
- *Reality is that most foster parents and potential foster parents have less real income today to meet their family needs than they did in 1989.*
- *For some foster parents adding to the family by fostering can create a financial hardship.*
- *22% of foster parents report the reasons for leaving is economics*
- *States' foster care maintenance rates shows that the average foster care rate in 1994 was \$329 (for 2 year olds). The range was from \$588/month in Alaska to \$161 in West Virginia.*
- *The survey also showed the rate decreased in 5 states and stayed the same in 25 states from 1993 to 1994.*
- *The average maintenance payment of a nine-year-old child in 1991 was \$292/month and the USDA estimate for raising a child at a moderate level was \$475/month.*
- *The estimated annual expenditure on a child in 1993 in a middle income, two-parent family was \$6,870 or \$572/month.*
- *Maintenance rates are typically lower than the true costs of providing routine care for a child, and foster parents often make up the difference."*

This survey's data reflects that regular foster parents, who typically have low or lower middle income levels, are likely not being reimbursed for the true cost of caring for foster children. Furthermore, agencies are providing supports to foster parents, but the interrelationship of inadequate financial compensation and lack of benefits may be contributing to retention and recruitment problems. In most states, the reimbursement rates for foster parents are lower than the true cost of providing routine care for a child, so foster parents often makes up the difference.

Florida's foster parents only receive a minimal amount of money solely for the purpose of paying for some of the foster child's expenses.

OPPAGA's Justification Review of the Child Protection Program

OPPAGA recommends that *"the program should aggressively recruit new foster and adoptive parents and monitor and evaluate district recruitment activities."*

In the past five years, the department has seen increases in the number of children who are removed from their homes and must be placed in licensed foster care settings. These increases have affected the program's ability to achieve permanency for children in a timely manner. *"From June 1996 to June 2000, the number of children in foster care settings has increased by 28.8%."*

Despite program efforts to recruit more foster care parents; the number of children in foster care has outpaced the program and private agency ability to increase the number of foster homes. The Legislature and the program have taken several steps to recruit more foster parents *"In October 1999, the Legislature provided 70 new foster care recruiting positions. In addition, the program requested and received funding for foster parent support services for mentoring and recruitment activities in Fiscal Year 1999-2000."* The program has also increased outreach efforts such as media campaigns and partnering with local community agencies *"However, although the program*

has not yet compiled data on recent foster care capacity, the capacity of foster homes increased only 5% between Fiscal Year 1997-98 and 1998-99."

Benefits for Foster Children

In addition to the individualized support plan described above, adolescent foster children (including those in independent living situations) may be eligible under Section 409.165, Florida Statutes, to receive foster care funds that shall be used to establish a continuum of independent living services to assist these foster children to develop skills that will contribute to a successful transition to adulthood. According to statute, these services range from assisted living in a group home to fully independent living, depending on the skills and the maturity level of the child. Services may include, but are not limited to, education and vocational training, homemaking skills, money management, social skills training, and developing personal support systems.

Foster children who receive funds under 409.165, Florida Statutes, or children who are in long-term foster care or independent living are exempt from student fees while they are in school, or in a vocational program (sections 239.117, 240.35, and 240.235, Florida Statutes). A foster child who is exempt of fees will not have the money from the fund until he or she is no longer in foster care and therefore without the tuition waiver benefit. Independent living programs are also funded by the federal government under the Foster Care Independence Act of 1999 (H.R. 3443). Florida just began to receive these funds.

Statistics on life after foster care

According to the department³, Foster care children were less likely to receive mental health services once they exited the foster care system. During the fiscal year 1999-2000, Florida provided aftercare services to 158 of the 837 youth between the ages of 16 and 21 who left care. It is important to note that Florida did not have a formal aftercare program nor did federal law provide for the spending of federal funds for assisting youth with room and board.

Florida has not done a study on children after leaving foster care. However a two-year study (1995-1997) from the University of Wisconsin-Madison⁴ revealed the following:

Education: After discharge, 37% [of children in foster care] had not completed high school, 55% had completed high school and 9% had entered college.

Preparedness for independent living: 44% of the respondents had their driver's licenses before they were discharged. One-third reported feeling not prepared to obtain a job or manage money as well as unprepared in how to secure housing. 29% of the sample felt unprepared to live on their own.

Living arrangements: 12% reported being homeless as least once since discharge, 37% were residing on their own, 31% were living in the home of a relative and the remaining third lived with a friend, a spouse or partner, in an institution or another living situation.

Finances and employment: 81% held at least one job between discharge and the point of the interview. However, they were not as successful at maintaining employment. The youth were more likely to be employed if they were Caucasian rather than African American. The average weekly wage ranged from \$54 to \$613. 32% received some kind of public assistance, with more females (40%) than males (23%) receiving help.

Medical and dental needs:

³ Statewide Report: Family Safety Substitute Care Home Over/ Under Capacity, August 2000.

⁴ "Foster youth transitions to adulthood: Outcomes 12 to 18 months after leaving out-of-home-care" by Mark Courtney and Irving Piliavin, school of Social Work and Institute for research on Poverty.

44% had problems acquiring needed medical care most or all of the time. 51% had no insurance coverage. 38% said insurance was too expensive.

C. EFFECT OF PROPOSED CHANGES:

- This bill will give foster parents the ability to participate in mentoring programs that will provide them with support and training that is crucial for quality care of foster children. A mentoring program for new foster families can help them make the transition from a private family to an agency-affiliated foster family. Mentoring programs match new foster parents with experienced foster parents who are also trained and compensated to be mentors.
- This bill will provide eligible foster families with the benefit of opening a retirement account as an incentive for participating in the foster-parent program and/or in the foster-parent mentoring program.
- This bill will give foster children funds when they leave foster care to help them in the transition to independent living. The amount of money will vary from child to child because it depends on the number of years the child is in foster care

D. SECTION-BY-SECTION ANALYSIS:

Section 1.

Requires the department to establish a mentoring program for foster families in which new or inexperienced families will be matched with experienced and trained foster-parent mentors for the purpose of providing guidance and support.

The bill provides for each eligible foster-family to receive a \$500 yearly allowance to be paid into a tax-sheltered retirement account as an incentive for participation in the foster parent program. The bill establishes that to be eligible for this program, a foster parent must have been providing family foster-home services to children placed with them through the state's child protection system for a minimum of 1 year, must not be licensed to care for any particular child, and must have cared for at least one child during each year a payment is made.

Foster families who participate in the mentoring program shall receive another \$500 allowance. Funds are to be paid directly to the financial institution the family chooses. The bill allows families to determine the objectives of the investment account. The bill establishes that to be eligible for this program a foster parent must have been selected for and be participating in the statewide mentor program.

The bill provides for eligible foster children to receive a \$500 allowance to be paid into a master trust fund payable to the child when he/she turns 18 or upon termination from foster-care, whichever is later. These funds shall be paid pro-rated monthly for the term of participation and eligible age. The bill establishes that for a child to be eligible for this program, he/she must be at least 13 years old and must have been in foster care or residential group care for at least 6 months. The bill requires the department to apply for any grants available to fund this program.

Section 2.

Allows the act to take effect upon becoming law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

N/A

2. Expenditures:

Mentoring Program

The mentoring program will not have a fiscal impact because it was funded last year (\$4,226,100).

According to the department, there are 3,241 foster parents who are eligible for both \$500 allowances as described in the bill. The department estimated that 800 of those foster parents would become mentors. Based on this estimate, the first allowance will cost **\$1,620,500** for FY 2001-2002. If 800 foster parents become mentors, the cost of the mentoring program for FY 2001-02 will be \$ 400,000.

Foster Child Allowance

According to the department, 4,961 foster children meet the criteria to receive the benefits under this bill. The cost of this provision will depend on the age of the child at the time he/she leaves the foster care program. The maximum cost of this program will be **\$2, 480,500** for FY 2001-2002 based on the number of eligible foster children.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

N/A

2. Expenditures:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

N/A

D. FISCAL COMMENTS:

The maximum fiscal impact of this bill would be **\$ 4,101,000** based on the number of foster parents and foster children eligible for the benefits under this bill. This cost does not include the mentor program, which has already been funded. Since it is unlikely that all foster parents, including mentors become eligible at the same time, the fiscal impact of this bill will likely be phased out.

III. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

The bill will not reduce the authority of municipalities and counties to raise revenues.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill will not reduce the state tax shared with counties and municipalities.

IV. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

The bill provides rule-making authority to the department.

C. OTHER COMMENTS:

N/A

V. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None

VI. SIGNATURES:

COMMITTEE ON CHILD & FAMILY SECURITY:

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