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No Family, No Future

Greater Investment in Family Caregiver Recruitment & Support is Essential to Improve Outcomes for California's Foster Children

A Policy Report by:

County Welfare Directors Association of California (CWDA)

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Introduction

California has the largest child welfare system in the nation with nearly 80,000 children in the state's foster care system. In 2001, the state passed ground-breaking legislation that established the Child Welfare Services Outcomes and Accountability System to improve the outcomes faced by children and families touched by the child welfare system. Implemented in January 2004, California's system is an enhanced version of the federal oversight system mandated by Congress and used to monitor states' performance.

Over the last three years, California has made significant progress in improving outcomes for children. The most recent data available from the UC Berkeley Child Welfare Performance Indicators Project – the statewide entity that tracks all California child welfare data – shows that counties are improving on most measures, with significant improvement in some measures and more modest improvements in others.

While this early tide of improvement is promising, a serious, statewide shortage of families who are able to care for foster children threatens continued progress. The pace of improvements in state performance outcomes such as placement stability, sibling placement, placement in institutional and group care, and time to reunification and adoption will very likely be slowed. Although the impact on children is of primary concern, slowing progress in achieving outcomes also brings the threat of federal sanctions as steep as \$74 million for the state.

Key barriers to recruiting and retaining family caregivers include foster care rates that have been frozen for over six years and issues surrounding the level of support that families need from agencies to help care for foster youth. Foster care rates are roughly 23 percent lower than they were in 2000 when adjusted for inflation.

A critical first step in addressing this crisis is to enact legislation that includes: 1) a basic rate increase that keeps up with inflation; and 2) further investments in family caregiver supports.

Shortage of Family Caregivers Affects Outcomes for Children

Foster children do better with families.

For children who must be removed from their homes due to abuse and neglect, county child welfare agencies have the discretion to place in one of four settings: (1) kinship care, (2) a licensed foster family home (FFH), (3) a certified foster family agency (FFA) home, or (4) a group home.

County child welfare agencies strive to place children and youth in the least restrictive, most family-like setting possible. Initially, every effort is made to place with kin or another individual with whom the child has a relationship (e.g., non-related extended family members). When kinship placement is not available, licensed foster family and adoptive homes are the next best and most preferred placements for children.

Certified foster family agencies and group homes are intended to be the placements of last resort as both are intended for children and youth who need a higher level of therapeutic service. These types of placements are significantly more costly than licensed foster family homes (see cost information on page 4).

OUT-OF-HOME CARE SETTINGS

- **Kinship Care:** Kin are adults who are relatives by blood, adoption or other close relationship. Preferential treatment is given to a grandparent, aunt, uncle or sibling.
- **Licensed Foster Family Homes:** Family homes are licensed by the California Department of Social Services to provide services to no more than six children. Children placed in these settings have the fewest needs for services and supports.
- **Foster Family Agencies:** These nonprofit organizations recruit, certify, train and support family homes that are intended to provide "intensive treatment" to youth who might have otherwise been placed in a group home.
- **Group Homes:** These placements vary from small, family-like homes to larger institutional facilities and generally serve children with greater emotional or behavioral problems who require a more restrictive environment.

California faces a serious shortage of licensed families who are able to care for foster children.

On any given day, less than 50 percent of the nearly 80,000 children in the foster care system in California are living in the most preferred types of placements—37 percent with relatives and only 10 percent with licensed foster families.¹ Of the remainder, the majority are placed either with foster family agencies or in group homes. While some children and youth in foster care require therapeutic settings, most do not. Too often children and youth are unnecessarily placed in these higher-level settings due to a serious shortage of licensed foster family homes. This is a statewide crisis affecting children in nearly every county.

A recent survey of California counties shows that of the 21 counties surveyed, representing 85.6 percent of the foster care population in the state, 77 percent reported a loss in licensed foster family homes in the last decade (see Appendix A).² In those counties that track and could provide data to complete the survey, the supply of licensed homes had declined an average of 30 percent. In several counties—Sacramento, Santa Clara, San Mateo and Sonoma—losses were as high as 45 to 50 percent. San Bernardino reported a decline of 61 percent. The overall decline reported by the counties translates into a loss of at least 3,059 homes statewide and 18,354 potential placements, since each home can be licensed for up to six children.

The counties surveyed cited low reimbursement rates as a primary reason they are unable to recruit and retain foster family homes. Inadequate board and care rates are a significant barrier in the Bay Area and other high cost regions of the state. San Mateo and Santa Clara Counties, for example, have experienced pronounced losses of foster family homes as the cost of housing has increased. Other frequently reported reasons for the loss of foster family homes were that families decided to adopt or re-locate. The majority of counties also noted the increasing difficulty in competing with foster family agencies (FFA) due to the higher rates and the supports provided to families by FFAs. This trend is affecting local placement practices. For example, Riverside County, which has experienced a 33 percent decline in foster family homes in the past five years, indicates that placements into foster family homes have decreased by 49 percent, while placements into foster family agencies have increased by 53 percent.

SUPPLY OF LICENSED FOSTER FAMILY HOMES DECLINING

Counties have experienced an average decline of 30 percent in licensed foster family homes. Sacramento, Santa Clara, San Mateo and Sonoma report losses as high as 45 to 50 percent. San Bernardino County reports a decline of 61 percent.

While licensed family homes decline, more costly foster family agency and group home placements expand.

The number of foster family home placements statewide has decreased roughly 30 percent since 1999 and an additional .8 percent decrease is expected for the coming year (see Figure 1).³ Despite the decline in licensed family home placements and a decrease in the overall foster care caseload, the numbers of children placed in foster family agency and group homes has increased consistently over the same time period—nearly 19 percent for foster family agencies and a little more than five percent for group homes. (see Figures 2 and 3).⁴ These settings are far more costly than foster family homes. **While licensed family foster homes cost \$425 to \$597 monthly, depending on the age of the children, a FFA treatment home costs \$1,589 to \$1,865 monthly and a group home costs \$1,454 to \$6,371 monthly.**

Figure 1:

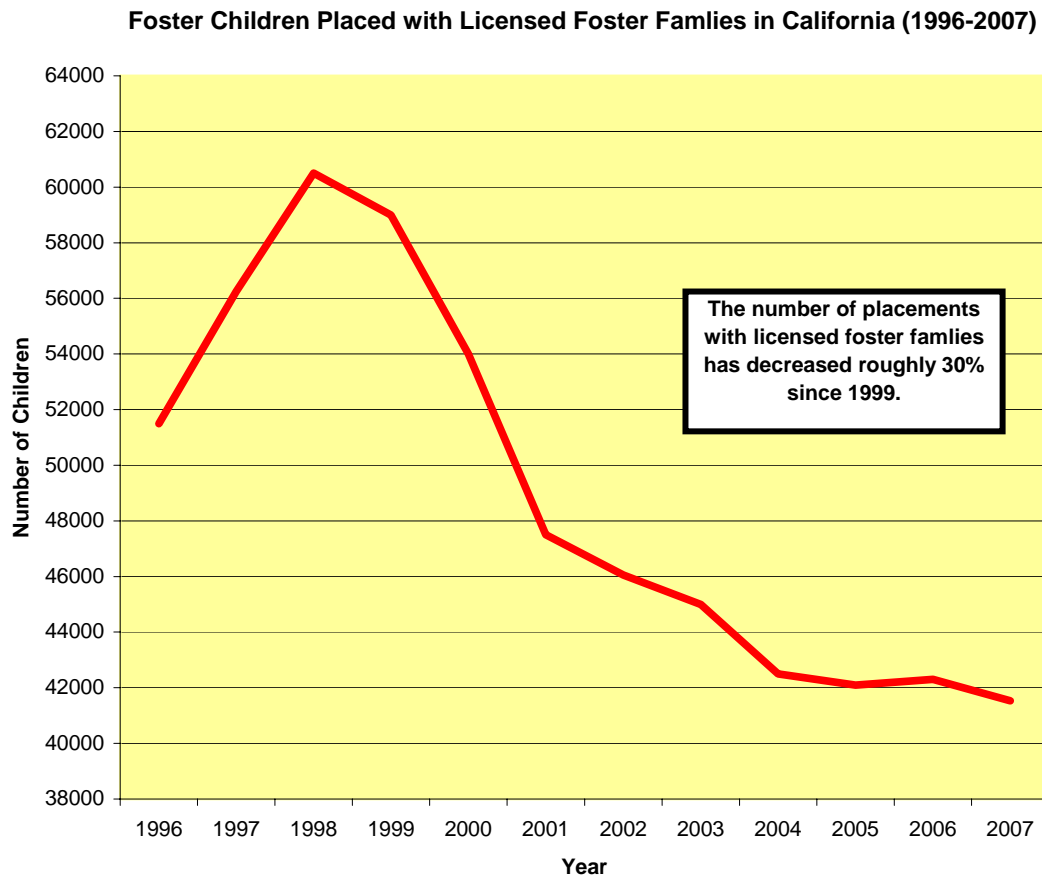
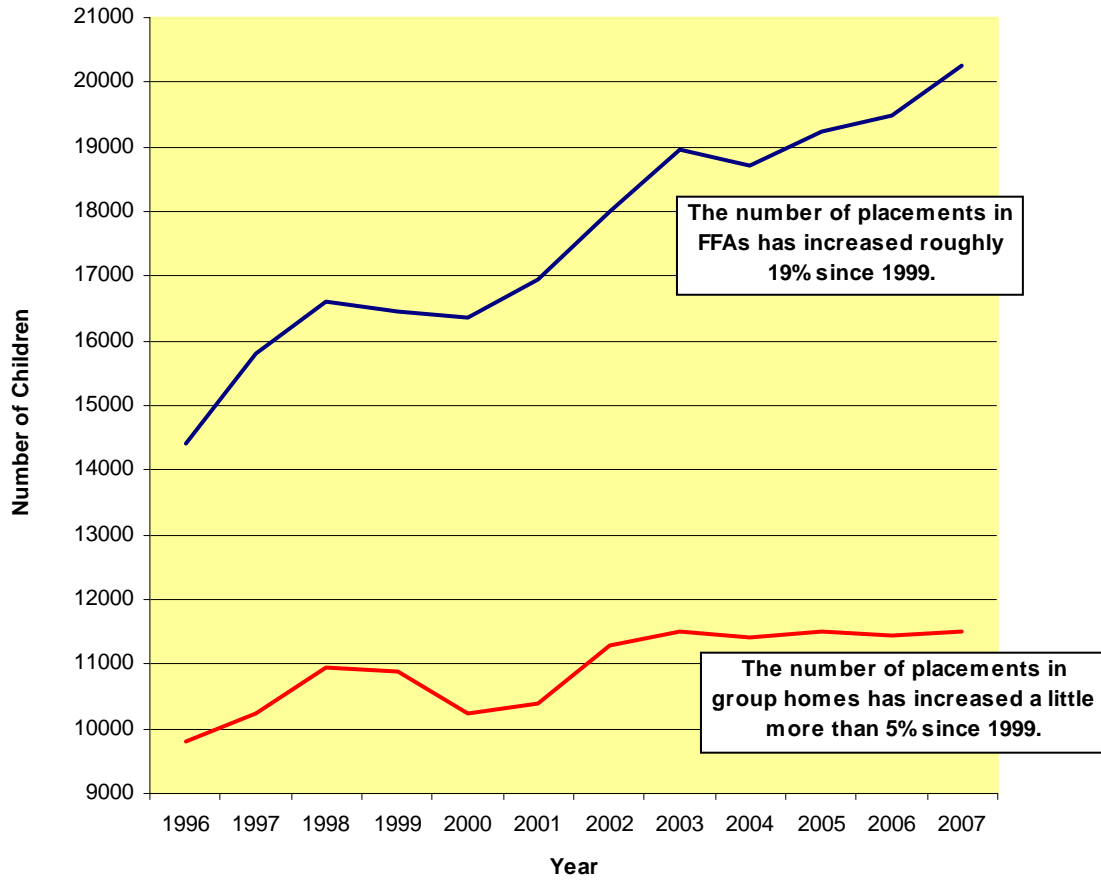


Figure 2:

Foster Children Placed with Foster Family Agencies and Group Homes in California (1996-2007)



Inadequate rates and support are key barriers to attracting and retaining quality, licensed foster family homes.

Support for licensed foster and adoptive parents in California is woefully inadequate. The gap between the cost of caring for foster children and the reimbursement and supports that are provided has reached a crisis point. While many families truly want to care for and commit to children and youth in foster care, they are simply unable to with the support currently offered.

- **The reimbursement rates for foster family homes are well below the true costs of care.** California has not increased reimbursement rates in over six years. The *minimal* costs to raise a child, based on more specific California-data where available, now exceeds the foster care board and care rate by over 43 percent (see Figure 3 and Table 1)*.

Figure 3:

Cost to Raise a Child in California versus Reimbursement for Foster Care

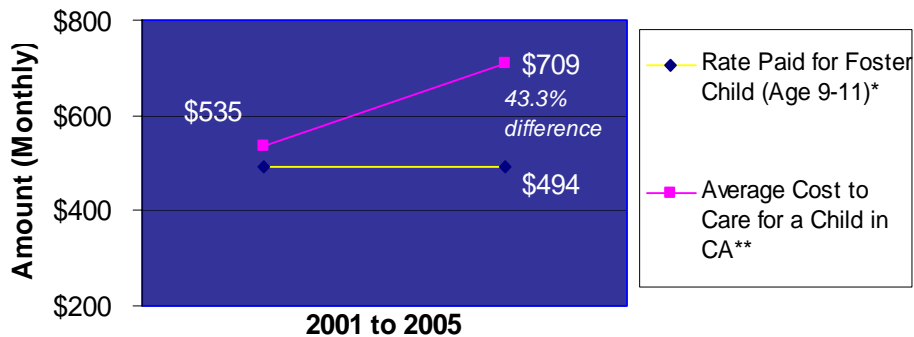


Table 1:

Cost Type	Monthly Cost Per Child 2001	Monthly Cost Per Child 2005 ⁵	Difference (\$)	Difference (%)	Monthly Rate Paid for Child Age 9-11	Difference from 2005 and Current FC Rate (\$ & %)
Housing & Utilities	\$215.90 ⁶	\$334.20	\$118.30	54.8%		
Transportation	\$57.75 ⁷	\$66.60	\$8.85	15.3%		
Food	\$185.00 ⁸	\$205.60 ⁹	\$20.60	11.1%		
Misc, ¹⁰	\$76.80 ¹¹	\$103.00	\$26.20	34.1%		
TOTAL	\$535.45	\$709.40	\$173.95	32.5%	\$494	\$214.40 (43.3%)

* The base licensed foster family home rate varies by the age of the child. The rate paid for foster children age 9-11 was used to calculate the differential because it represents the middle of the payment range.

- **The board and care rate to cover just the basic expenses of caring for a foster child—housing, food, utilities and basic transportation—has not kept up with inflation.** California’s cost of living has increased steadily while reimbursement for basic board and care has moved in the opposite direction. Lost purchasing power is estimated to be roughly 23 percent by July 2008 (see Table 2).

Table 2:

State Fiscal Year	CNI [†]	Child Age 9-11 Basic Foster Care Rate	Rate if COLA was Provided	Loss of Purchasing Power Since 01/02
2000/01		\$494.00		
2001/02	5.31%	\$494.00	\$521	5.04%
2002/03	3.74%	\$494.00	\$541	8.47%
2003/04	3.46%	\$494.00	\$559	11.53%
2004/05	2.75%	\$494.00	\$575	13.89%
2005/06	4.07%	\$494.00	\$598	17.26%
2006/07	3.75%	\$494.00	\$620	20.25%
2007/08	3.70%	\$494.00	\$643	23.10%

MORE FOR DOGS THAN FOSTER CHILDREN

The State pays less to care for a foster child than the average kennel charges to board and feed a dog. Kennels charge an average of \$620 per month to care for a dog, compared to the average cost of \$494 per month for basic board and care for a foster child.*

[†] State statute provides for a discretionary cost-of-living adjustment (COLA) for AFDC-Foster Care rates based on the California Necessities Index (CNI). The CNI is based on the change from December to December of five components of the federal consumer price index (CPI). By statute, the five components are food, rent, fuel/utilities, apparel, and transportation. From December 2005 to December 2006, the weighted average of the costs for these components increased by 3.7 percent, based on actual data available in January 2007.

* Based on a CWDA telephone survey of county kenneling costs, January 2006

- **Needed supports for foster family homes are still lacking.** In addition to increased reimbursement rates, numerous surveys and studies of foster families show that solid supports are key to retention. Foster families need access to a support network of experienced foster/adoptive parents, caseworkers, and professionals when challenges and crises occur. They also need regular planned respite opportunities and mentoring. More funding is needed to bolster local foster family and kinship placement support efforts.
- **Family caregivers also need more support after adoption.** The need for support doesn't end with adoption. Improving adoption outcomes, and specifically improving timeliness to adoptions, is both a federal and state performance goal. California has done relatively well in this area; however, more can be done to ensure that adoptive families remain intact after the adoption is finalized. Additional supports needed include educational supports, speech or other physical therapies, access to counseling and other psychological and psychiatric therapies, and support groups for children and parents.

The consequences of too few and inadequately supported family caregivers can be dire for child outcomes.

Too few and inadequately supported family caregivers will slow the pace of, and potentially reverse, California's improvement on state and federal performance outcomes—threatening not only children's welfare but inviting federal sanctions of up to \$74 million. Children's placement stability, connection with siblings and other relatives, and ultimately, their length of time in care and opportunity to find a lifelong, permanent family will be affected.

- **Placement stability—Without needed supports, family caregivers struggle to provide the stable placements that children in foster care so desperately need.** Having already suffered the trauma of being separated from their birth families, too many foster children still experience multiple placement moves while in care. While the state's performance has been improving over the past several years, roughly one-third of foster children who first entered care from October 1, 2004 to September 30, 2005 had moved three or more times 12 months after entering care.¹²

Children and youth with multiple placements are more likely to exhibit behavioral and attachment issues that can interfere with their ability to achieve lifelong connections with caring adults.¹³ Research shows that children with multiple placements are more likely to incur higher mental health costs related to greater child hostility and behavioral problems.¹⁴ Moreover, children in less stable placements are more likely to have higher medical costs in general.¹⁵

- **Placement with siblings—Too many children and youth in foster care are still unable to live with their siblings.** As of October 1, 2006, only 47.4 percent of the children in care who had other siblings in care had been placed in homes with all of their siblings.¹⁶ The sibling bond is critical to child development and, whenever possible and appropriate, siblings should be placed together. Studies show that siblings placed

together help reduce the sense of loss, provide support to one another and fare better with emotional and behavioral problems.¹⁷ But California counties report particular difficulty recruiting families for sibling groups, especially larger sibling groups. The cost of care and inadequate supports combined with the greater supervision demands makes caring for larger groups very challenging. Without a sufficient supply of quality foster family homes, too many siblings will continue to be placed apart.

- **Length of time in care—Children and youth placed in higher-level care and institutional settings stay in care longer.** Of the children and youth who entered care for the first time from January 1, 2001 to December 31, 2003, those who were placed in foster family agencies stayed nearly one-and-a-half-times longer and those in group homes about 11 percent longer than those placed in licensed foster family homes.¹⁸ So not only are these placements significantly more costly than foster family care, but children are remaining in them longer. While significantly longer stays in foster family agencies might be justified due to the more intensive needs of the children served, research shows that few differences exist between children placed in foster family agencies and those placed in foster family homes.¹⁹ Research also shows that children and youth in group homes are less likely to be connected to family; more likely to transition out of foster care alone, without the support of a lifelong family; and more likely to experience poorer outcomes as adults.²⁰

Enacting AB 324 (Beall) is a Critical First Step in Addressing the Crisis

The available research indicates that foster and adoptive parent retention is positively affected by a combination of sufficient reimbursement rates and solid supports.²¹ AB 324 will accomplish gains that are critically needed to halt the decline in family caregivers and to begin to reverse this trend.

- **Increase the basic rates paid to foster parents.** AB 324 provides a 5 percent rate increase effective January 1, 2008, and bases future increases on percentage changes in the state cost-of-living based on the California Necessities Index.
- **Create a Foster and Adoptive Parent Recruitment, Retention and Support Program to enhance statewide and local efforts to support foster and adoptive parents.** This \$25 million fund could be used to establish a respite care program for family caregivers to reduce stress or to retain family caregiver advocates to support and work on their behalf. Other possible uses for this fund might include covering the cost of liability insurance or costs for one-time expenses such as purchasing an extra bed. The fund could also be used for locally-

"You don't do it for the money, but you can't do it without the money."

-California Foster Parent

driven media campaigns, with an emphasis on recruiting foster parents from the same communities as foster children to minimize disruptions from school and other supports.

For questions or additional information, contact Frank Mecca or Cathy Senderling, CWDA at (916) 443-1749 or Regina Deihl or Lois Raap, LAPP at (650) 712-1442.

Appendix A: County Declines in Licensed Foster Family Homes

County [‡]	Tracking Period	Difference (#/%)
Kern	2005-2007	17 / 4%
Kings	2003-2007	1 / 2%
Los Angeles	2000-2006	670 / 21%
Orange	2003-2007	104 / 17.4%
Riverside	2003-2007	86 / 33%
Sacramento	1999-2006	353 / 45%
San Bernardino	2001-2007	425 / 61%
San Diego	2002-2007	115 / 7%
San Joaquin	2001-2007	22 / 11%
San Mateo	1995-2007	68 / 45%
Santa Clara	1991-2005	380 / 48%
Sonoma	2001-2007	80 / 50%
Stanislaus	2001-2007	32 / 21%
Tulare	1993-2007	143 / 45%

[‡] These 14 counties represent 77 percent of the foster care caseload in California.

Endnotes

¹ Needell, B., Webster, D., Armijo, M., Lee, S., Cuccaro-Alamin, S., Shaw, T., Dawson, W., Piccus, W., Magruder, J., Exel, M., Smith, J., Dunn, A., Frerer, K., Putnam Hornstein, E., Ataie, Y., Atkinson, L., & Lee, S.H. (2007). *Child Welfare Services Reports for California*. Retrieved [month day, year], from University of California at Berkeley Center for Social Services Research website. URL: <<http://cssr.berkeley.edu/CWSCMSreports/>>

² Survey of Licensed Foster Family Home Decline Among California Counties, County Welfare Directors Association of California, May 2007.

³ Graphs are based on Caseload Trend Analysis of AFDC Foster Care for Foster Family Homes, Foster Family Agencies and Group Homes, prepared by the California Department of Social Services, Estimates and Research Services Branch, and presented in the Caseload Projections Section, May 2006 Subvention Binder.

⁴ Graphs are based on Caseload Trend Analysis of AFDC Foster Care for Foster Family Homes, Foster Family Agencies and Group Homes, prepared by the California Department of Social Services, Estimates and Research Services Branch, and presented in the Caseload Projections Section, May 2006 Subvention Binder.

⁵ Source: California Budget Project, *Making Ends Meet, How Much Does It Cost to Raise a Family in California*, November, 2005, based on Region IV Counties (Bay Area counties). Rates is per child based on a family of 5—one working parent, one stay-at-home parent, two children, and one foster child.

⁶ Source: HUD 2001 average fair market rents (FMR) for 3 bedrooms in metropolitan areas.

⁷ Source: Derived from the CBP 2005 report of two parent families with one parent working and one staying at home, and substituted IRS mileage rate for 2001 of 0.345 per mile.

⁸ Source: USDA Food Plans, average weekly cost of food at moderate-cost level for individual child age 9-11 years.

⁹ Source: USDA Food Plans, average weekly cost of food at moderate-cost level for individual child age 9-11 years.

¹⁰ “Misc” includes housekeeping supplies (i.e. cleaning supplies), laundry, personal costs (toothpaste, hair products, etc) education and reading (i.e. newspapers and books), phone (local calls only), and other (including renters’ insurance, emergency expenses, other minor expenses). Misc category does not include any costs for entertainment.

¹¹ Source: California Budget Project, *Making Ends Meet, How Much Does It Cost to Raise a Family in California*, November, 2003, based on Region IV Counties (Bay Area counties), and adjusted for 2001 costs.

¹² Needell, B., Webster, D., Armijo, M., Lee, S., Cuccaro-Alamin, S., Shaw, T., Dawson, W., Piccus, W., Magruder, J., Exel, M., Smith, J., Dunn, A., Frerer, K., Putnam Hornstein, E., Ataie, Y., Atkinson, L., & Lee, S.H. (2007). *Child Welfare Services Reports for California*. Retrieved [month day, year], from University of California at Berkeley Center for Social Services Research website. URL: <<http://cssr.berkeley.edu/CWSCMSreports/>>

¹³ Beth Troutman, Ph.D., Susan Ryan, M.A. and Michelle Cardi, M.A., “The Effects of Foster Care Placement on Young Children’s Mental Health,” University of Iowa Hospitals and Clinics.

¹⁴ Lee Doran and Lucy Berliner, “Placement Decisions for Children in Long-term Foster Care: Innovative Practices and Literature Review,” *Washington State Institute for Public Policy* (February 2001) (available at <http://depts.washington.edu/hcsats/pdf/research/placementdecisionsinovativepractices.pdf>).

¹⁵ PR Newswire story, “For Foster Children, Unstable Placements are Linked to Higher Healthcare Costs” (available at <http://www.prnewswire.com/cgi-bin/stories.pl?ACCT=109&STORY=/www/story/05-03-2004/0002165410&EDATE>”).

¹⁶ Needell, B., Webster, D., Armijo, M., Lee, S., Cuccaro-Alamin, S., Shaw, T., Dawson, W., Piccus, W., Magruder, J., Exel, M., Smith, J., Dunn, A., Frerer, K., Putnam Hornstein, E., Ataie, Y., Atkinson, L., & Lee, S.H. (2007). *Child Welfare Services Reports for California*. Retrieved [month day, year], from University of California at Berkeley Center for Social Services Research website. URL: <<http://cssr.berkeley.edu/CWSCMSreports/>>

¹⁷ Smith, M.C. (1998). Sibling placement in foster care: An exploration of associated concurrent preschool-aged child functioning. *Children & Youth Services Review*, 20, 389-412.

¹⁸ Needell, B., Webster, D., Armijo, M., Lee, S., Cuccaro-Alamin, S., Shaw, T., Dawson, W., Piccus, W., Magruder, J., Exel, M., Smith, J., Dunn, A., Frerer, K., Putnam Hornstein, E., Ataie, Y., Atkinson, L., & Lee, S.H. (2007). *Child Welfare Services Reports for California*. Retrieved [month day, year], from University of California at Berkeley Center for Social Services Research website. URL: <<http://cssr.berkeley.edu/CWSCMSreports/>>

¹⁹ Legislative Analysts Office, Examining the Role of Foster Family Agencies, 2000.

²⁰ North America Council on Adoptable Children, “There is A Better Way—Executive Summary” (available at http://www.nacac.org/exec_summaries/better_way.html).

²¹ Chamberlain, P., Moreland, S., and Reid, K. (1992). Enhanced Services and Stipends for Foster Parents: Effects on Retention Rates and Outcomes for Children. *Child Welfare*, 71(5), 387-401.