

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Children, Families, and Elder Affairs

BILL: SB 940

INTRODUCER: Senators Detert and Sachs

SUBJECT: Children in Out-of-home Care

DATE: March 4, 2015

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Preston	Hendon	CF	Pre-meeting
2.			AHS	
3.			AP	

I. Summary:

SB 940 makes numerous changes to statutes related to residential group home placements for children in out-of-home care within the child welfare system. The bill requires the Department of Children and Families (DCF or department) to develop a proposal for a continuum of care for children in out-of-home care that will address their placement and service needs.

The bill provides legislative intent and findings related to the placement of children in out-of-home settings that employ a shift care model of care. The bill also requires that placement of children of certain ages in residential group home settings that use a shift-care model be subject to certain restrictions and requires periodic review of those placements.

The bill repeals a number of sections of law related to residential group care.

The bill is not anticipated to have a fiscal impact on government.

The bill has an effective date of July 1, 2015.

II. Present Situation:

The debate around the role of residential group care vs. family based care has been continuing since the late 1800s. Residential group care has many forms and purposes, including serving as a placement component of the child welfare services system of care and as a treatment component of the children's mental health system of care. The multiple roles of group care make an analysis of its effectiveness difficult.¹

¹ Barth, R. (2002). *Institutions vs. foster homes: The empirical basis for the second century of debate*. Chapel Hill, NC: University of North Carolina, School of Social Work, Jordan Institute for Families, available at: <http://resourcecentre.savethechildren.se/sites/default/files/documents/2344.pdf>. (last visited February 13, 2015).

Some working in child welfare contend that all residential group care is potentially harmful and that its use should be eliminated; others support the position that such placements are beneficial for some children in certain situations, and still others favor the wholesale use of group care as an alternative to the shortage of family placements or reliance on family placements that may expose children to further risk. Both positive and negative claims about the effectiveness of residential group care and its alternatives are often made without sufficient evidence.²

There appears to be a growing consensus within the child-welfare community that residential group home settings for children in out-of-home care are sometimes necessary, but should be used sparingly. While some states have been more successful than others, most states have tried to move in the direction of decreasing reliance on group home care.³

KVC Health Systems, a private company hired to provide child-welfare services in eastern Kansas, has been very successful in its effort to reduce the number of children in residential group care, reporting that only 3 percent of the 3,100 children it oversees are in group settings, primarily for short-term psychiatric treatment, while virtually all the others are placed with foster families. That's a dramatic change from 1997, when 30 percent of KVC's children were in group care placements. "Change is hard," said KVC's executive vice president. "When a system is looking at making a significant reduction, there's often resistance among providers of residential services who are concerned about their business."⁴

Several advocacy groups are also pushing for an overhaul of the federal funding system for child welfare, with a goal of shifting funding from residential group home settings to alternatives such as family based care. One proposal by the Annie E. Casey Foundation and one of its partners, the Jim Casey Youth Opportunities Initiative, says federal reimbursement should be eliminated for shelters and group care for children under 13 and allowed for older children's group care only for short periods when necessary for psychiatric treatment or other specialized care.⁵ Sen. Orrin Hatch (R-Utah), recently proposed a bill that would cut off federal funding for long-term placements in group homes.⁶

Nationally, according to the Adoption and Foster Care Analysis and Reporting System (AFCARS) data, in 2012, nearly half (47 percent) of all children in care lived in the foster family homes of non-relatives. Just over one-quarter (28 percent) lived in family foster homes with relatives, often referred to as "kinship care." Six percent of foster children lived in group homes,

² Child Welfare League of America. (2008). *Residential Transitions Project Phase One Final Report*, available at: http://rbsreform.org/materials/Residential%20Transitions%20Project%20-%204%2030%2008%20_2_.pdf. (last visited February 13, 2015).

³ *Id.* Also see California Health and Human Services Agency. California's Child Welfare Continuum of Care Reform, January 2015, Children's Rights, *What Works in Child Welfare Reform: Reducing Reliance on Congregate Care in Tennessee*, July 2011, and The Annie E. Casey Foundation, *Rightsizing Congregate Care, A Powerful First Step in Transforming Child Welfare System*, 2010.

⁴ Crary, D. *Foster care: U.S. Moves to phase out group care for foster kids*, Christian Science Monitor. May 17, 2014, available at: <http://www.csmonitor.com/The-Culture/Family/2014/0517/Foster-care-US-moves-to-phase-out-group-care-for-foster-kids>. (last visited February 16, 2015).

⁵ *Id.*

⁶ Senate Bill 1518 (2013) proposed eliminating federal matching funds for non-family foster homes for all children age 12 and under and for youth age 13 and older after 1 year of consecutive time spent in a non-family foster home or 18 months non-consecutive care spent in a non-family foster home, whichever comes first.

8 percent lived in institutions, 4 percent lived in pre-adoptive families, and the rest lived in other types of facilities.⁷ These are not substantially different from the proportions at the beginning of the decade, though there has been a slight decrease in the number of foster children in group homes and institutions, and a corresponding increase of those in home care.⁸

In Florida, 11 percent of children in foster care are in residential group care and 83 percent of the children in group care are 11 years of age and older, compared to 17 percent in family care settings.⁹

Residential group homes are one of the most expensive placement options for children in the child welfare system. The costs of group home care far exceed those for foster care or treatment foster care. The difference in monthly cost can be 6 to 10 times as high as foster care and 2 to 3 times as high as treatment foster care. Since there is virtually no evidence that these additional expenditures result in better outcomes for children, there is no cost benefit justification for group care, when other placements are available.¹⁰ Nonetheless, some state legislatures have encouraged the expanded use of group home care because of a belief that it better provides for the needs of children.¹¹

In Florida, community-based care lead agencies annually negotiate rates for residential group home placements with providers. In Fiscal Year 2013-2014, the average per diem rate for the shift-care group home model was \$124, with costs ranging from \$52 to \$283. The average per diem rate for a family group home model was \$97, with costs ranging from \$17 to \$175. Family foster home care pays an average daily rate of \$15.¹² The cost of group home care in Florida for Fiscal Year 2013-2014 was \$81.7million.¹³

III. Effect of Proposed Changes:

Section 1 amends s. 409.145, F.S., related to the care of children, to make changes to provisions related to residential group home placements for children in out-of-home care.

The bill provides legislative intent and findings related to the placement of children in out-of-home settings that employ a shift care model of care. Specifically, it is the intent of the legislature to restructure placement options and services in order to reduce reliance on group homes using a shift-care model as a long-term placement setting. This will require redefining the

⁷ U.S. Department of Health and Human Services Administration for Children and Families, Children's Bureau. The AFCARS Report (2013) available at: <http://www.acf.hhs.gov/sites/default/files/cb/afcarsreport19.pdf>. (last visited March 2, 2015).

⁸ Child Trends Data Bank, Foster Care Indicators on Children and Youth (2014) available at: http://www.childtrends.org/wp-content/uploads/2014/07/12_Foster_Care.pdf. (last visited February 16, 2015).

⁹ Office of Program Policy and Government Accountability. Research Memorandum. *Florida's Residential Group Care Program for Children in the Child Welfare System*. December 2014.

¹⁰ Barth, R. (2002). *Institutions vs. foster homes: The empirical basis for the second century of debate*. Chapel Hill, NC: University of North Carolina, School of Social Work, Jordan Institute for Families, available at: <http://resourcecentre.savethechildren.se/sites/default/files/documents/2344.pdf>. (last visited February 13, 2015).

¹¹ Section 39.523, F.S.

¹² Office of Program Policy and Government Accountability. Research Memorandum. *Florida's Residential Group Care Program for Children in the Child Welfare System* (December 2014).

¹³ *Id.*

purpose of residential group care, placing conditions on admissions to certain types of group homes, and increasing the capacity of home-based family care.

The bill also requires that placement of children of certain ages in residential group home settings that use a shift-care model is subject to certain restrictions and requires periodic review as follows:

- In order for children 6 years of age and younger to be placed in a residential shift-care group home setting:
 - The case plan must indicate that short-term specialized and intensive treatment is needed, that there is an anticipated duration of treatment, and that the Assistant Secretary for Child Welfare has approved;
 - Short-term may not exceed 120 days unless the community-based care lead agency (CBC) has made progress in finding supports and services to transition to a family setting and the extension is approved by the Assistant Secretary for Child Welfare; and
 - For every extension that is requested the above requirements must be met and no less than every 60 days the Assistant Secretary for Child Welfare shall approve the continued placement.
- In order for children 7 - 12 years of age to be placed in a residential shift-care group home setting:
 - The case plan must indicate that short-term specialized and intensive treatment is needed, that there is an anticipated duration of treatment and that the Assistant Secretary for Child Welfare has approved;
 - Short-term may not exceed 6 months unless the CBC has made progress in finding supports and services to transition to a family setting and the extension is approved by the Assistant Secretary for Child Welfare; and
 - For every extension that is requested the above requirements must be met and no less than every 60 days the Assistant Secretary for Child Welfare shall approve the continued placement.

The bill requires the department to develop a proposal for a continuum of care for children in out-of-home care that will address their placement and service needs. The continuum must address recruiting, training, and supporting an adequate supply of home-based family care; providing needed services and supports in those family care settings; and limiting congregate care to only those situations in which adequate services cannot be safely provided while a child lives with a family, and then for only the minimum amount of time required for stabilization.

The requirement restricting placement in residential group homes for younger children in care will require an increased capacity in family foster homes. It is unknown how long it will take the department to recruit and license an adequate number of family foster homes. The requirement for the Assistant Secretary for Child Welfare to approve or deny requests for placement of children ages 0 - 12 years in group care could create a delay in child placement.

Section 2 repeals ss. 39.523, 409.165, 409.1676, 409.1677, and 409.1679, F.S. All sections are related to residential group home care.

Section 3 amends s. 409.1451, F.S., relating to the Road-to-Independence Program, to conform cross references.

Section 4 amends s. 39.202, F.S., relating to confidentiality of records in child abuse cases, to conform provisions to changes made by the bill.

Section 5 amends s. 39.5085, F.S., relating to the relative caregiver program, to conform provisions to changes made by the bill.

Section 6 amends s. 1002.3305, F.S., relating to a College-Preparatory Boarding Academy Pilot Program for at-risk students, to conform provisions to changes made by the bill.

Section 7 provides an effective date of July 1, 2015.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The department reports that there will be an indeterminate decrease in the funding available to shift-care group homes. There will also be an indeterminate decrease in the expenditures made by the shift-care group homes due to fewer children in foster care being placed in those homes.¹⁴

C. Government Sector Impact:

The department reports that implementation of the bill will require reallocating some of the funding that is currently spent on shift-care group homes to pay for recruitment, training, support services and utilization of additional family foster homes.¹⁵

¹⁴ Department of Children and Families, 2015 Agency Legislative Bill Analysis. SB 940. February 18, 2015.

¹⁵ *Id.*

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 409.145, 409.1451, 39.202, 39.5085, and 1002.3305.

This bill repeals the following sections of the Florida Statutes: 39.523, 409.165, 409.1676, 409.1677, and 409.1679.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.