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:	CS/SB 940
INTRODUCER:	Children, Families, and Elder Affairs Committee and Senators Detert and Sachs
SUBJECT:	Children in Out-of-home Care
DATE:	March 12, 2015 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Preston	Hendon	CF	**Fav/CS**
2.			AHS	
3.			AP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/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 removes provisions from current law related to reporting and funding mechanisms that are now obsolete. The bill provides legislative intent and findings related to the placement of children in out-of-home care into residential group home settings.

The bill requires the Department of Children and Families (DCF or department) to collect and compile data and information that will be used to inform the work of the newly created Continuum of Care Advisory Council and specifies the types of data to be collected.

The bill creates the Continuum of Care Advisory Council to address the placement and service needs of children in out-of-home care. The bill requires the advisory council to consider specific issues, requires the appointment of specified members, requires the department to provide administrative support to the council, and requires a report.

The bill is anticipated to have an insignificant0. 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]

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

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[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).

[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).

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, 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

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[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.
[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.

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. 39.523, F.S., related to the placement of children in residential group care, to remove provisions related to reporting and funding mechanisms that are now obsolete as a result of privatizing foster care and related services.

Section 2 creates s. 409.144, F.S., related to a continuum of care for children in out-of-home care and residential group home care. The bill provides legislative intent and findings related to the placement of children in out-of-home care into residential group home care. Specifically, it is the intent of the legislature to reform the current system of using group home care into a continuum of care that reflects current research and best practice.

The bill also requires the department to collect compile data and information that will be used to inform the work of the Continuum of Care Advisory Council. Specifically, that data is related to assessments of children coming into care, service needs of those children, licensure of facilities, rates and rate setting, performance measures and quality improvement.

The bill creates the Continuum of Care Advisory Council for the purpose of recommending a plan to address the placement and service needs of children who are in out-of-home care. The continuum must also 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 bill requires the appointment of members representing specified entities and provides for the manner of appointment. The bill requires the advisory council to propose a timeline and work plan for reform and an estimate of associated costs and to submit the proposal and estimate of costs to the Governor, the President of the Senate, and the Speaker of the House of Representatives by December 31, 2016. At a minimum the proposal must address the following:

- The impact of group care on children by age and history based on current research.
- Criteria for admission to residential group care and necessary assessments.
- Policies and procedures needed to ensure that placement in residential group care is appropriate for each child and lasts only as long as necessary to resolve the issue that required the placement.
- Services that are currently available for children in group placements.
- The need to develop a classification system for group care.
- Requirements needed in plans for children in group care to transition to family-based placement.

[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*.

- The role of licensure in determining the quality of care and the need for a new licensing category or categories.
- The value of requiring group home accreditation by a national accrediting body.
- The need to plan for any change in federal funding for long-term residential group care.
- Current practices related to the use of residential group home care in order to develop a framework that can be used to transition residential group homes into short-term, specialized, and intensive treatment providers used for the minority of children who cannot safely be served in home-based family care settings.
- Age limitations that should be placed on group care based on developmental research.
- Comparison of cost of group care placement and family based care, and what economic and other incentives exist for placement of children in group care.
- Alternate funding mechanisms for children placed in residential group home care.
- Adjustments to funding to encourage placement in home-based family care settings.
- Standards to ensure that group home staff has adequate training, experience, and supervision to provide therapeutic care to children in the facilities.

Section 3 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:

None.

C. Government Sector Impact:

The bill would have an insignificant fiscal impact on DCF for the staffing and any travel reimbursement of council members.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 39.523.

This bill creates the following sections of the Florida Statutes: 409.144.

IX. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Children, Families, and Elder Affairs on March 12, 2015:

- Removes provisions from current law related to reporting and funding mechanisms that are now obsolete,
- Requires the department to collect data and information related to children in out-of-home care who are living in residential group home settings to be used to inform the work of the Continuum of Care Advisory Council.
- Creates a Continuum of Care Advisory Council for the purpose of recommending a plan to address the placement and service needs of children who are in out-of-home care. 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.
- Specifies the duties of the advisory council and provides for council membership.

B. Amendments:

None.