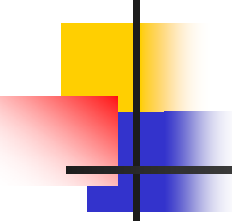




Virginia's Foster Care System

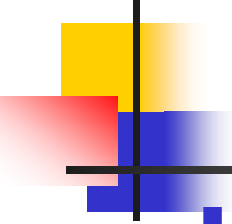
**Virginia Commission on Youth
November 17, 2003**

Amy M. Atkinson



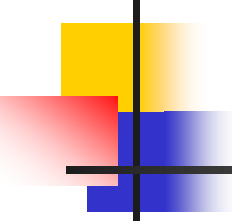
Authority for Study

- Study; Foster Care Payment Rates
 - HJR 564 directed the Commission on Youth to review Virginia's foster care payment rates and report findings by November 2003.
 - HJR 564 was stricken in House Rules but was included on the Commission's Work Plan.
 - In addition, staff monitored the progress of the Department of Social Services' Child and Family Services Review and participated on the Statewide Stakeholders Committee.



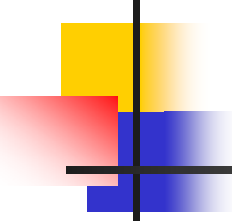
Presentation Outline

- **Study Activities**
- **Foster Care – Program Overview**
- **Federal Structure**
 - Framework of Foster Care
 - Funding Streams for Foster Care
 - State Child and Family Service Reviews
- **Virginia Structure**
 - Structure of Foster Care Program
 - Children in Foster Care System
 - Funding of Foster Care System
 - Foster Care Rates
- **Foster Care Rates**
 - Comparison of National Foster Care Rates
 - Comparison to Cost of Raising a Child
- **Initiatives in Virginia**
- **Findings and Recommendations**



Study Activities

- Structured interviews with State staff, foster care providers and major stakeholders
- Participation on Federal Child and Family Services' Review Stakeholder Group
- Comprehensive review of State, federal, and national documents on foster care
- Review of data on utilization, funding, and program administrative issues

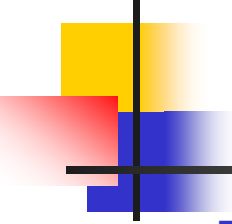


Program Overview

- Foster care provides temporary room, board, and services on a 24-hour basis for children placed away from their families.
- Children enter into foster care for many reasons, including abuse, neglect, and parental request.
- Services include casework, treatment, and community services until the problems facing the child and his family can be resolved, or until a new permanent home can be found.
- Foster care settings include, but are not limited to, family foster homes, relative foster homes (whether payments are being made or not), group homes, emergency shelters, residential facilities, childcare institutions, and pre-adoptive homes.*

Source:

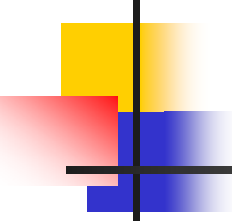
*Code of Federal Regulations (CFR), Title 45, Volume 4, Part 1355, Section 57, as cited in National Clearinghouse on Child Abuse and Neglect Information, June 2003.



Program Overview

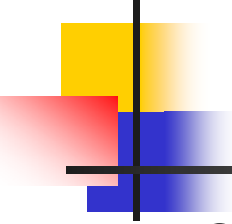
- Children in foster care range from infancy to 21 years of age.
- Children facing physical, emotional or mental challenges may receive the following special services:
 - Counseling;
 - Special education;
 - Physical therapy;
 - Speech therapy;
 - Specialized medical care; and
 - Other services available to help them develop age-appropriate skills.
- Efforts are made to place the child in the most suitable family-life setting available, and, when possible, the child is placed in close proximity to the parents.
- Children remain in care until the problems facing the child and his family can be resolved or until a permanent home can be found, consistent with federal law.

Source: Virginia Department of Social Services:
http://www.dss.state.va.us/family/fostercare_children.html [September 2003].



Program Overview

- The Foster Care System consists of multiple federal, state, and local government agencies in the child welfare system.
- Juvenile courts, as well as community-based, private social services agencies are components of the Foster Care System.
- Federal law and regulations shape how states make programmatic and fiscal decisions.
- States have primary responsibility for establishing the legal and administrative structures to provide foster care services.



Program Overview

Children In, Entering, and Exiting Foster Care

U.S.*

As of September 30, 2001, an estimated 542,000 children were in foster care.

- During FY 2001, 290,000 children entered foster care. 263,000 children exited foster care.
- Entries into foster care 1998-2001 stayed relatively stable, while exits increased slightly (15,000) and the number of children in care at any one point in time dropped slightly (18,000).

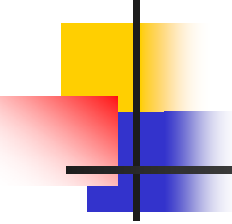
Virginia**

- Virginia's rates of foster care are below the national average of 8.1.
 - In Virginia, the average daily rate is 4.7 per 1,000 youth in foster care (2001).

Sources:

*National Clearinghouse on Child Abuse and Neglect Information, June 2003.

**Department of Social Services; U.S. Census Bureau, as cited by the Charlottesville/Albemarle Commission on Children and Families



Federal Framework

- The Adoption Assistance and Child Welfare Act of 1980 established the framework for the modern child welfare system.
- The Adoption and Safe Families Act (ASFA) of 1997 made the most significant changes to the child welfare provisions.
- The Adoption Promotion Act of 2003 is currently pending in Congress. This bill seeks to reauthorize the adoption incentive payments program under Title IV-E of the Social Security Act.
- Titles IV-B and IV-E of the Social Security Act are the largest dedicated child welfare funding streams.

Federal Funding Streams

Funding Source	Type of Funding	Authorized Services	Eligibility	Funding Level (Millions) FY 03
Title IV-B of the Social Security Act - accounted for 5 percent of all federal child welfare spending in SFY 2000.				
Subpart I Child Welfare Services Program	Discretionary	Broad array of prevention, family reunification and permanency services	Defined by State	\$290
Subpart II Promoting Safe and Stable Families	Part capped, state entitlement, part discretionary	Used for 4 broad services: Family support; family preservation; time limited family reunification; and adoption promotion and support services	Defined by State	\$405
Title IV-E of the Social Security Act - accounted for 48 percent of all child welfare spending in FY 00.				
Foster Care	Open-ended Entitlement	Maintenance payments to foster families, administration, and training	Based on old AFDC need standards	\$4,600
Adoption Assistance	Open-ended Entitlement	Maintenance payments to adoptive families, administration, and training	Based on old AFDC need standards	\$1,500
Adoption Incentive Payments	Discretionary	Any allowable IV-B or IV-E service	Generally Described by the State	\$43
Chafee foster Care Independence Program	Part capped state entitlement, part discretionary	Broad array of independent living support services	Adolescent foster youth and former foster youth up to age 21	\$182

Source: The Pew Commission, Child Welfare Financing Structure.



Child and Family Services (CFS) Review

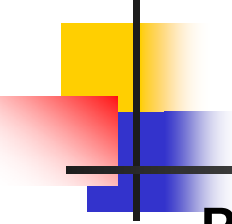
- The federal CFS Review is designed to help states improve child protective services, foster care, adoption, family preservation and family support, and independent living services.
- Virginia's review occurred the week of July 7, 2003 at three local departments of social services; Fairfax, Bedford, and Norfolk.
- CFS review assessed 14 areas:
 - Seven "Program Outcomes," which include six performance indicators with national standards
 - Seven "Systemic Factors"
- The Commission on Youth has received three updates on the review from the Department of Social Services.
- Virginia is drafting the Program Improvement Plan with involvement from stakeholders, state agencies and local agencies.

Source: Virginia Department of Social Services Website at: <http://www.dss.state.va.us/family/cfsr> [October 2003].



Structure of Virginia's Foster Care Program

- In Virginia, children in foster care are committed to the local board of social services by the court, entrusted to the local board by the parent, or placed through a parental agreement with the local board.
- All local departments of social services provide foster care.



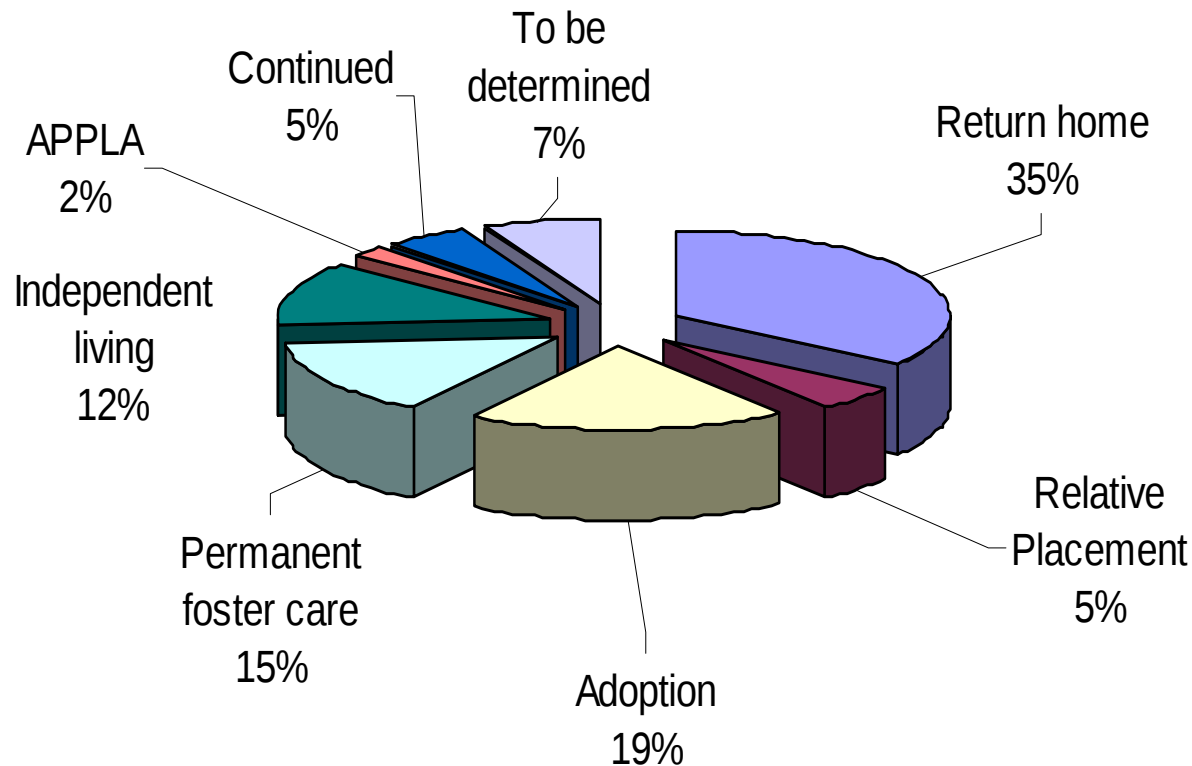
Structure of Virginia's Foster Care Program

Permanency Planning

- Upon entering the foster care system, a child has a “permanency goal” to ensure he or she will have a safe and stable family outside of foster care.
- Goals are, in priority order:
 - Return home
 - Placement with a caring relative
 - Adoption
 - Permanent foster care (for children for whom the court has specified the long-term foster parent)
 - Independent living (for youth over the age of 16)
 - Another planned permanent living arrangement (for severely disabled children requiring residential treatment [APPLA])

Structure of Virginia's Foster Care Program

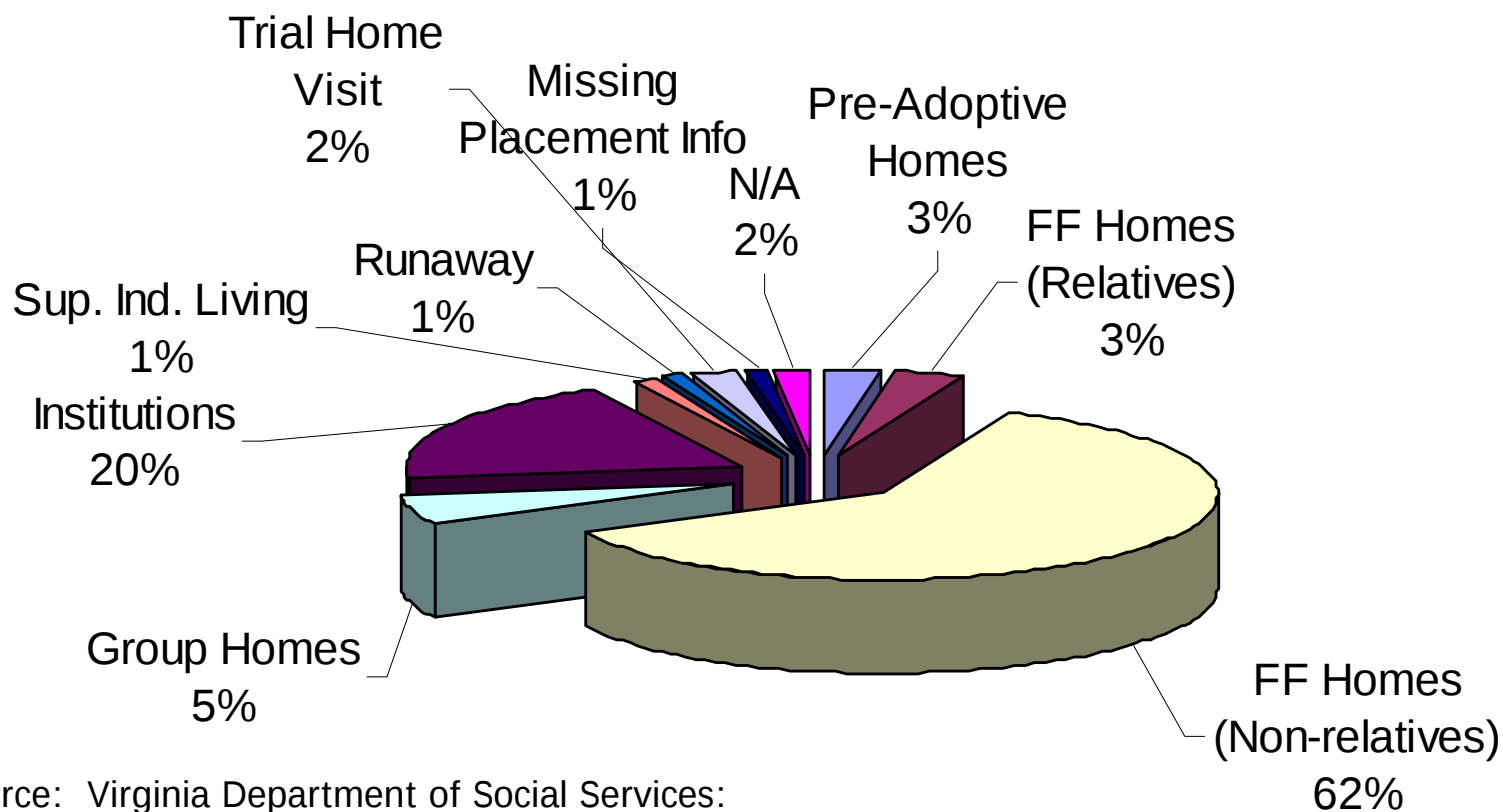
Permanency Planning Goals



Source: Virginia Department of Social Services:
http://www.dss.state.va.us/family/fostercare_children.html [September 2003].

Structure of Virginia's Foster Care Program

Placement Types for Virginia Children in Care Federal FY 2002



Source: Virginia Department of Social Services:
http://www.dss.state.va.us/family/fostercare_children.html [September 2003].



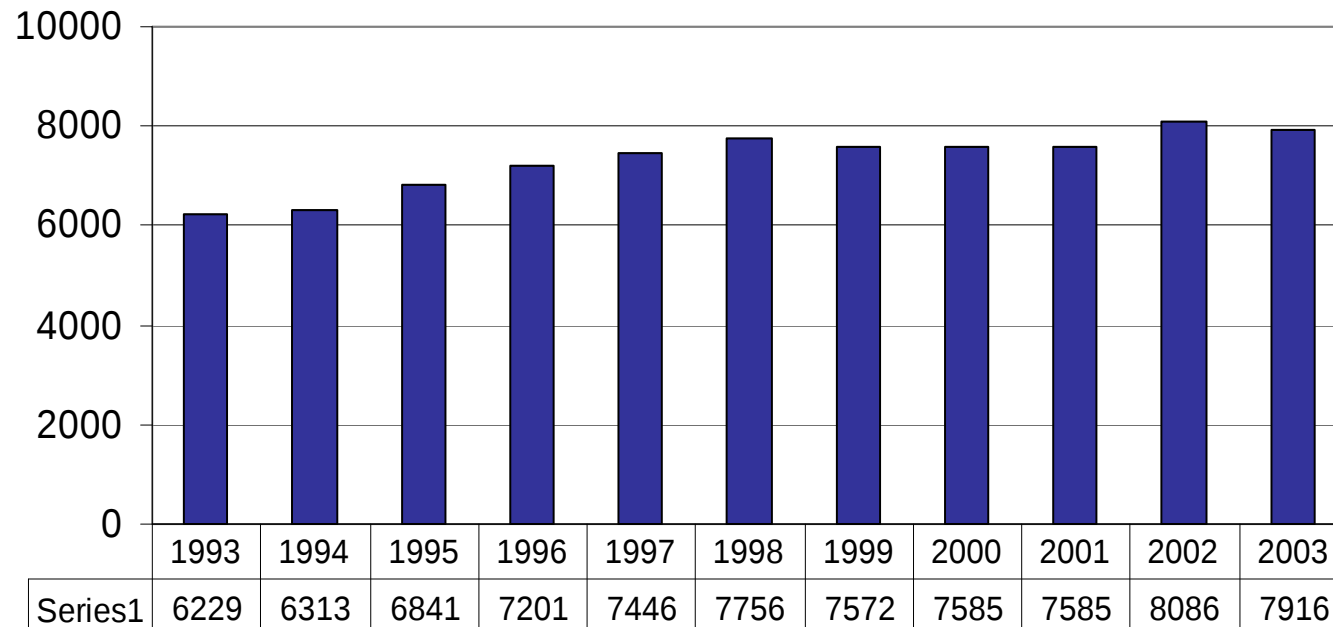
Children in Virginia's Foster Care Program

- Virginia has approximately 7,600 children in foster care at any given time.
- About 51% are African-American and 45% are Caucasian.
- The number of children in foster care has remained steady in recent years.
- The average length of stay is 36 months.
- The average number of stays is 2 to 3 per child.



Children in Virginia's Foster Care Program

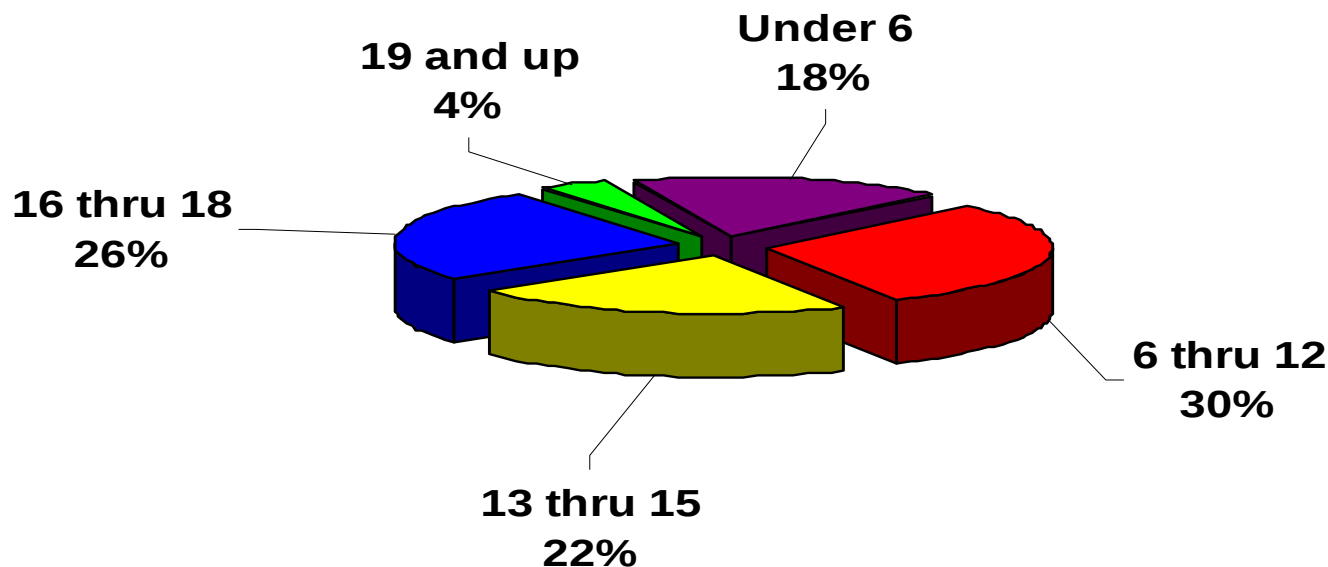
Children in Foster Care (as of June 30 of each year)



Source: Virginia Department of Social Services:
http://www.dss.state.va.us/family/fostercare_children.html [September 2003].

Children in Virginia's Foster Care Program

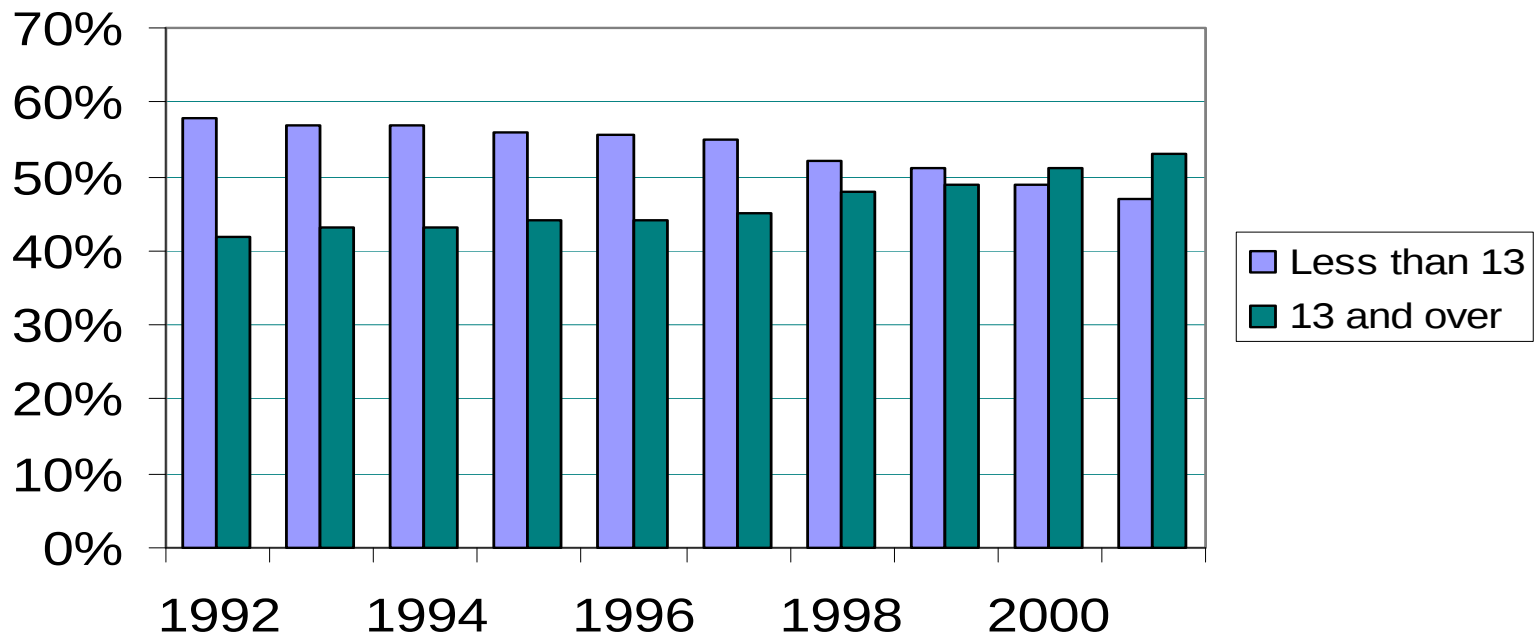
Children in Foster Care by Age
(as of April 30, 2002)



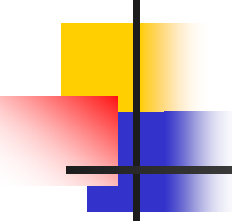
Source: Virginia Department of Social Services:
http://www.dss.state.va.us/family/fostercare_children.html [September 2003].

Children in Virginia's Foster Care Program

**Children in Foster Care by Age
(as of December of each year)**

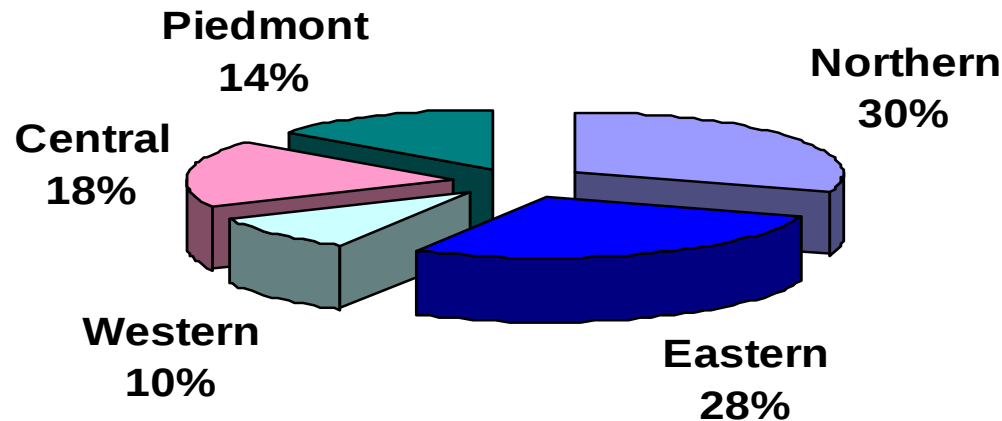


Source: Virginia Department of Social Services:
http://www.dss.state.va.us/family/fostercare_children.html [September 2003].



Children in Virginia's Foster Care Program

Children in Foster Care by Region (as of April 30, 2002)



Source: Virginia Department of Social Services:
http://www.dss.state.va.us/family/fostercare_children.html [September 2003].



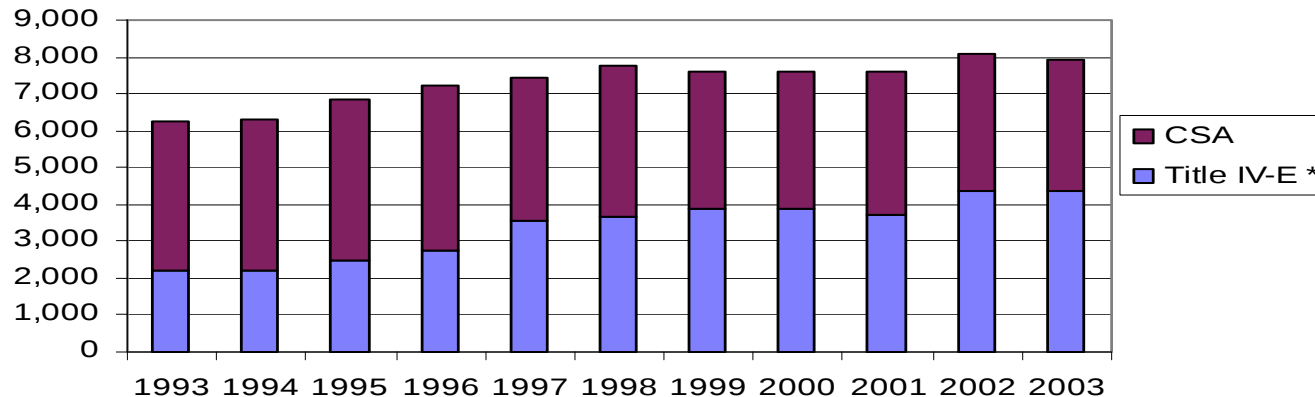
Funding – Virginia's Foster Care Program

- ❑ Title IV-E Foster Care Program funds about half of the children in placement through a combination of federal Title IV-E and state General Funds.
- ❑ All services are funded through the Comprehensive Services Act (CSA) funding pool, as well as room, board and supervision payments for the remaining children who are not eligible for Title IV-E.

Source: Virginia Department of Social Services:
http://www.dss.state.va.us/family/fostercare_children.html [September 2003].

Funding - Virginia's Foster Care Program

Funding Source for Foster Care Children



Fiscal Year	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Title IV-E *	2,210	2,230	2,501	2,734	3,545	3,645	3,862	3,868	3,727	4,354	4,343
CSA	4,019	4,083	4,340	4,467	3,901	4,111	3,710	3,717	3,858	3,732	3,573
Total	6,229	6,313	6,841	7,201	7,446	7,756	7,572	7,585	7,585	8,086	7,916

Note: Point in time data indicating number of children eligible for IV-E reimbursement

*Source: Virginia Department of Social Services



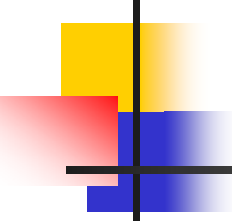
Funding – Virginia's Foster Care Program

Title IV-E Foster Care Program

- LDSS determines if child is eligible for Title IV-E.*
- The state provides the match rate for those foster care children in the Title IV-E Program.*
- Title IV-E provides for the maintenance payments made for AFDC-eligible children in foster care family homes, private non-profit child care facilities, or public child care institutions housing up to 25 people.**
- These children are also eligible for Medicaid.**

Sources: *Virginia Department of Social Services

**Ways and Means Committee, 1998 Green Book



Funding – Virginia's Foster Care Program

Title IV-E Foster Care Program

Covered services by Title IV-E are:

- Room/board and supervision in local agency approved foster homes, private non-profit licensed child-placing agency homes and licensed children's residential facilities.
- Specialized supervision in local agency approved foster homes as part of a therapeutic foster home program and private non-profit licensed child-placing agency homes.
- Annual clothing allowance of \$300 per year per child.
- Child care costs in a licensed center or approved child care home for working foster care parents.
- Transportation costs for child and sibling visitation.
- Non-direct services to children such as self-insurance contingency fund; administrative costs; training; and administration/case management under the Revenue Maximization program.



Funding – Virginia's Foster Care Program

CSA-Funded Foster Care Services

- Children who are determined not to be eligible for the Title IV-E Program are funded through CSA.
- In those cases, foster care is funded with a local match in conjunction with a state match.
- Eligibility of a child to access CSA funds is determined by factors outlined in Code of Virginia.
- CSA pays for maintenance costs for non-IV-E eligible children.
- Additionally, children at-risk of being placed in a foster home (foster care prevention services) are also eligible through CSA.

Sources:

Virginia Code Ann. § 2.2- 5212 (Michie 2001) & Comprehensive Services Act for At-Risk Youth and Families website

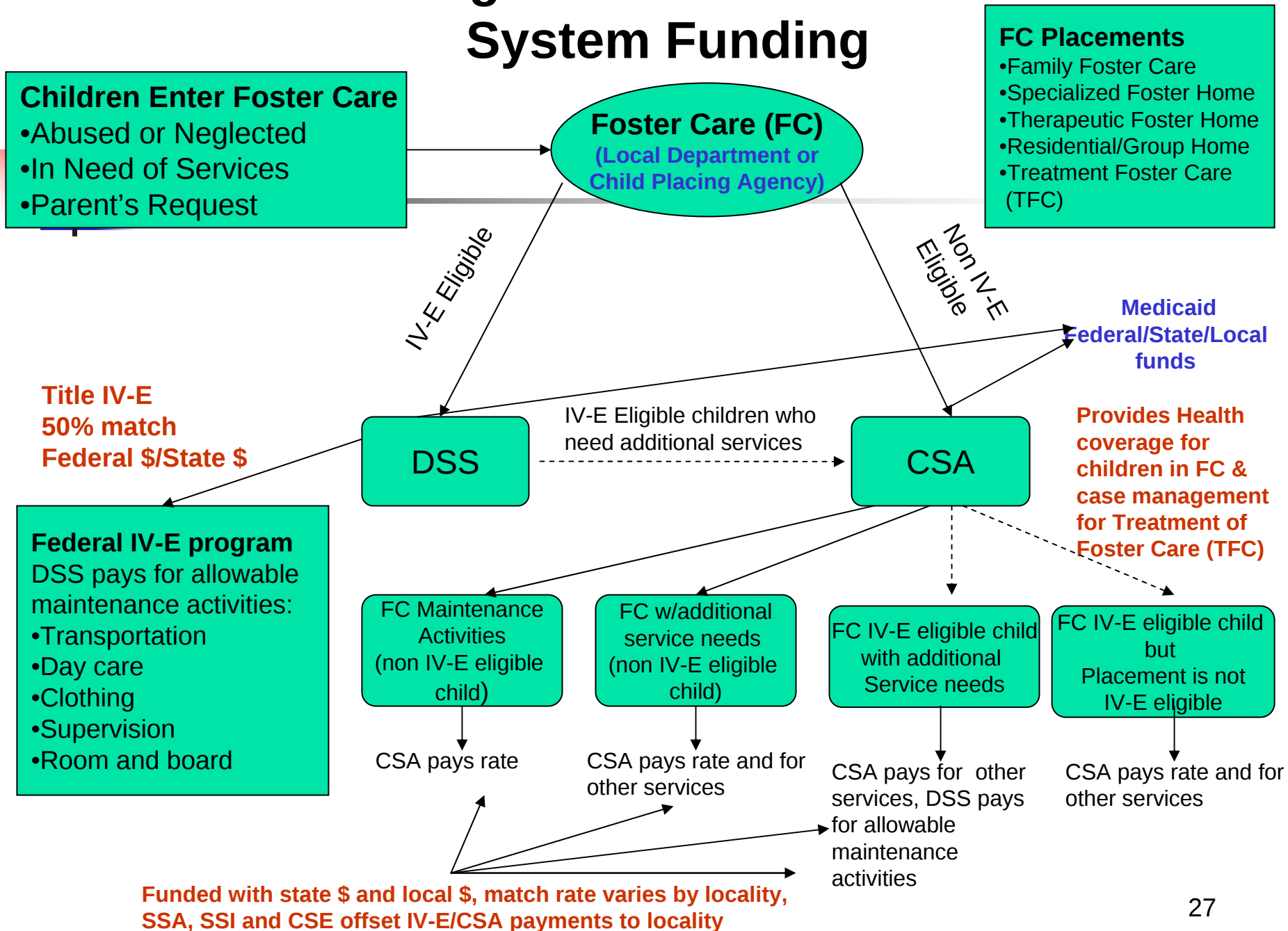


Funding – Virginia's Foster Care Program

CSA Foster Care Funding

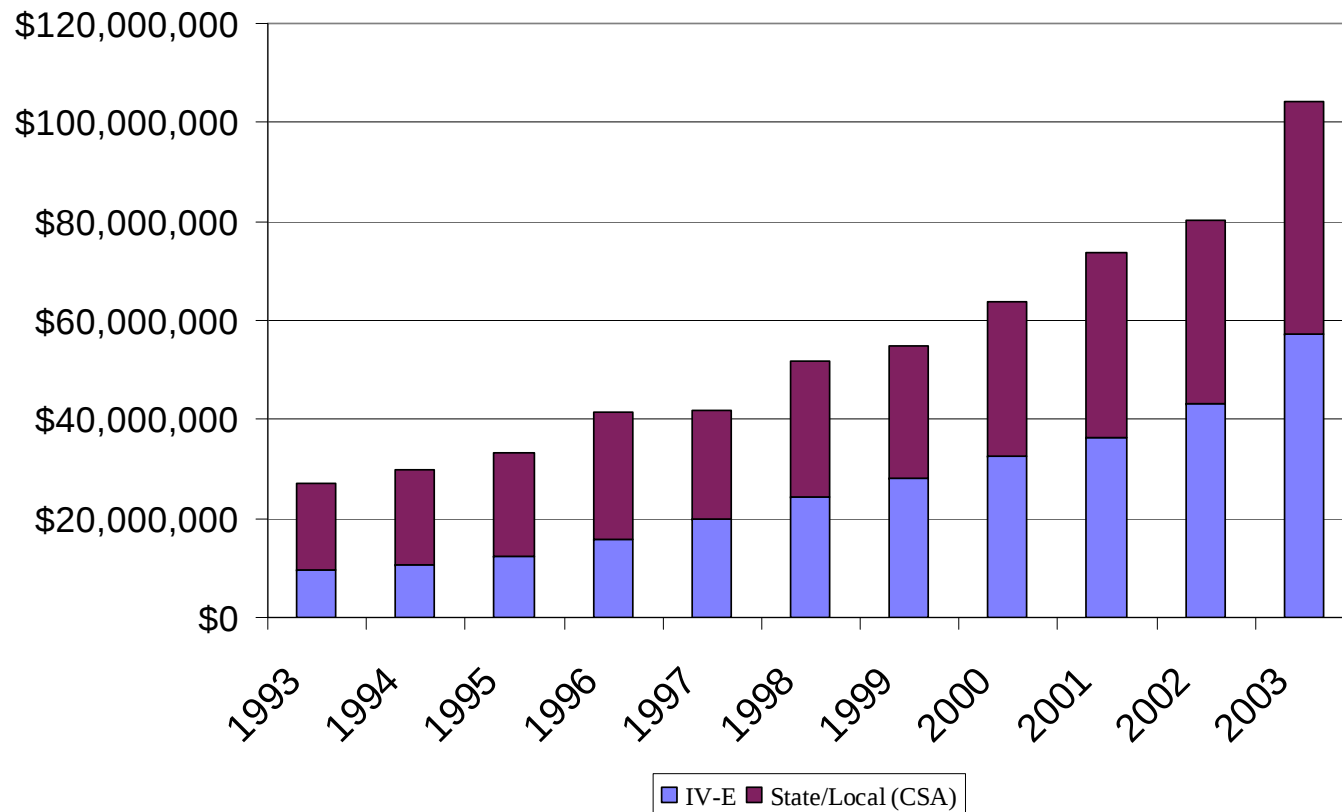
- The foster care funding streams placed in the CSA pool have sum sufficient language, thus state and local governments must appropriate sufficient funds to serve these populations.
- The cost to provide services through the CSA is divided between state GF dollars and local monies.
- The percentage match required of each locality varies and is based on its actual total 1997 program expenditures.
- Since 1994 the cost to provide services to mandated children has more than doubled, from \$94.5 million in 1994 to \$194.7 million during the year 2000.

Virginia's Foster Care System Funding



Funding - Virginia's Foster Care Program

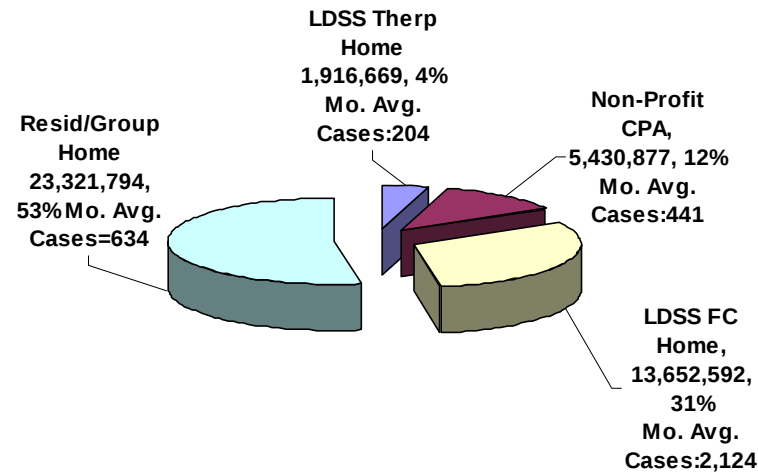
Total Foster Care IV-E and Non-IV-E Maintenance Expenses and Cases



Funding – Virginia's Foster Care Program

Placement Expenditures – Title IV-E Laser – SFY 03

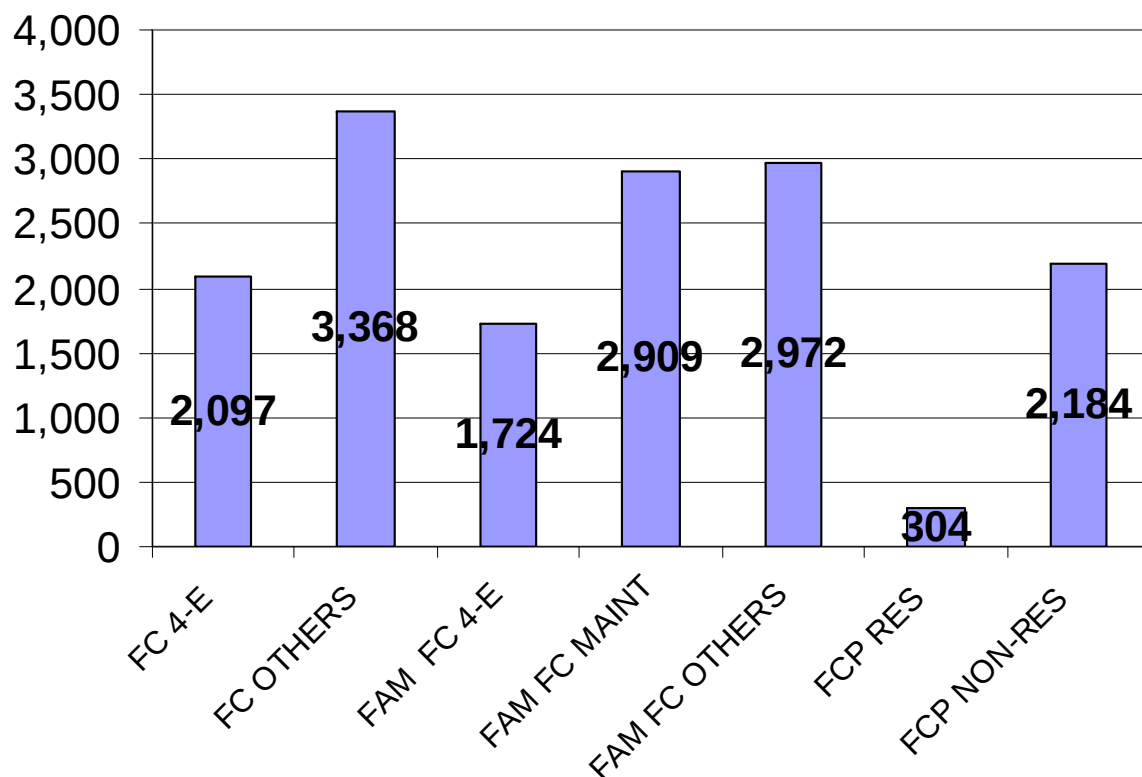
Average Monthly Cost Per Case for All Placement Types-\$1,068



Total Expenditures = \$44,321,932

Funding – Virginia's Foster Care Program

2002 Statewide Census Total – CSA Foster Care



**Unduplicated
Total -14,889**

Source: Office of Comprehensive Services, 2003.



Funding – Virginia's Foster Care Program

2002 CSA Expenditure Detail (Millions)

Total \$227.8 (16.5% increase from 2001)

State \$144.5 (63%)

Local \$ 83.3 (37%)

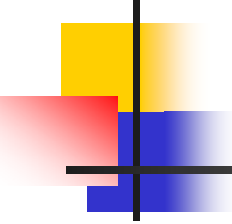
Foster Care Services \$143.4* (63%)

Special Education Services \$ 75.7 (33%)

Non-Mandated Services \$ 8.7 (4%)

* 19% increase from 2001

Source: Comprehensive Services Act Presentation to House Appropriations, January 2003.



Funding – Virginia's Foster Care Program

Benefits of Title IV-E to Virginia Localities

- Title IV-E eligibility enables localities to receive full reimbursement for the costs of foster care maintenance for eligible and reimbursable children.
- Maintenance costs paid by localities on behalf of IV-E children are reimbursed from state and federal funds, with each paying approximately one-half of costs incurred.
- In contrast, localities must pay an average of 35% of the cost of foster care maintenance for children who have not been found eligible for Title IV-E.
- Title IV-E also authorizes 75% federal financial participation (FFP) for the costs of training staff, foster care providers, and foster parents.

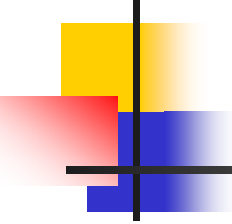


Funding – Virginia's Foster Care Program

Title IV-E Foster Care Program - Increasing Access

- During the past several years, DSS has made efforts to increase the recovery of Title IV-E and other federal funds.
- Since 1995, the access rate for Virginia has increased from 30% to 59%.
- DSS has revised its method of allocating costs to secure additional funding under Title IV-E.
- DSS revenue maximization efforts (foster care prevention) have been successful in generating more than \$40 million in federal funds without additional state or local expenditures.

Sources: Virginia Department of Social Services, Virginia Polytechnic Institute and State University [January 1998].



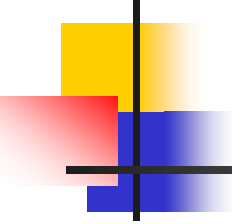
Funding – Virginia's Foster Care Program

Title IV-E Foster Care Program

Revenue Maximization Program - Efforts by DSS

- Reviewing CSA children in out-of-home care to ascertain if they are eligible for Title IV-E;
- Entering into agreements with other state and local agencies (including CSBs, local education agencies, health depts. and CSUs) for provision of Title IV-E Services;
- Claiming additional FFP for administrative costs associated with the CSA process to relate to pre-placement prevention;
- Claiming an increased proportion of out-of home care expenditures as maintenance costs.

Sources: Virginia Department of Social Services, Virginia Polytechnic Institute and State University [January 1998].



Funding – Virginia's Foster Care Program

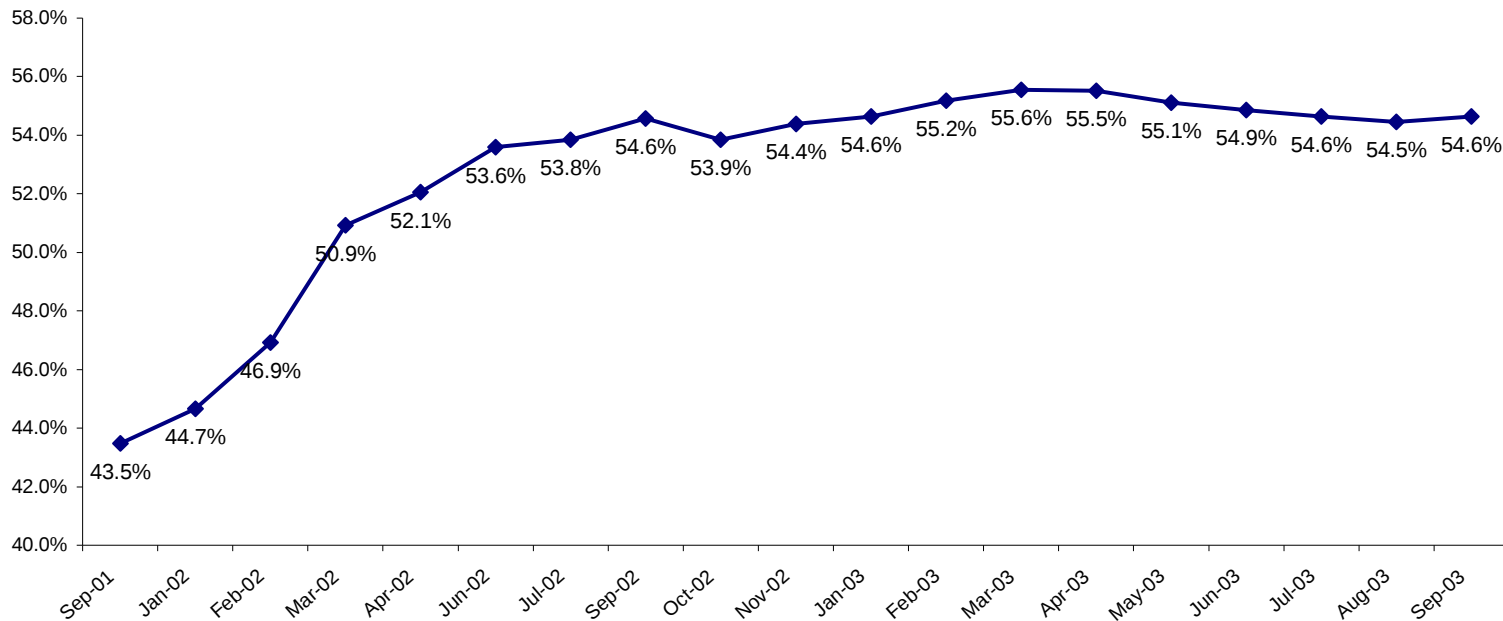
Title IV-E Foster Care Program

Revenue Maximization Program - Efforts by DSS & CSA

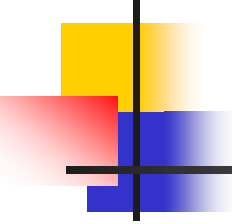
- Unbundling of Rates – CSA is evaluating this so that services could be billed to other appropriate funding sources, rather than entirely to CSA.
- Standardized Invoice – Local agencies bill for eligible services to either CSA/DSS/DMAS. There is no standard invoice with a breakdown of services. Providers have even indicated a desire to have a standardized invoice. NC has implemented this successfully.
 - Ex: A provider but charging \$200/day but rate isn't itemized by service. If rates were unbundled, some costs could be billed to Title IV-E or Medicaid. Such a strategy would enable VA to draw down more federal match dollars.

Funding - Virginia's Foster Care Program

IV-E Foster Care Access Rates Sep 01 Through Sep 03



*Source: Virginia Department of Social Services

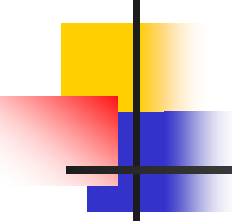


Funding – Virginia's Foster Care Program

Virginia's Reimbursement Rates

- State reimbursement rates for foster children
 - 0-4 years of age - \$294/month
 - 5-12 years of age - \$344/month
 - 13 and older - \$436/month
- There is an additional clothing allowance of \$300/year available for each child paid from Title IV-E or State Pool Funds.
- Past increases to rates have been tied to state employee pay raises.

Sources: Department of Social Services, Title IV-E Eligibility Manual
CSA Manual, Appendix A. and Appropriations Act, 2000.

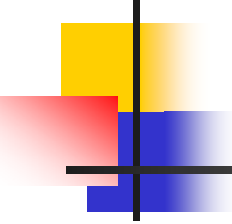


Funding – Virginia's Foster Care Program

Foster Care Home Rates 1993-2003

FY	Age 0-4	Age 5-12	Age 13 +
1993	\$256	\$300	\$379
1994	\$256	\$300	\$379
1995	\$262	\$307	\$388
1996	\$262	\$307	\$388
1997	\$262	\$307	\$388
1998	\$270	\$316	\$400
1999	\$276	\$323	\$409
2000	\$282	\$329	\$417
2001	\$294	\$344	\$436
2002	\$294	\$344	\$436
2003	\$294	\$344	\$436

Sources: Virginia Department of Social Services



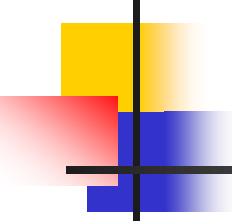
Funding – Virginia's Foster Care Program

Foster Care Home Monthly Rates SFY 03

	Age 0-4	Age 5-12	13 & Over
Room & Board	\$ 202	\$ 230	\$ 279
Clothing	37	47	75
Personal Care	55	60	65
Allowance	0	7	17
Total	\$ 294	\$ 344	\$ 436

Sources:

Virginia Department of Social Services and Lutheran Family Services of Virginia



Funding - Virginia's Foster Care Program

Therapeutic Foster Care Rates (TFC)

- In addition to maintenance rates, families that provide TFC receive additional payments in the form of per diem rates and supplements. Training and respite services are also reimbursed.
- Agencies may contract with families to provide these services.
- Payment rates vary by agency based on the placement and the child's level of need.
- Medicaid reimburses for case management for children in therapeutic foster care referred by local CSA teams.
- The case management is paid to the agency which recruits, trains and supervises the TFC family. The family receives the R&B and the "parent stipend".



Funding - Virginia's Foster Care Program

Examples of Reimbursement Rates for TFC

- Adolescent and Family Growth Center - Northern Virginia Region
 - Parent stipends from \$21.84-29.52/day (\$677-915/month)
- United Methodist Family Services - various regions
 - Parent stipends from \$20-24/day (\$620-744/month)
- First Home Care, Tidewater Region
 - Parent stipends from \$25-75/day (\$775-2,325/month)

Note: These rates are in addition to the monthly foster care maintenance payment and may vary by region.



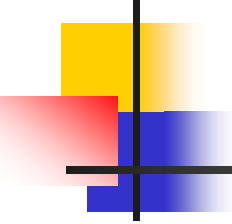
Funding - Virginia's Foster Care Program

Medicaid Reimbursement for TFC Case-Management

- The maximum rate reimbursed by Medicaid is \$82 per day for the current level of TFC-Case Management. This rate may be negotiated.
- In FY 2003, approximately \$13.7 million was paid by DMAS for this service, the average cost per recipient was \$10,480.
- In FY 2003, 1,310 children were receiving TFC case management services.
- Case management is reimbursed by Medicaid when the child demonstrates "medical necessity".

New level of TFC Case-Management

- Treatment Foster Care-Case Management – Medicaid will soon cover a step down from the current high-intensity level of coverage. When children improve, they will still remain eligible for case management services required to continue to stabilize the child. This rate is approximately \$45 and may also be negotiated.



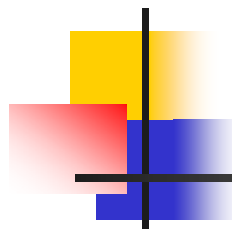
Funding - Virginia's Foster Care Program

- **Medicaid Reimbursement for Residential Treatment/Foster Care Children**
 - In FY 2002, approximately \$39.7 million was paid by DMAS for this service for children in FC.
 - The average cost per recipient was \$35,898.
 - In FY 2002, 1,310 children were receiving residential treatment services as either foster care or foster care prevention (Title IV-E).
 - Average cost per day - \$248; average cost per year - \$90,500.
 - Most children do not remain in residential treatment for long periods of time.
 - These expenditures do not include the child's medical expenses (also covered by Medicaid).



Foster Care Rates – National Comparison

- States paying the overall highest foster care basic monthly maintenance rate include Alaska, Connecticut and Ohio, with each state paying over \$600/month for the three different age categories.
- The overall lowest paying state for the foster care basic monthly maintenance rate is Alabama, which pays less than \$300 for each of the three different categories. In the age 2 category, Alabama, Idaho, Mississippi, NJ, SC, VA and Wisconsin pay less than \$300/month for the basic maintenance rate.
- In the middle category of age 9, Alabama, Idaho, Mississippi, RI, SC and Tennessee pay less than \$300/month for the basic maintenance rate.



Foster Care Rates – National Comparison

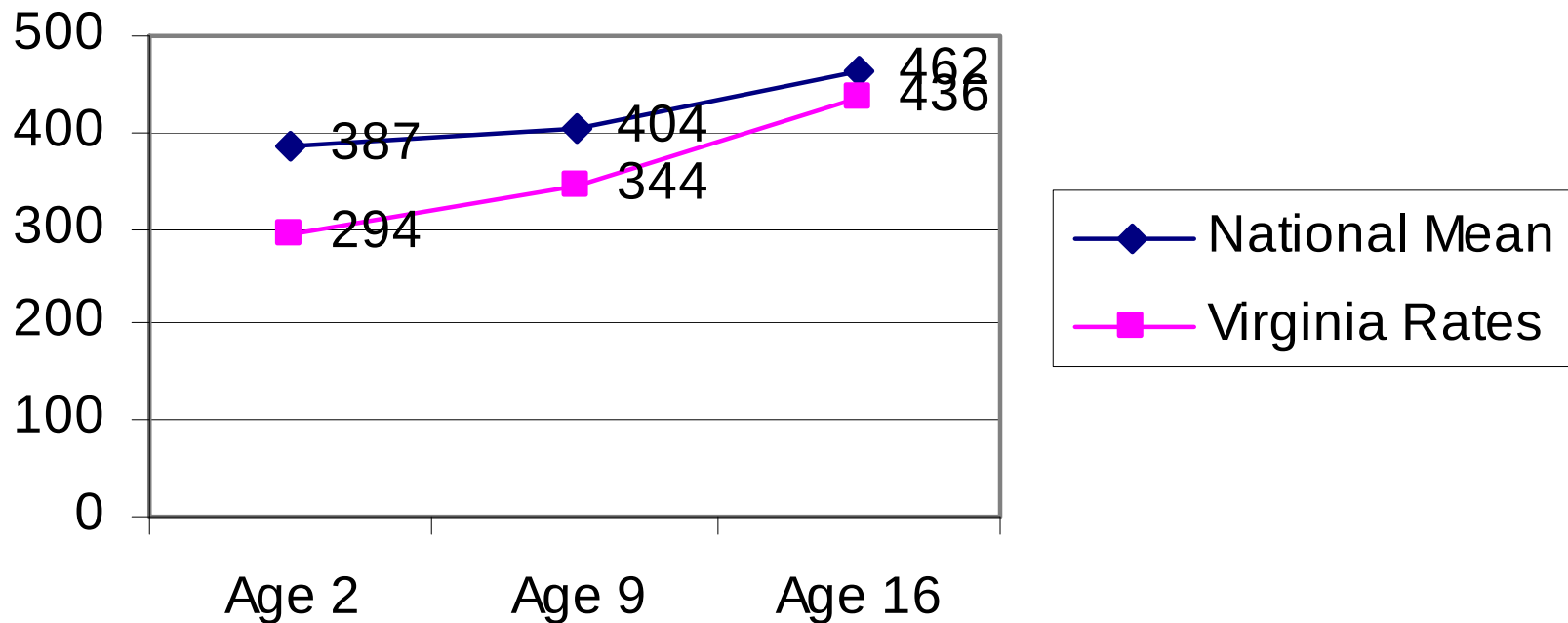
- In 2001, the Child Welfare League of America conducted a survey of foster care basic monthly payment rates.
- In each of the three age categories, Virginia falls below the national average for the basic monthly payment to foster care families.

	Age 2	Age 9	Age 16
National Mean	\$387	\$404	\$462
National Minimum	\$216	\$250	\$266
National Maximum	\$670	\$690	\$760

- Virginia's reimbursement rates for foster children: 0-4 year of age \$294/month, 5-12 years of age \$344/month and 13 and older \$436/month.

Foster Care Rates – National Comparison

Virginia's Rates Compared to National Mean- 2001



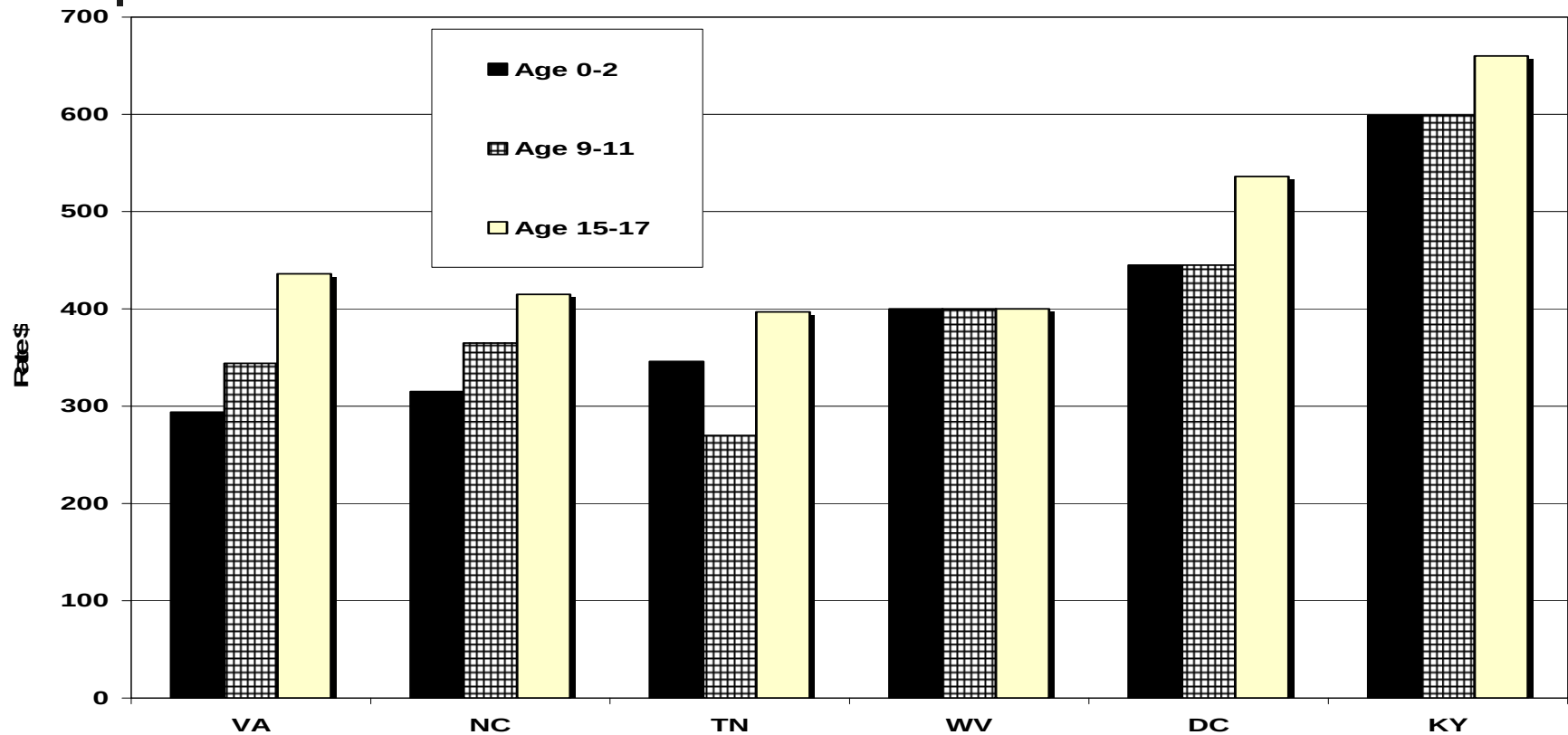
Source: Commission on Youth Graphic of Data Obtained from the Child Welfare League of America (2001) and the Virginia Department of Social Services.



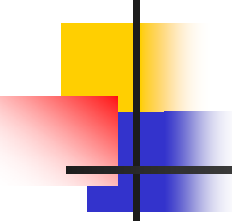
Foster Care Rates – National Comparison

- Compared to bordering states, Virginia has the lowest monthly rate for youngest age category, paying \$294 to foster care families for care.
- For the 9-11 and 15-17 age groups, Tennessee pays the lowest amount, \$270 per month and \$397 respectively.
- Overall, Kentucky pays the highest foster care maintenance rate in all three age categories.

Foster Care Rates – National Comparison

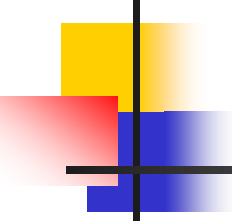


Source: The Child Welfare League of America. (2001). State Child Welfare Agency Survey.



The Cost of Raising a Child

- The USDA publishes a yearly report, *Expenditures on Children and Families*.
- This report includes national and regional data based on income levels and information in following expenditure categories:
 - Housing
 - Food
 - Transportation
 - Clothing
 - Childcare/Education
 - Misc. expenses (personal care items, entertainment and reading materials)



The Cost of Raising a Child

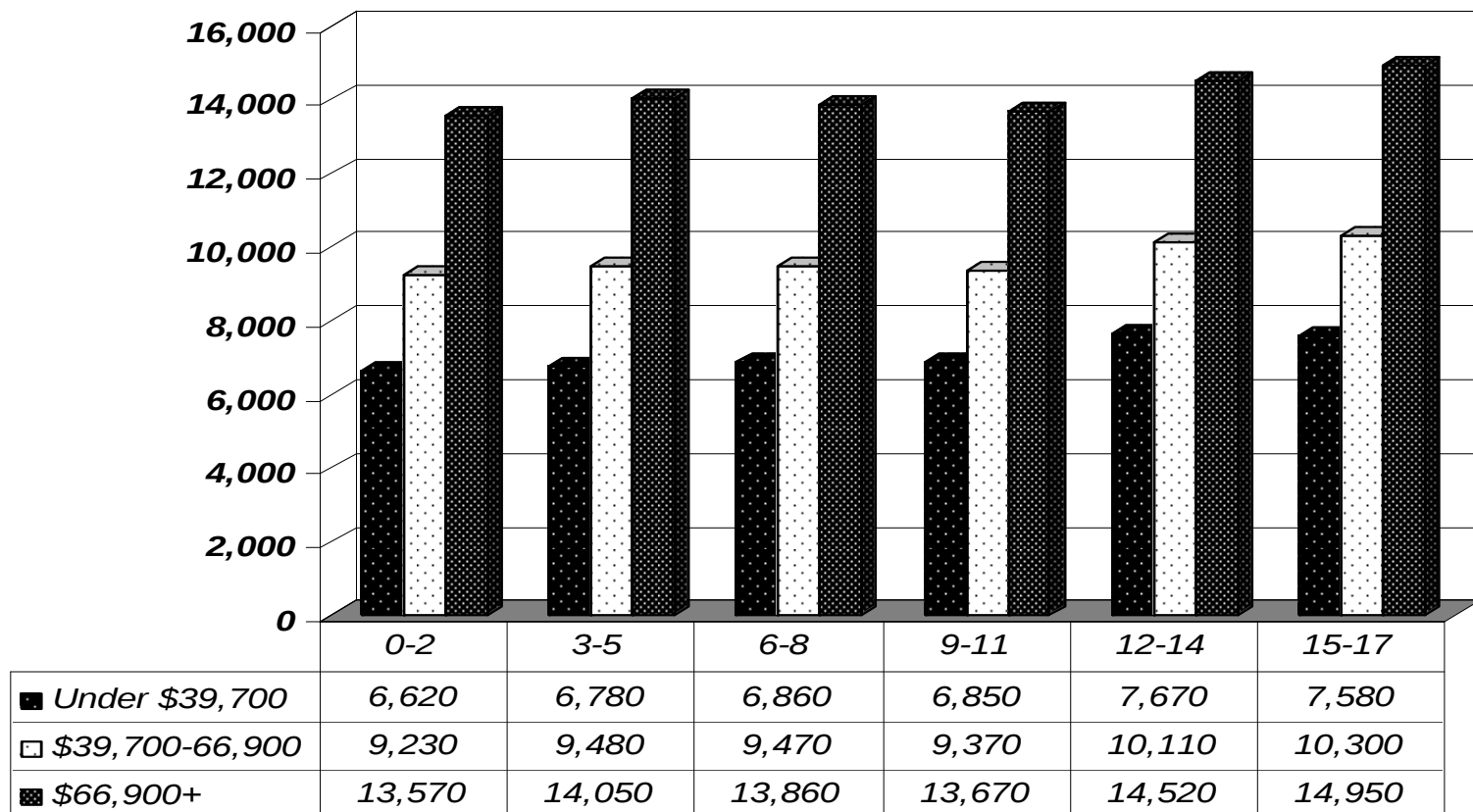
■ Findings from USDA

- More money is spent on children in higher income brackets.
- The cost of raising a child increases incrementally as the child becomes older.
- The amount spent on childcare and education increases significantly from age 3 to age 5.
- This amount drops after age 5 (after a child enrolls in school).
- Clothing and misc. expenses reduce after age 14.
- Costs for transportation increase between age 15 and 17.
- Upper income families spend 2.81 times as much as lower income families to raise a child.



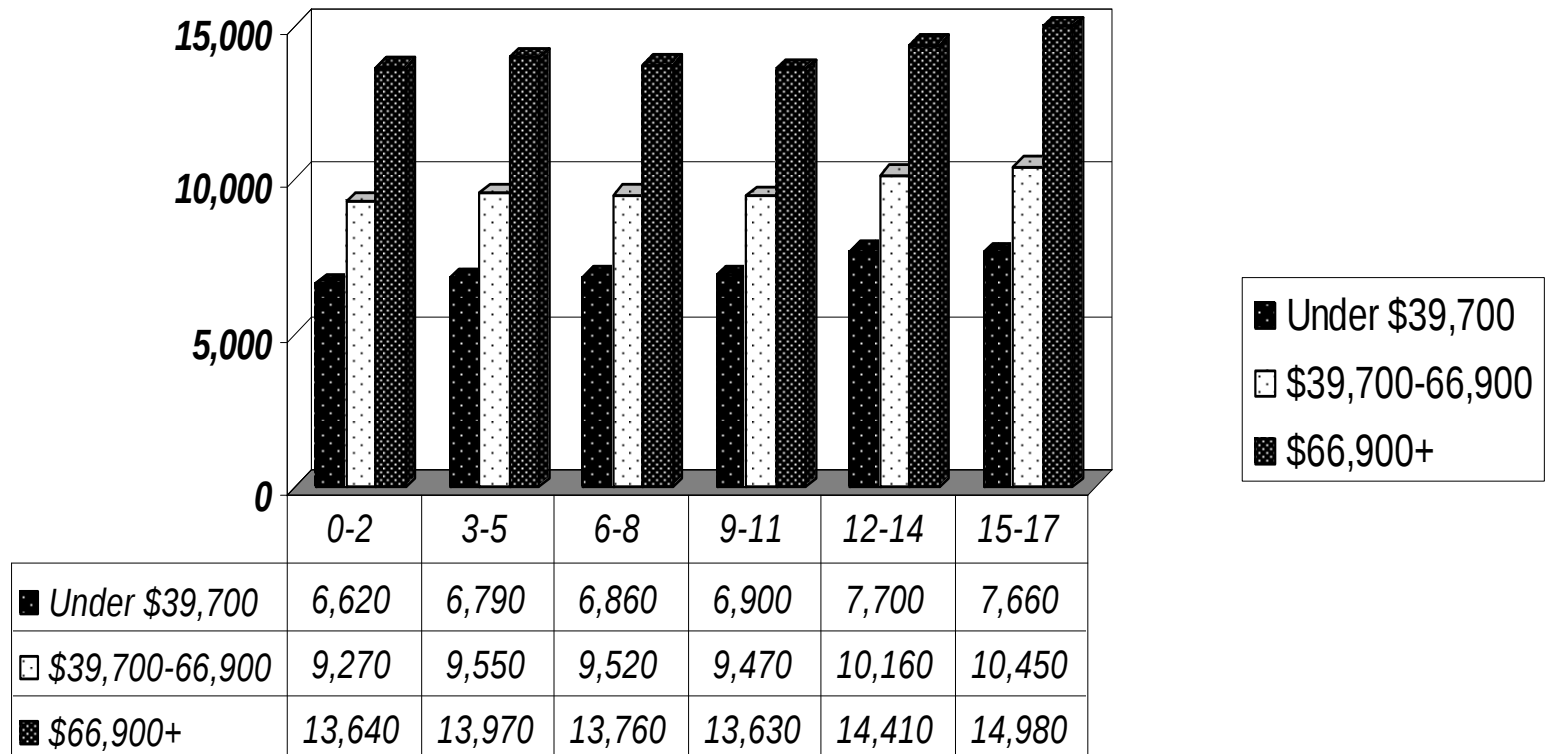
The Cost of Raising a Child

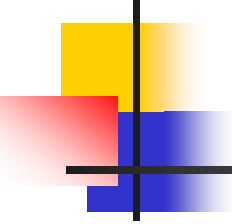
Estimated Annual Expenditures for Raising a Child by Husband-Wife Families in U.S. 2000



The Cost of Raising a Child

Estimated Annual Expenditures for Raising a Child by Husband-Wife Families -Urban South, 2000

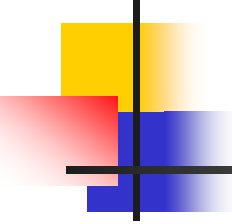




The Cost of Raising a Child

Apportionment of Child Raising Dollars by Family Income Level - 2000

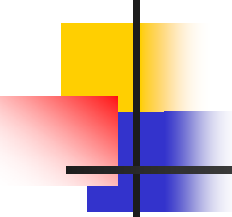
	Under \$39,700	\$39,700 – 66,900	Over \$66,900
Housing	34	33	37
Food	17	20	15
Transportation	14	14	13
Clothing	6	7	5
Healthcare	7	8	6
Childcare/Education	11	8	12
Miscellaneous	11	10	12



Findings - Challenges in Foster Care

Findings from Agency Interviews

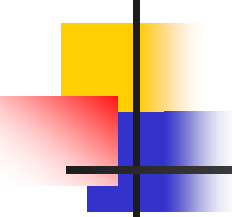
- Rates impact recruitment, particularly for children over age 5. (Newborns and toddlers are more likely to be adopted.)
- A significant number of foster parents don't remain foster parents once they are offered Treatment Foster Care status by TFC agencies (\$300/month v. \$2,000/month per child).
- Concurrent Planning requires Judges' cooperation and there is a need for standards to ensure success.
- Adoptions are often thwarted by parental appeals to TPR.
- Clothing allowance not sufficient. Many kids' wardrobes start from scratch.
- Need for professional parents.
- Training must assist families and weed out those that are not able to provide adequate care.



Findings - Challenges in Foster Care

Findings from Agency Interviews (cont.)

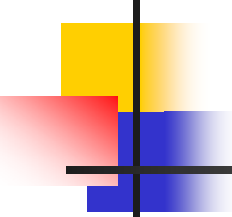
- Focus Group members participating in the Child and Family Services Review in Northern Virginia identified low rate of pay for foster parents as a disincentive to becoming and remaining a foster parent for LDSS.
- Conversely, child placing agencies pay considerably more than the base rate established for local department homes. Thus, many foster parents choose to affiliate themselves with these agencies.
- More state and local funds are spent to reimburse the expenditures of these agencies because Title IV-E cannot be used for all of these expenses.
- At present, no statistics are available to verify the assumed increase in child placing agency foster care homes, but local agencies indicate that more foster homes are working through private agencies than local departments.



Findings - Challenges in Foster Care

Findings from Literature Review

- Studies revealed that most foster parents are in lower to middle income range.
- APWA survey of states' foster care rates show that average foster care rate in 2001 was \$387 (for 2 year old). The range was \$600/month (Alaska) to \$233 (Alabama).
- The average maintenance payment for a nine-year old child was \$404.
- The USDA estimate for raising a child at a moderate level in 2002: \$9,233/year and \$769/month.
- The average amount paid to foster parents to meet the needs of a 9 year old: \$5,042/year and \$420/month.
- Virginia pays \$344/month (\$4,128/year) for the maintenance of a 9 year old.
- Maintenance rates are lower than the true costs of providing routine care for a child.

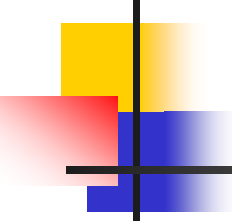


Findings - Challenges in Foster Care

Findings from Literature Review (cont.)

- Agencies are providing support to foster parents but inadequate financial compensation and lack of benefits contribute to problems with retention and recruitment.*
- Regular foster parents may leave fostering because they believe they are fostering children with the same needs as children placed with treatment foster parents who receive much higher rates and more supplemental payments.*
- It may be more cost effective to redirect funds to current foster parents and creatively supplement families' costs for fostering in order to prevent higher end placements, which is more costly (i.e. residential care v. foster family placement).
- The actual cost of fostering is not considered.

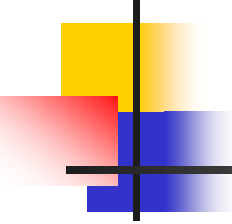
Source: *Child Welfare League of America.



Findings - Challenges in Foster Care

Findings from Virginia's Federal Review

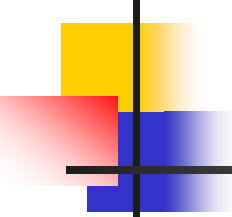
- Families (82%) tended to spend their own money on the children in their care [Norfolk (90%), Fairfax (77%) and Bedford (79%)].
- The average annual dollars spent varied from \$600 in Bedford to \$849 in Norfolk to a high of \$1,591 in Fairfax.
- Common expenditures included: clothing (78%), food (51%), school-related (65%), vacations (59%), entertainment (61%), and travel (43%). Bedford foster parents were most likely to have school related and travel expenditures. Norfolk foster parents were most likely to have vacation (65%) expenditures and the least likely to have travel (30%) expenditures.
- Foster parents (88%) in all three localities felt that the child in their care received all needed services.



Initiatives in Virginia

DSS Initiatives

- Concurrent planning pilot project – Five sites in Virginia covering seven localities
- Title IV-E Maximization – increasing access rates of IV-E funds
- Modify TANF for Kinship Care – use TANF to allow families to tap into TANF funds (Appropriations Act change)
- Subsidized guardianship waiver – request that IV-E funds without kids being in home, three different levels, with FC most intensive level
- Investigate Child Welfare Flex Option – evaluate feasibility of modifying child welfare funding, allow for ten percent on front end to build infrastructure. Building in evaluation with benchmarks and performance contracts.



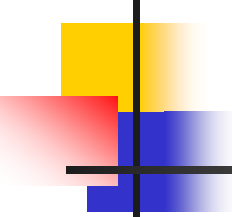
Initiatives in Virginia

Court Improvement Project

- Supreme Court overseeing efforts
- Judicial Council embracing efforts taken with CFSR and strategic plan
- Training underway for judges on child welfare efforts

Program Improvement Plan (PIP) – Issues identified with strategies

- Safety/CPS
- Permanency
- Well-Being
- Training
- Court Improvement
- Performance Management



Initiatives in Virginia

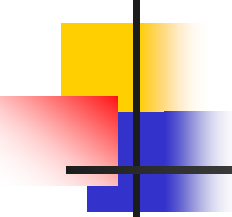
National Center on Substance Abuse and Child Technical Assistance Grant

Goals of Grant

- Create a statewide infrastructure to improve coordination of multiple systems
- Achieve safe and timely permanency along with well being for children and their families

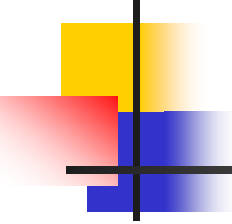
Deliverables of Project

- MOU with DSS, Supreme Court Office of the Executive Secretary, and DMHMRSAS to address infrastructure, collaboration and model protocols for local agencies.
- A 3-5 Year Strategic Plan to address child safety, permanency and well-being according to ASFA.



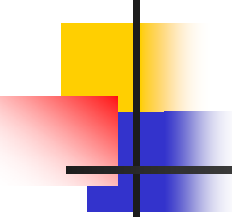
Recommendation 1

- Request DSS and OCS to present information to the Commission on Youth on potential ways to address the problem of the shortage for family foster parents in Virginia. Both systemic and financial barriers impacting recruitment and retention of foster families shall be addressed in this study as well as best-practices for utilizing CSA funds to reduce institutional placements.



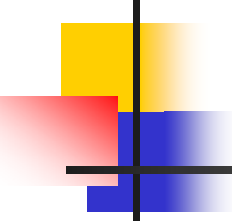
Recommendation 2

- Request DSS and OCS to continue all efforts to extensively access Title IV-E funding as well as other applicable federal funds for foster care youth. Such methods may include coordination of agency policies, negotiation of interagency agreements, unbundling of services on claims and integration of data collection and reporting procedures. DSS and CSA shall present information on these efforts to the Commission on Youth.



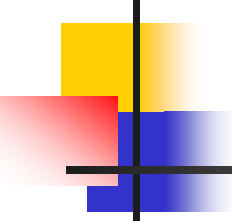
Recommendation 3

- Request DSS and OCS to compile a work plan to implement statewide concurrent planning as a mechanism to transition children from foster care into permanent placements. The DSS shall present information on these efforts to the Commission on Youth prior to the 2005 General Assembly Session. The work plan shall address necessary regulatory and policy changes, data-sharing and training issues.



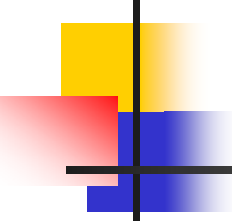
Recommendation 4

- Request a budget amendment to reflect the intent of the General Assembly that the maintenance rates paid to foster families be adjusted annually consistent with changes in the Consumer Price Index.



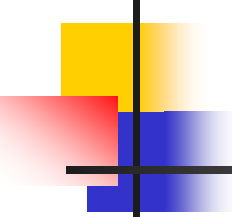
Recommendation 5

- Request a budget amendment to fund an increase in foster care maintenance rates paid so to make them equivalent to the national average (from \$294 to \$387 for ages 0-4; from \$344 to \$404 for ages 5-12 years of age; and from \$436 to \$462 for age 13+).



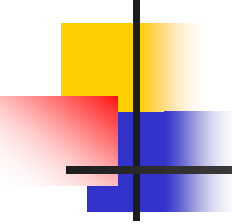
Recommendation 6

- Request a budget amendment to fund an increase in the clothing allowance from \$300 to \$440 (the national average amount spent for a 9-11 year old by a family making less than \$39,700 per year).



Recommendation 7

- Request DSS and OCS to evaluate the feasibility of utilizing special needs payments as a means of increasing reimbursement for families managing more difficult children who do not require the additional case management or services set forth in therapeutic foster care. The evaluation should address therapeutic foster care placements, reimbursements for such placements and ways these placements can be gradually reduced.



Recommendation 8

- Request DSS to further investigate public-private partnerships for recruiting and retaining foster families in the Commonwealth. Such efforts may include collaboration to improve the service array offered to foster families as well as training and other forms of assistance.