

**Department of Human Services
2009-11 Policy Option Package**

Division Name: Children, Adults and Families

Program Name: Foster Care

Policy Option Package Initiative: Children are Safe and Healthy

Policy Option Package Title: Day Care Services for Foster Children

Policy Option Package Number: POP 104

Related Legislation: Not Applicable

Summary Statement:

This POP develops a statewide day care support service for foster children who are in the state’s legal custody when a foster parent is employed outside the home. Currently, foster parents must pay on their own for the day care of foster children in the state’s legal custody, which is often more than foster parents receive in foster care payments from the state. This makes it difficult to recruit and retain foster parents. This POP increases the number and diversity of available foster homes for children, increases the number of children who can be placed with relatives otherwise unable to afford the financial hardship of day care services, and helps to stabilize foster placements. This POP addresses a particularly significant barrier to being able to place minority children with relatives, which is a factor in the disproportionate number of minority children in non-relative foster care. Federal Title IV-E funding will be leveraged for IV-E-eligible children, which provides 63 percent in federal matching funds to the state’s 37 percent state General Funds. The adverse effect of not implementing this POP is limiting the number of Oregonian families and relatives able to afford to provide foster care, higher rates of burnout in foster parents, lack of stability in placements, and attendant behavioral and attachment issues for the foster children. A portion of these funds will be used for minority children in foster care to support culturally specific day care needs.

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

This POP will provide day care for children in foster care who are placed in foster care homes with working parent(s). This POP will also provide culturally specific day care settings for minority children. Currently, foster parents must pay for the day care of foster children in the state's legal custody on their own, which is often more than they receive in foster care payments from the state. Regular day care runs in excess of \$400 per month per child and the current foster care rate for a child 5 years old or younger is \$399 for food, clothing and shelter. In the last federal fiscal year the highest percentage of children placed in foster care were under 5 years old (5,924 children or 39 percent of the total). This age group places a burden on working relatives and foster parents who are unable to afford child care. Providing child care would address these issues.

In the current system, many children removed from their parents need to be placed in non-relative foster care because a relative may be unable to provide the day care while they work and cannot terminate their employment. Often, minority children and their specific cultural needs go unmet due to limited resources. In the last fiscal year 28.5 percent of children in care were placed with relatives. Placing children in non-related care is a hardship on children by reducing or eliminating contacts with relatives or other significant relationships in their lives. The lack of day care support remains a primary deterrent for the recruitment of prospective foster parents when they learn they will receive no assistance for day care. Prospective foster parents that are willing and able to provide foster care for children and otherwise meet the standards for certification do not follow through if they are unable to provide day care.

This POP will provide a statewide employment related day care service for children in the state's legal custody residing in family foster care programs. This POP will also use a portion of the funds to deliver culturally specific day care resources to minority children in foster care. It allows children to be placed immediately with working relatives where child care is a barrier who otherwise would be able to care for the

children. It allows the department to develop more comprehensive recruitment strategies and support to increase the pool of qualified foster parents. This will increase placement stability and improve the well-being of children. This service will allow for additional supervision of children by a licensed day care provider which will increase the safety of the child.

The program itself will be administered in a similar fashion, with limitations and caps as the other Employment Related Day Care Services operated under CAF- Self Sufficiency Division.

2. WHY DOES DHS PROPOSE THIS POP?

The family foster care system structure was primarily designed in the 1950s where the mother was most often a stay-at-home parent who provided care for the children. Over time society has changed where more and more former stay at home mothers have entered the work force. In addition, the cultural complexities of our communities have left culturally specific services at a significant deficit.

The reality of today is that due to economic factors a single income family is the minority and generally at the lower end of the income scale. As a result, both parents are entering the workforce creating the increased need for day care. Another economic factor is that most people are working longer before they retire. This directly affects relatives who need to work and consequently are unable to be a resource when day care is a barrier.

At the same time, children that enter the foster care system have greater needs and more serious problems than children of similar age and it has only increased in intensity in the past decade. Many of these children have culturally specific needs upon entering foster care and would not thrive adequately with those specific services. Foster children require more intensive supervision, behavior management, and a greater array of culturally specific services to address their care needs. Without day care, foster parents have a difficult time balancing the demands of their lives and some consequently “burn out” or are no longer able to continue

juggling caring for children, their own family, day care, employment and cease being foster parents. This has negative consequences on the children who then move to another foster home and increases placement instability and the development of attachment or other behavior/emotional issues.

Providing day care for children in foster care placed with working foster parents or relatives will allow more children to be placed directly with relatives and/or maintained in their placement. Using relatives will support some of the culturally specific needs of foster children. Providing day care will increase the number of relatives and foster parents that are able to become foster parents where day care is a barrier. It will allow the agency to increase recruitment efforts and retain qualified foster homes that may leave due to lack of child care. This will reduce overcrowding in foster care, improve our resources for culturally competent services and improve the quality of care received by the child.

National studies and surveys have shown that day care is a major barrier in the recruitment and retention of foster and relative providers. Oregon has yet to take full advantage of federal IV-E matching funds for day care for children placed in foster care [HHS 1355.20] who are IV-E-eligible. Day care for employed foster parents or relatives is an allowable care expense that is considered part of the maintenance payment and receives the Federal Financial Participation rate of 63 percent federal funds when the state provides 37 percent from the General Fund.

The request for this service has been identified as a need for a number of years and has been raised throughout most communities across the state including Tribal representatives who also struggle with recruitment of families for the very same issue. This will be a new service that will benefit the children in the state's custody. It will have an effect on the Foster Care, Self Sufficiency and Employment Programs. We anticipate an increase in the use of licensed day care providers and closer coordination with Self Sufficiency and the Employment Department in the licensed day care system.

Creating this service by utilizing the available federal matching funds will leverage state general funds, children will be placed more often with relatives, the number of available foster parents will increase, placements for children will stabilize, and services available for children will increase.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS?

This POP aligns with the Department's goal that people are safe and the department's mission to assist people to become independent, healthy and safe by maintaining important connections and stable placements for children. Providing support for child care adds to the safety of children in foster care by reducing the stress in the home, increases the overall pool of available foster homes thereby decreasing the number of foster homes who may be overloaded, increases the number of Oregonians involved with supporting children and families and by adding additional safety providers to ensure safety of the child(ren).

4. IS THIS POP TIED TO A DHS PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL DHS MEASURE THE SUCCESS OF THIS POP?

The POP addresses several performance measures identified in the federal Child and Family Services Review of Child Welfare. The performance measures from the CFSR that align with this POP are:

- Increase the number of available foster homes for children. (Recruitment and retention of foster homes would be enhanced if child care was removed as a barrier for working families).
- Increase the number of families with the ethnic and racial diversity of children in the State for whom foster and adoptive homes are needed.
- Increase the number of children living with relatives.

- Increase the number of service arrays available to children and families.
- Increase placement stability by reducing moves in foster care.

5. DOES THIS POP REQUIRE A CHANGE(S) TO AN EXISTING STATUTE OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.

No

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

The department historically has not provided this service, although this need has continued to be raised by communities, foster parents, Tribes and other ethnic communities and staff as an important service that must be developed. The responsibility for finding, paying for, and maintaining day care has been the responsibility of the foster parents. Not providing this service has made it difficult to recruit and retain foster parents.

Oregon is at a critical stage due to its lack of available foster homes. The department is unable to recruit foster families, especially those that are culturally appropriate, from a significant potential pool of foster families – those families with children in which all parents are employed. These families cannot afford to supplement the state’s need for day care for foster children.

According to Oregon data in the 2006 American Community Survey (U.S. Census Bureau), 58.6 percent of families with children under age 6 have all parents in the labor force. This number increases to seventy percent for children ages 6 to 17. If all ages are combined, 66 percent of Oregon families with children have all parents in the labor force.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

- The lack of day care assistance for working foster parents will remain the primary deterrent of Oregonians stepping forward to become foster parents and provide care for children.
- Potential foster parents and relatives that otherwise meet state qualifications will continue to not pursue becoming foster parents.
- Children will continue to be placed with non-relatives rather than with relatives or adults with significant relationships with the children when day care funding is a barrier.
- Children will miss out on culturally specific opportunities at a crisis point in their lives.
- Recruitment and retention of foster homes will continue to face challenges if child care funding was a barrier.
- Children in foster care will continue to have more moves as a direct result of not supporting foster families.
- The Department will continue to not realize the full potential of Federal IV-E matching funds without this POP being implemented.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

Tribal governments who provide foster care through the Title IV-E program will be positively impacted by this POP with the additional matching federal funds to provide support for working foster parents and relatives. This will increase their abilities to recruitment and retain available foster homes as well as increase the ability to place Tribal children with relatives or other Tribal members where day care assistance may have been was a barrier.

The Employment Division being responsible for day care licensing may see an increase in the numbers of people wanting to provide licensed day care.

9. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Implementation Date(s): October 1, 2009 with a phased in approach

End Date (if applicable): Ongoing

Program office is projecting a phased in approach based on current foster children, relieving some foster parents who currently are carrying the financial burden of child care and through the recruitment of additional families to foster children who now are precluded from care due to employment considerations.

- October 1, 2009 Initial phase will include approximately 500 children.
- April 1, 2010 Phase in an additional 500 children, to reach monthly total of 1,000
- October 1, 2010 Phase in an additional 500 children, to reach monthly total of 1,500
- April 1, 2011 Phase in an additional 500 children, to reach monthly total of 2,000

Program will utilize the pricing rates established by Self Sufficiency program through Market Rate Survey and Analysis.

a. Will there be new responsibilities for DHS? Specify which division(s) and describe their new responsibilities.

- | | |
|---|---|
| <input checked="" type="checkbox"/> Administrative Services | <input type="checkbox"/> Addictions and Mental Health |
| <input checked="" type="checkbox"/> Children, Adults and Families | <input type="checkbox"/> Public Health |
| <input type="checkbox"/> Division of Medical Assistance Programs | <input type="checkbox"/> Seniors and People With Disabilities |

Administrative support will be required for information systems improvements and maintenance, forecasting, budgeting, and accounting.

The Division of Children, Adults, and Families is responsible for eligibility and enrollment, training of staff and client notices related to eligibility and enrollment. The Division will need to craft rules around eligibility, rates. Child Welfare will parallel the Employment Related Day Care Program within Self Sufficiency to provide department consistency, limitations and market rate analysis.

b. Will there be new administrative impacts sufficient to require additional funding? Specify which office(s) and describe how it will be affected.

- | | |
|---|--|
| <input type="checkbox"/> Human Resources | <input type="checkbox"/> Payment Accuracy and Recovery |
| <input type="checkbox"/> Information Security/Privacy | <input type="checkbox"/> Investigations and Training |
| <input type="checkbox"/> Document Management | <input type="checkbox"/> Facilities |
| <input type="checkbox"/> Audit and Consulting | <input type="checkbox"/> Contracts and Procurement |
| <input type="checkbox"/> Information Services (computers) | <input type="checkbox"/> Budget, Planning and Analysis |
| <input checked="" type="checkbox"/> Financial Services (accounting) | <input type="checkbox"/> DHS Office of Communications |

There are administrative impacts, most of which are not significant enough to result in a fiscal impact. However, additional staff is required in Financial Services to process day care provider invoices.

c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.

There will be no changes to client caseloads but the POP will create a new service for current clients.

d. Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.

Yes, this program will require staff in the Office of Financial Services, CAF Field Operations – Direct Pay Unit, and an Operation Policy Analyst to operate the program.

- CAF Program Office will require an OPA 3 (1 FTE at Operation Policy Analyst 3) staff within CAF – Office of Safety and Permanency for Children to create the program start-up, development

of policies, procedures, service codes development, staff training, consultation and program oversight. The intention is to run this new service parallel to the other Employment Related Day Care services in CAF- Self Sufficiency. This position will create the oversight, review, policy or procedure adjustments and troubleshoot program needs.

- Office of Financial Services will require an Administrative Specialist 19 level to process the billing invoices up to program capacity of 3,000 transactions per month. It is anticipated that each FTE may process approximately 1,500 transactions per month. The total program roll-out may require 2 FTE at Administrative Specialist salary level 19.
- CAF Field Operations – Direct Pay Unit processes, registers, facilitates criminal records and background checks for new childcare providers for DHS, problems solves payments for day care providers. Staff requirements for (3-6 FTE) Administrative Support 1 at the 17 salary range level. Caseload capacity will range from 500-1000 cases per staff.

[Full development of this service integration between Child Welfare and Self Sufficiency will create efficiencies in staffing responsibilities].

e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?

The Department has a system in place already for this service so the start-up will be minimal. Systems are in place and with the current design will be able to accommodate the new service. There will be a need to add some components that will provide notification to foster parents. Materials, outreach, training, client notices, provider notices, and other communications will be required but the costs are negligible.

f. What are the ongoing costs?

The ongoing costs are inherent in the actual delivery of the day care service for children by paying the day care provider, and in the staffing package to operate this new program.

The average daily population of children in family foster care is projected to be 5,852 in 2009-11. An estimated 66 percent of foster families have all parents in the work force, using the 2006 American Community Survey data on Oregon as a guide. This projects a potential service group of 3,862 children. However, because the program will be phased in, an average daily population of 2,000 children are expected to receive day care services by the end of 2009-11.

There is a workload added to Foster Home Certifiers and Caseworkers (Social Service Specialist 1) who may become involved in assisting the foster parent in identifying and securing a day care service. The local branch office support staff will have new services to open for children. All of which will be offset by other job tasks of reduction of placement stability, and reduce foster parent concerns.

g. What are the potential savings?

The department may realize workload savings in the application of the POP, but it's not possible to quantify such savings at this point.

h. Based on these answers, is there a fiscal impact?

Yes

i. What are the sources of funding and the funding split for each one? Include grant names and fund type, such as “Medicaid, General and Federal Funds.”

- Title IV-E funds for IV-E-eligible children: 63 percent federal funds and 37 percent General Fund
- General Fund only for non-IV-E-eligible children.

The legal reference for Title IV-E program eligibility can be found at 45 CFR 1355.20 Section 475 (4) (A) of the Social Security Act and is also located in the ACF Child Welfare Policy Manual References: 8.3B and 8.3 B.1. The specific language is as follows;

“Daily supervision” for which foster care maintenance payments may be made includes:

(1) Foster family care---

- **Licensed child care**, when work responsibilities preclude foster parents from being at home when the child for whom they have care and responsibility in foster care is not in school
- **Licensed child care** when the foster parent is required to participate, without the child, in activities associated with parenting a child in foster care that are beyond the scope of ordinary parental duties, such as attendance at administrative or judicial reviews, case conferences, or foster parent training
- Payments to cover these costs may be: included in the basic foster care maintenance payment; a separate payment to the foster parent, or a separate payment to the child care provider.