

THE ECONOMICS OF CHILD FOSTER CARE IN CENTRAL FLORIDA

**The Center for Community Partnerships
College of Health & Public Affairs
University of Central Florida**



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Did you know.....

“Since 1986, the number of foster children has increased by 90 percent while the number of licensed foster families in the United States has decreased by 3 percent.”

(Child Welfare League of America)

Florida ranks 35th of out of the 50 states in child well being

(Annie E. Casey Foundation)

“The average cost for overnight care of a dog stands at \$20.00 per night, while the basic daily rate for fostering a child is just over half that cost.”

(Robin, a Central Florida Foster Parent)

TABLE OF CONTENTS

	Page No.
Executive Summary.....	4
Acknowledgements	6
Introduction.....	7
Estimating the <i>Actual Costs</i> of Raising a Child in the Central Florida Region.....	8
- United States Department of Agriculture (USDA) Cost Guidance	8
- The Economic Policy Institute’s “Basic Family Budget”	9
Florida Child Day Care Subsidies.....	12
The Elements of the Basic Foster Care Reimbursement Rate	13
A Comparison of Basic Foster Care Reimbursement Rates By State	15
A Comparison of Supplemental Reimbursements By State	17
Implications for Recruitment & Retention of Foster Parents	18
Strategies for Improving the Foster Care System.....	21
Summary & Conclusion.....	23
References.....	24
Appendix A: Authorizing Legislation.....	25
Appendix B: Study Objectives.....	26
Appendix C: Study Methods.....	27

EXECUTIVE SUMMARY

Foster care is a public-private program that provides for the temporary placement of children and youth in home settings, other than their own, due to child abuse or neglect. Federal funding for foster care is provided to states under Title IV-E of the *Social Security Act* (See Appendix A). In 2002, some 32,000 children were in foster care in the state of Florida (CWLA, 2005). The average length of stay for a child in the Florida foster care system is just under two years (23.7 months). In Florida, the Department of Children & Families (Florida DCF) administers the foster care program. The monthly payment made to foster parents is called the “*basic foster care reimbursement rate.*” The average Florida basic foster care reimbursement rate is \$380.00 monthly (based on a child 9 years of age).

This study seeks to *estimate the actual costs* of caring for a foster child in the Central Florida Region. To this end the study makes two relevant monthly cost comparisons:

- The first cost estimate comes from the U. S. Department of Agriculture (USDA) and is designed, among other purposes, to inform and assist states in the establishment of their foster care reimbursement rates; and
- The second cost estimate is provided by the Economic Policy Institute, a Washington, DC think tank, and is based on the concept of a “basic family budget.”

The USDA and the Economic Policy Institute cost estimates are then compared to the monthly Florida DCF basic foster care reimbursement rate paid to foster parents in Florida. The average Florida basic foster care reimbursement rate is \$380.00 monthly (based on a child 9 years of age). The Florida DCF basic foster care reimbursement rate is also compared to the foster care reimbursement rates paid by other states and to Florida’s child day care subsidy rate.

As part of this study, a focus group interview was conducted with seven Central Florida foster care parents. The purpose of the focus group interview was to discern the views of foster parents as to the actual costs of raising a child in the Central Florida Region and the adequacy of Florida DCF’s basic foster care reimbursement rate in meeting those costs. The views of Central Florida foster parents provide context and insights that statistics do not. The comments made by the foster parents are interspaced throughout the report.

Major Study Conclusion:

The major conclusion of this study is that: *Florida DCF’s basic foster care reimbursement rate falls far short of the actual costs incurred by foster parents in caring for foster children in the Central Florida Region.*

Major Study Findings:

The major findings of this study are:

- Finding 1:** The estimated actual costs of raising a foster child in the Central Florida Region ranges from *\$739.00* to *\$890.00* monthly.
- Finding 2:** The average Florida Basic Foster Care Reimbursement Rate is *\$380.00* monthly.
- Finding 3:** The Florida DCF basic foster care reimbursement rate is only about half the USDA estimated average actual monthly costs.
- Finding 4:** Foster parents, on average, contribute between *\$359.00* and *\$510.00* monthly out of their own pockets towards the care of a foster child.
- Finding 5:** Florida pays more for child day care services than it does for *full time* (24/7) foster care services.
- Finding 6:** Florida's basic foster care reimbursement rate ranks 35th among 47 states and the District of Columbia.
- Finding 7:** Foster parents in the Central Florida Region are less well off financially earning some *\$6,000* less than the median annual income of all Central Florida families.

ACKNOWLEDGEMENTS

This study was conducted by the Center for Community Partnerships at the University of Central Florida. The principal author of this study is Ms Hillary Knepper, a Ph.D. student in public affairs at the University of Central Florida. Ms Knepper worked under the direction and supervision of Dr. Lawrence L. Martin, Professor of Public Affairs and Director of the Center for Community Partnerships at the University of Central Florida. Funding for this study was provided by Family Services of Metro Orlando.

INTRODUCTION

Foster care is a public-private program that provides for the temporary placement of children and youth in home settings, other than their own, due to child abuse or neglect. Federal funding for foster care is provided to states under Title IV-E of the *Social Security Act* (See Appendix A). In 2002, some 32,000 children were in foster care in the state of Florida (CWLA, 2005). The average length of stay for a child in the Florida foster care system is just under two years (23.7 months). In Florida, the Department of Children & Families (Florida DCF) administers the foster care program. The monthly payment made to foster parents is called the “basic foster care reimbursement rate.” The average Florida basic foster care reimbursement rate is \$380.00 monthly (based on a child 9 years of age).

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The USDA and the Economic Policy Institute cost estimates are then compared to the monthly “*basic foster care reimbursement rate*” paid by the Florida Department of Children & Families (Florida DCF) to foster parents in Florida. The Florida DCF basic foster care reimbursement rate is also compared to the foster care reimbursement rates paid by other states and to Florida’s child day care subsidy rate.

As part of this study, a focus group interview was conducted with seven Central Florida foster care parents. The purpose of the focus group interview was to discern the views of foster parents as to the actual costs of raising a child in the Central Florida Region and the adequacy of Florida DCF’s basic foster care reimbursement rate in meeting those costs. The views of Central Florida foster parents provide context and insights that statistics do not. The comments made by the foster parents are interspaced throughout the report.

The study also “deconstructs” Florida DCF’s basic foster care reimbursement rate examining the costs that are: adequately reimbursed, those costs insufficiently reimbursed and those costs not reimbursed at all. The common elements that comprise the basic foster care reimbursement rate provide a foundation for comparisons across states. The issue of “supplemental rates” is also examined.

The major conclusion of this study is that: *Florida DCF’s basic foster care reimbursement rate falls far short of the actual costs incurred by foster parents in caring for foster children in the Central Florida Region.*

ESTIMATING THE ACTUAL COSTS OF RAISING A CHILD IN THE CENTRAL FLORIDA REGION

In Florida, the Department of Children & Families (Florida DCF) administers the foster care program. The monthly payment made to foster parents is called the “basic foster care reimbursement rate.” Three rates are paid depending upon age (see Table 1).

Table 1: Florida DCF Basic Foster Care Reimbursement Rate

	Age 2	Age 9	Age 16
Florida DCF Rates	\$369.00	\$380.00	\$455.00

In order to determine *the actual costs* of raising a foster child in the Central Florida Region, two cost estimates are consulted. The first cost comes from the United States Department of Agriculture (USDA); the second cost estimate is provided by the Economic Policy Institute.

Before commencing with the comparisons, it is important to note that the cost of caring for a foster child can be as much as 50% greater than the cost of caring for one’s own child. This somewhat surprising statistic is well documented in the child welfare literature. Among the additional costs associated with caring for a foster child are security and property damage costs as well as the costs associated with the psychosocial needs of children who have been abused or neglected (Oldfield, 1997; Kirton, 2002; Jarmon & Mathiesen, 2000).

United State Department of Agriculture (USDA)

The USDA annually releases a report entitled, *Expenditures on Children*. One of the principal purposes of this USDA report is to inform and assist states in the establishment of **child support payments** and **foster care reimbursement rates** (Lino, 2004, p.3). The USDA report provides cost estimates by geographical region and makes adjustments for regional cost of living differences. The Central Florida Region falls in the USDA category called the “urban south.” Table 2 shows the USDA monthly cost estimate of raising a child in the urban south compared to the USDA national cost estimate. The USDA income category of \$41,700 was selected for comparison purposes as it most closely approximates the average annual income of foster

“I estimate the start-up costs for caring for a newborn in my home at about \$1,750-\$2,500...this with shopping at thrift stores and convincing grocery stores to discount their store brand of diapers. For my teenager, within the first 20 days of placement, my out-of-pocket expenses were at \$563.46, not including her clothing voucher.”
Robin. Central Florida foster parent.

families in the Central Florida Region. The USDA provides three monthly costs estimates for ages: 2, 9 and 16.

Table 2: Average USDA Monthly Cost to Raise a Child¹

	Age 2	Age 9	Age 16
Nationally ¹	\$587.00	\$602.00	\$667.00
Urban South ²	\$739.00	\$757.00	\$839.00

Source: *Expenditures on Children By Families*, USDA Center for Nutrition Policy and Promotion.

1. Average costs nationally for families with incomes below \$ 41,700.
2. Estimated costs to raise a child for families in the Urban South.

When the reimbursement data from Table 1 are compared to the average monthly USDA costs to raise a child in the urban south from Table 2, it becomes apparent that the Florida DCF basic foster care reimbursement rate is: *only about half the USDA estimated average actual monthly costs.*

Economic Policy Institute

In 2005, The Economic Policy Institute, a Washington DC think tank, published a briefing paper addressing the concept of a “basic family budget.” The basic family budget is an indicator of economic stability and well being for families. The basic family budget differs from poverty level guidelines in its attention to the *actual costs* families experience in a variety of family types and regional settings. While federal poverty guidelines provide a measure of the degree of economic deprivation experienced by people, the basic family budget measures a family’s ability to meet a “decent but modest living standard in the community in which it resides” (Allegretto, 2005 p. 1).

The basic family budget provides a second benchmarking opportunity. Like the Florida DCF’s basic foster care reimbursement rate, the basic family budget includes housing, food and clothing costs in its computations. However, the basic family budget goes further in recognizing additional costs necessary to meet a family’s needs

Foster Parent Profile:

Kim is a single working teacher and the foster parent of two infants with special needs. Each month, Kim faces tremendous difficulties in stretching her budget to meet the costs associated with caring for her two foster children. Out of pocket medical costs have been high, with particular regard for prescription drugs. Kim notes that she rarely pays her rent on time as she struggles financially. Prior to becoming a foster parent, she was financially stable and able to meet her monthly bills in a timely fashion. Kim says an increase in the reimbursement rate and attention to more rapid up-front assistance for a new placement would improve the stability of her foster home, and likely increase the opportunity to recruit new foster parents.

including: transportation, child care, health care, other necessities (e. g., personal care, household supplies, school supplies), and taxes. The basic family budget determines the income necessary to provide a “safe and decent standard of living” for one of six family types living in any of 400 specific U.S. communities (Allegretto, 2005 p. 1).

Unfortunately, the Central Florida Region is not identified as a separate identifiable community in the Economic Policy Institute data. Consequently, a comparable community (preferably in the south) had to be identified. Charlotte, North Carolina was selected to serve as a surrogate for the Central Florida Region. The basic family budget for Charlotte, North Carolina is estimated to be \$3,561. This figure is close to the median monthly income of Central Florida foster parents. However, Charlotte, North Carolina has a cost of living indicator that is only 86% of Orlando’s cost of living indicator (www.homefair.com). In other words, the basic family budget of \$3,561.00 goes further in Charlotte than it does in the Central Florida Region. All basic family budgets assume a four person household (2 parents and 2 children).

Table 3 compares the hypothetical basic family budget (based on Charlotte) for the Central Florida Region with the Florida DCF’s basic foster care reimbursement rate. Assuming an equal allocation of the costs included in the basic family budget between all four family members, the *estimated actual costs* on a monthly basis to raise one child in the Central Florida Region is computed at \$890.00, some \$510 a month more than the average Florida DCF basic foster care reimbursement rate.

Table 3: Comparison of Florida DCF Basic Foster Care Reimbursement Rate With the Economic Policy Institute’s Hypothetical Basic Family Budget for the Central Florida Region.

Basic Family Budget 1	\$890.00
Florida DCF 2	\$380.00

1. Hypothetical basic family budget based on costs for Charlotte, North Carolina.
2. Based on a child 9 years of age.

“Last year, my average electric bill was \$340 a month. This year, that same bill is about \$745.”

Jerry, foster parent since 1994.

Major Section Findings:

Finding 1: The estimated actual monthly cost of raising a foster child in the Central Florida Region ranges from *\$739.00* to *\$890.00*.

Finding 2: The average Florida Basic Foster Care Reimbursement Rate is *\$380.00* monthly.

Finding 3: The Florida DCF basic foster care reimbursement rate is only about half the USDA estimated average actual monthly costs.

Finding 4: Foster parents, on average, contribute between *\$359.00* and *\$510.00* monthly out of their own pockets towards the care of a foster child.

FLORIDA CHILD DAY CARE SUBSIDIES

The State of Florida provides child day care subsidies for families with children who are “at risk of abuse and neglect or who are economically disadvantaged.” Children in Florida’s foster care system have usually suffered abuse or neglect and consequently are eligible to receive subsidized child day care services.

Table 4 compares the Florida subsidized child day care reimbursement rate with the Florida DCF basic foster care reimbursement rate. The subsidized child day care reimbursement rate for a two year old child receiving full day services (8 hours) for five days per week in a licensed child day care facility is about \$400.00 monthly. This figure compares to the average basic foster care reimbursement rate of \$380.00 monthly paid by Florida DCF to foster parents in the Central Florida region to provide care for a foster child 24/7.

Table 4: Comparison of Florida DCF “Basic Foster Care Reimbursement Rate” With Florida Subsidized Child Day Care Services Reimbursement Rate.

Child Day Care	\$400.00
Florida DCF	\$369 - \$380 - \$455 ¹

¹ Range of payments for children age: 2, 9 and 16.

As Table 4 demonstrates, the state of Florida is apparently willing to reimburse more for child day care services per month than the Florida DCF is willing to reimburse foster care families for *full-time* 24/7 monthly care.

Major Section Findings:

Finding 5: Florida pays more for child day care services than it does for *full-time* (24/7) foster care services.

THE ELEMENTS OF THE BASIC FOSTER CARE REIMBURSEMENT RATE

Federal legislation mandates that basic foster care reimbursement rates must include: room and board, supervision, and clothing. States may also include additional items in their basic rates such as: childcare, respite care, transportation, personal allowance, school supplies, recreation, community activities and incidentals. Supplemental and therapeutic rates may include education, respite care, level of need, clothing, transportation, health and medical care (other than Medicaid), emotional, behavioral, or psychological services. Although housing is generally provided for within the basic foster care reimbursement rate, some states provide a supplement owing to the high costs of housing in many communities.

Three elements are generally included in the “basic foster care reimbursement rate” in Florida and nationally.

- 1) Room and Board
- 2) Clothing
- 3) Daily Supervision

In nearly all 50 states (with the exception of Alaska and Michigan, which do not include funds for daily supervision in the basic rate, and Idaho, Maine, Wisconsin, New Hampshire, West Virginia, Rhode Island, Massachusetts, New York, and Hawaii, which do not include clothing in the basic rate) the basic foster care reimbursement rate supports room and board, daily supervision, and clothing for the duration of the foster child’s placement with that family. In Florida, this rate also includes a personal allowance for each child and assistance with incidentals such as personal care items. However, it is noted that Florida also provides an additional stipend of a \$200 clothing allowance per year for each foster child and an additional \$50 clothing allowance at the first placement of a foster child.

Problems with the Basic Foster Care Reimbursement Rate

Foster parents identified several issues with the elements of the basic foster care reimbursement rate:

- **The expense of diapers, car seats, cribs, strollers, etc quickly overrun any start up funds associated with a new placement;**
- **Many infants do not tolerate the WIC approved formula, which means extensive out of pocket costs for the foster parent just for formula alone.**
- **Co-pays associated with child care or child care that is not subsidized;**
- **Recreational costs for older children, lab fees, field trips, school supplies and special events at school;**
- **Over the counter medicines and health care incidentals;**
- **Personal care items for teens, and clothing particularly, are more expensive than the \$50.00-\$70.00 vouchers that are available;**
- **Gas, tolls, and parking associated with transporting children to various recurring appointments, with particular note that gas costs have increased dramatically;**
- **Utility costs that have soared in recent months.**

The 11 States (Alaska, Hawaii, Idaho, Maine, Massachusetts, Michigan, New Hampshire, New York, Rhode Island, West Virginia, and Wisconsin) that do not consider clothing or daily supervision within the scope of their basic foster care reimbursement rates, provide additional funds to cover these cost items. In addition to the basic foster care reimbursement rate, 31 states (including Florida) provide supplemental funding for clothing and another 7 states (not including Florida) include daily supervision within their supplemental payments.

It is important to remember that nearly all states assume that the basic foster care reimbursement rate covers all costs associated with room and board, clothing, and daily supervision. In other words, food, clothing, shelter, household utilities, gas and tolls, school related expenses, over the counter medicines, sundries and other necessities of daily living are expected to be covered by the basic foster care reimbursement rate.

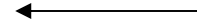
A COMPARISON OF BASIC FOSTER CARE REIMBURSEMENT RATES BY STATE

Attempting to compare foster care reimbursement rates across states is difficult due to several factors: (1) differences in regional costs of living, (2) differences in how reimbursement rates are computed, (3) differences in how supplemental payments are provided, and (4) differences among those elements that constitute “higher or therapeutic” rates. Nevertheless, Table 5 presents a comparison of state basic foster care reimbursement rates for all three categories of children (age 2, 9 and 16).

Table 5: Comparison of Basic Foster Care Reimbursement Rates By States

State	Age 2	Age 9	Age 16
1. District of Columbia	\$718.00	\$718.00	\$791.00
2. Connecticut	\$678.00	\$694.00	\$762.00
3. Alaska	\$644.00	\$572.00	\$679.00
4. Kentucky	\$599.00	\$599.00	\$660.00
5. Nevada	\$592.00	\$592.00	\$682.00
6. Kansas	\$568.00	\$568.00	\$568.00
7. Maryland	\$535.00	\$535.00	\$550.00
8. Hawaii **	\$529.00	\$529.00	\$529.00
9. Texas	\$521.00	\$521.00	\$521.00
10. Minnesota	\$517.00	\$517.00	\$627.00
11. New York **	\$460.00	\$541.00	\$626.00
12. Massachusetts **	\$454.00	\$471.00	\$522.00
13. Iowa ¹	\$447.00	\$467.00	\$518.00
14. Rhode Island **	\$442.00	\$382.00	\$403.00
15. Vermont	\$436.00	\$483.00	\$535.00
16. Michigan	\$434.00	\$434.00	\$536.00
17. Maine **	\$432.00	\$441.00	\$494.00
18. California ²	\$425.00	\$494.00	\$628.00
19. Tennessee	\$421.00	\$485.00	\$540.00
20. New Jersey	\$420.00	\$453.00	\$526.00
21. Montana ¹	\$415.00	\$415.00	\$507.00
22. Alabama*	\$410.00	\$434.00	\$446.00
23. Arizona	\$408.00	\$397.00	\$477.00
24. New Mexico ²	\$408.00	\$441.00	\$467.00
25. Arkansas	\$400.00	\$425.00	\$475.00
26. West Virginia **	\$400.00	\$400.00	\$400.00
27. Wyoming	\$400.00	\$400.00	\$400.00
28. Delaware	\$397.00	\$397.00	\$511.00
29. South Dakota	\$397.00	\$397.00	\$477.00
30. North Carolina ¹	\$390.00	\$440.00	\$490.00
31. Utah	\$390.00	\$390.00	\$390.00
32. Georgia	\$388.00	\$411.00	\$433.00

33. Oregon	\$378.00	\$393.00	\$485.00
34. New Hampshire **	\$373.00	\$406.00	\$479.00
35. Florida	\$369.00	\$380.00	\$455.00
36. Illinois	\$369.00	\$410.00	\$445.00
37. Washington	\$366.00	\$442.00	\$515.00
38. North Dakota	\$351.00	\$397.00	\$517.00
39. Colorado	\$349.00	\$349.00	\$423.00
40. Louisiana	\$331.00	\$365.00	\$399.00
41. Mississippi	\$325.00	\$355.00	\$400.00
42. South Carolina	\$312.00	\$339.00	\$405.00
43. Wisconsin **	\$302.00	\$329.00	\$391.00
44. Oklahoma	\$300.00	\$360.00	\$420.00
45. Virginia	\$294.00	\$344.00	\$436.00
46. Idaho **	\$251.00	\$275.00	\$394.00
47. Missouri	\$227.00	\$277.00	\$307.00
48. Nebraska	\$222.00	\$292.00	\$352.00



1. Source: National Resource Center for Family Centered Practice and Permanency Planning

2. Source: State Websites see references for exact web address

* Does not include daily supervision

** Does not include clothing

Note: Both Ohio and Indiana provide foster care reimbursements on a county-by-county basis and comparison data are not available at this time. Also, Pennsylvania’s foster care rate information is not currently available through any of these sources.

If a state does not provide a supplement for a specific cost category, it is generally assumed that the cost item is covered in the basic foster care reimbursement rate. Therefore, out of the monthly basic foster care reimbursement rates in Florida (\$369, \$380, \$455) for children ages 2, 9, and 16 respectively, foster parents generally must provide for food, housing, utilities, transportation, liability insurance, personal allowance, recreational and social activities, school supplies, field trips, high school graduation costs, over the counter medical supplies, child care co-pays, personal and other incidentals, cribs, bedding, car seats, diapers, non-WIC formula, and all other items not stipulated.

Major Section Findings:

Finding 6: Florida’s basic foster care reimbursement rate ranks 35th among 47 states and the District of Columbia.

A COMPARISON OF SUPPLEMENTAL REIMBURSEMENTS BY STATE

Supplemental reimbursements (or payments) cover costs incurred by foster families that are outside the basic foster care reimbursement rate. Some of the major reoccurring supplements are health, mental health and behavioral health costs that are covered by Medicaid.

According to the National Data Analysis System of the Child Welfare League of America (CWLA, nd), supplemental reimbursements fall roughly into 16 categories. Wide variation exists across states in the supplements most frequently available to foster parents. Table 6 identifies the categories of supplemental payments and indicates the number of states that provide the supplement.

Table 6: Supplemental Payments

	Supplemental Payment Category	Number of States/ District of Columbia Offering Supplement
1.	Liability Insurance	4
2.	Mental Health	20 *
3.	Personal Allowance	3
4.	Physical Health	19 *
5.	Recreation	16
6.	Respite Care	19 *
7.	School Supplies	11
8.	Travel Costs	28
9.	Child Care	33 *
10.	Clothing	31 *
11.	Daily Supervision	7
12.	Dental Care	20 *
13.	Difficulty Differential	29 *
13.	Education/Vocational Expenses	19 *
14.	Foster Parent Training	22 *
15.	Incidentals	17
16.	Other	5
* Includes Florida		
Source: Child Welfare League of America National Data Analysis System (NDAS)		

In the focus group interviews, Central Florida foster parents said that the types of supplemental reimbursements that would be most helpful to them would be: *personal allowances, recreation, and incidentals*; none of these costs are consistently provided for by Florida supplemental reimbursements.

IMPLICATIONS FOR RECRUITMENT AND RETENTION OF FOSTER PARENTS

“Since 1986, the number of foster children has increased by 90 percent while the number of licensed foster families in the United States has decreased by 3 percent” (Child Welfare League of America, 2000).

It is increasingly difficult to recruit foster parents in the Central Florida Region. Several reasons exist: two parent working households, liability insurance and the failure of Florida DCF’s basic foster care reimbursement rate to meet the actual costs of raising children (Chamberlain, 1992), particularly for children with special needs.

According to the Child Welfare League of America (2000), foster children with special needs (e. g., infants and young children with medical conditions and those with physical and mental disabilities) comprise the most rapidly expanding category of foster children. This population is expensive to serve. The increased costs of raising foster children with special needs are not fully funded by either the Florida DCF basic foster care reimbursement rate or by supplemental reimbursements.

Family income level is also an issue in the recruitment and retention of foster parents in the Central Florida Region. While the median household income in the Central Florida Region is \$48,431, or, 113% of the United States median income (U.S. Bureau of the Census Bureau Statistical Abstract), the median family income of foster parents in the Central Florida Region is only about \$42,804.00.

It is also important to understand the dynamics of foster home *capacity versus actual placement* of children. Only five foster homes in the Central Florida Region (out of a total of 347) are over capacity. Most homes remain intentionally under capacity. The main reasons for the underutilization of existing foster homes are:

- Foster parent burnout and turnover;
- Foster parents taking a break;

Special Needs Children

“My {foster} child had 6 appointments a week for different therapies, and each appointment ranged from 2-3 hours. The gas alone costs \$10 a day to drive her to these appointments.” Robin

In addition to driving children to school and recreational activities, costs are incurred driving children for medical, behavioral, and psychosocial therapies and miscellaneous appointments relating to being abused or neglected foster children. One foster mother noted the stressful history of foster children shows they need special attention and additional services beyond a caring, loving home environment.

- Inability to appropriately match foster parents and children; and
- Foster parents being restrictive about the type of child they will accept.

In terms of burnout, the overall turnover rate in foster homes in the Central Florida Region is about 13% per year meaning that each year some 40 - 50 foster parents drop out of the program (See Table 7).

When it Doesn't Work

One foster mother spoke about the difficulties she faced at work because of taking extended days off to care for one of her foster children. She felt this time off, along with the stress of the new child's behavioral and emotional needs, led in large part to losing her job.

Making it Work

As a working parent who must work to support her family, one foster mother spoke about the enormous challenge she faced with her foster children, one of whom required speech therapy 3 times a week, and the other who required occupational therapy twice a week and physical therapy 3 times a week. In this case, the foster mother found therapists and a child care program that were willing to work together to provide treatment for her {foster} children at the day care facility.

Table 7: Central Florida Region (District 7) Foster Homes, Placements & Turnover

	Orange County	Osceola County
Children in Foster Homes (Paid Placements)	553	307
Total Number of Foster Homes	268	79
Capacity of Foster Homes	615	173
Turnover Rate of Foster Homes *	12% (66 opened and 33 closed)	14% (23 opened and 11 closed)

Source: Family Services of Metro Orlando

* During a nine month period from Jan.-Sep. 2005

Major Section Findings:

Finding 7: Foster parents in the Central Florida Region are less well off financially earning some \$6,000 less than the median annual income of all Central Florida families.

STRATEGIES FOR IMPROVING THE FOSTER CARE SYSTEM

For many, it is the simple things that add up. Increased costs associated with laundry expenses, water, and utility bills can lead to increased financial difficulties over time. For example, braces are not covered by Medicaid unless the need is severe. Some emerging therapies are not covered, like those associated with Reactive Attachment Disorder- a not uncommon diagnosis among children who have been abused or neglected. The costs of liability insurance have increased. These costs were identified by the foster parents as inadequately provided for within the Florida foster care system.

“A higher board rate to cover the full costs of parenting foster children” (Jarmon and Mathiesen, 2000).

The focus group participants stressed that the *availability* of funds and the *accessibility* of funds represent two distinct problems faced by foster parents. The foster parents said that it can take as long as 60-90 days to get any financial reimbursement or support for something extra, like a basketball program. One foster parent noted that the public school had been unable to help her child with special assistance because he didn't test low enough to qualify as learning disabled. However, he struggles every day in school trying to keep up. Consequently, the foster parent is paying \$30.00 a week for two hours with a private tutor to help the child with his schoolwork. For a family that is financially secure, private tutors for a child are an expense that is generally accepted as par for the course in raising your own child. However, for foster parents, most of whom will have these children generally between a few months and two years, this is a significant out of pocket investment to make.

Reduce Bureaucracy and Time Delays:

“The time I spend advocating for getting my children what they need and dealing with bureaucracy is another hidden cost that you don't realize when you sign up to be a foster parent. You think because the children have Medicaid that their medical care is a given and this is far from reality.” Kim, foster parent for three months.

In July, 2000 the Lawton and Rhea Chiles Center for Healthy Mothers and Babies completed part one of a two-part study that examined key factors in the successful recruitment and retention of foster parents in the State of Florida. A variety of strategies were identified to deal with these problems that included: addressing bureaucracy, increasing training for foster parents and staff, and addressing workload issues. However, a key strategy for foster care improvement identified in this study was the need to increase the basic foster care reimbursement rate as well as the supplemental rates. Other strategies identified in the report include:

1. A higher board rate to cover the full costs of parenting foster children based on empirical estimates of these costs.

2. A board rate supplement for parents with children with serious behavioral or medical problems based on an initial assessment and a reassessment every six months.
3. Reimbursement for home improvements required as a condition of licensure provided the foster parent serves children adequately for a least one year or for some other specified period of time commensurate with the value of the improvement.
4. The option of joining the state employee health plan with the state contributing to the plan as if the foster parent were a state employee.
5. A contribution to a retirement fund after a foster parent has served children adequately for a minimum of one year with continuing contributions for every subsequent year the foster parent provides services.
6. Compensation for foster parents to cover excessive physical damages to homes caused by foster children (Jarmon and Mathiesen, 2000).

SUMMARY & CONCLUSION

The Annie E. Casey Foundation ranks the 50 states and the District of Columbia every year using a 10 indicator scale of child well being. These indicators are the percent of children living in poverty, the percent of families with children headed by a single parent, the percent of children living in families where no parent has full-time, year-round employment, the percent of low birth rate babies, the infant mortality rate, the child death rate, the rate of teen deaths by accident, homicide and suicide, the teen birth rate, the percent of teens who are high school dropouts, and the percent of teens not attending school and not working. The scale ranks states from best to worst on a scale of 1-50, with 1 being the best state for children as ranked by these indicators (AECF, 2004). Florida ranks 35th on this scale of child well-being and also ranks 35th among Basic Foster Care Reimbursement Rates. Is this the best Florida can do for its most fragile children?

“The average cost for overnight care for a dog stands at \$20.00 per night, while the basic daily rate for fostering a child is just over half that cost.” Robin, foster parent since 1999.

With an average foster care placement lasting nearly two years, it is incumbent upon the State of Florida to recognize the importance of advancing the stability and quality of available foster homes. Considering the ability of foster parents to adequately provide for

their foster children within their own community must remain a primary objective of the foster care system.

One foster parent raised the question of whether or not a basic foster care reimbursement rate of \$20.00 a day (which is equal to the cost to kennel a dog overnight), would be more adequate. Although the foster parents were hesitant to place an exact figure on the cost associated with raising a foster child, there was consensus that the \$20.00 rate would be a more adequate foster care reimbursement rate.

The Central Florida Region (District 7) provides an example of the stress that is placed upon foster families to remain stable and viable alternatives for children in need of temporary homes. The District also presents an example of the administrative burden and expense associated with a high foster home turnover rate, that may in large part be due to insufficient reimbursement rates, if evidence from the focus group session may be applied to the general District 7 foster parent population. Indeed, if those foster parents who participated in the focus group represent the most dedicated, most stable foster homes and they are experiencing significant financial stress, what must the strain be like for those foster parents that may be brand new.

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AUTHORIZING LEGISLATION

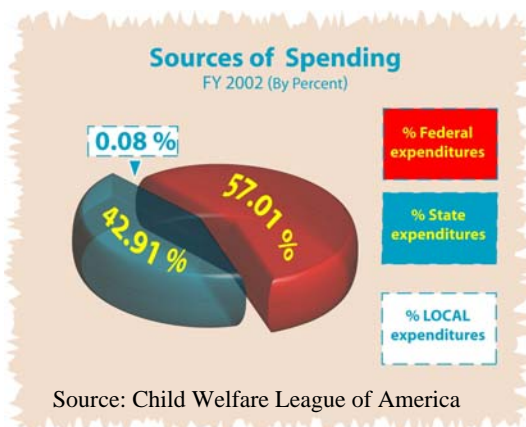
Foster care is a public-private program that provides for the temporary placement of children and youth in home settings, other than their own, due to child abuse or neglect. The primary goal of foster care is to provide safe, stable, and nurturing environments for at risk children until they either return home or until another suitable home environment is identified.

Foster parents are the caregivers for children who have been abused and neglected and who, for their own safety, are not able to live at home. Foster parents must complete stringent application processes that include detailed home inspections, often involve major changes to households, and they must attend in depth training. Foster parents must be willing to care for, and live with, children who are often deeply troubled, or who have significant physical incapacities that make their daily care difficult. To assist with the care of foster children, the federal government and state governments provide compensation in the form of the “Basic Foster Care Reimbursement Rate,” and some supplemental payments, to foster parents around the country.

Federal funding for foster care originates in Title IV-E of the *Social Security Act*. This funding is permanently authorized and is an open-ended entitlement program. In other words, States have the ability to obtain federal reimbursement for every eligible child. There are three foster care service elements for which reimbursement is made by Title IV-E to States for income eligible children:

- **Maintenance payments**- Assistance to help with the costs of housing, food, and clothing;
- **Administrative costs**- Assistance for administrative and direct services such as eligibility determination, case management, licensing, and court preparation
- **Training**- Educational opportunities provided to improve services and care for both foster parents and staff.

Foster Care Revenue Sources



The funding structure for state foster care reimbursement is based upon a State’s Medicaid reimbursement rate, anywhere from 50-80%, and is inversely related to State per capita income. Between 1983 and 1999, the number of children in foster care (estimated monthly count) more than tripled and federal spending on the foster care program exploded (Title IV-E). Notably, this growth in spending did not occur in maintenance payments (those payments for housing, food and clothing) but for administrative costs (Title IV-E).

STUDY OBJECTIVES

The primary research aim of this study was to attempt to identify the true cost of foster care in Central Florida. To accomplish this task, several research aims were identified:

1. The identification of those expenditures that are included in foster care reimbursement rates (basic and supplemental) in Florida and around the country;
2. A comparison of Florida's foster care reimbursement rate with states around the country;
3. The financial experiences of foster families in the Central Florida Region related to caring for their foster children;
4. The types of financial difficulties that foster families experience;
5. The overall adequacy of the current reimbursement rate for foster families in central Florida;
6. The adequacy of supplemental and therapeutic reimbursements for foster families in central Florida;

STUDY METHODS

The most comprehensive data available on foster care reimbursement rates around the country is found in the National Data Analysis System (NDAS) of the Child Welfare League of America. These data form the foundation for this report. NDAS identifies foster care reimbursement rates for children ages 2, 9, and 16. In large part due to the availability of data and the format in which data are available, this report examines foster care reimbursement rates for children ages 2, 9, and 16. Age groupings generally recognize the age of birth to two, the middle years, and the later teen years for purposes of multiple care needs and levels of supervision that are necessary and age appropriate.

A focus group was conducted among District 7 foster parents to explore their experiences with the financial aspects of foster parenting. Results of this meeting are provided throughout this study. On October 12, 2005 at 7:00pm, seven foster parents from District 7 came together for a two-hour focus group. It should be noted for possible bias purposes that these foster parents are considered to be exemplars within the District. Their years of foster care experience ranged from a few months to more than a decade. The focus group foster parents were, to a person, deeply committed to foster parenting and staunchly argued against the myth that foster parents “are in it for the money”. The overall purpose of the focus group was to explore the existing reimbursement rate within the District and its overall impact on the ability of foster parents to provide quality homes for their foster children.

Forty-one states and the District of Columbia report data made available on the NDAS. Basic Foster Care Reimbursement Rate data available only through other sources and not through the NDAS were compiled where available for the following states:

- California
- Iowa
- New Mexico
- North Carolina
- North Dakota
- Montana
- Pennsylvania

Because of the differential in source availability, comparisons that include these states may be less reliable give the variation in data elements. However, effort has been made by this researcher to identify those elements appropriate for inclusion.

Specialized Foster Care Reimbursement Rate data are much more limited, with only 28 of the 50 states and the District of Columbia making data available through the NDAS. Due to the immense diversity within this construct, State level data were not used for those states that were not available through the NDAS. Florida is among those states not providing data

for this element and therefore little is mentioned regarding the appropriateness of specialized, or therapeutic, foster care reimbursement rates.

The Child Welfare League of America (CWLA) cautions users of its National Data Analysis System (NDAS) about making comparisons across states. Although foster care reimbursement rates are not mentioned as an area of specific concern, the CWLA suggests attention be paid to footnotes to better understand the data provided. The authors carefully examined all footnotes and have identified those data elements that were gathered from sources other than NDAS.

