

**REPORT OF
THE DEPARTMENT OF SOCIAL SERVICES**

**INVOLVING PRIVATE
ORGANIZATIONS IN THE
PROVISION OF FOSTER CARE
SERVICES THAT PROMOTE
PERMANENT FAMILIES FOR
CHILDREN**

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



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COMMONWEALTH of VIRGINIA
DEPARTMENT OF SOCIAL SERVICES

Clarence H. Carter
Commissioner

January 8, 1998

TO: The Honorable George Allen

and

The General Assembly of Virginia

The report contained herein is pursuant to the Appropriation Act, Item 386 (1c) as approved by the 1997 General Assembly.

The Department of Social Services was requested to study new and innovative means of working with private agencies to ensure that permanent, nurturing families are available for children in foster care. This report focuses on how localities, primarily local departments of social services, work with private agencies to provide foster care placements and services and how these working relationships can be improved to promote permanency for children who are placed in foster care.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Clarence H. Carter".

Clarence H. Carter
Commissioner

INVOLVING PRIVATE ORGANIZATIONS IN THE PROVISION OF FOSTER CARE SERVICES THAT PROMOTE PERMANENT FAMILIES FOR CHILDREN

PREFACE

The 1997 Virginia General Assembly charged the Department of Social Services with *“studying the need for and funding of private organizations which employ new innovative strategies for serving children in foster care to ensure the availability of permanent, nurturing families for children in need.”*

Staff from the foster care unit, budget office, and research unit of the Virginia Department of Social Services conducted the study with input from staff in the Division of Licensing, the Comprehensive Services Act Office, local departments of social services and private foster care agencies.

The majority of foster care placements are provided by private individuals who are approved by local departments of social services or private Child Placing Agencies. Foster parents are not “public” employees, even when approved by local departments of social services. The study found the use of private Child Placing Agencies to provide foster care placements has substantially increased during the 1990's, particularly in the areas of developing more specialized treatment or therapeutic foster care resources. Areas needing increased emphasis are those that facilitate permanency for children and use of the private sector; i.e., working with the natural parents or relatives to reunite children with family or assisting the public sector in finding adoptive homes for children.

EXECUTIVE SUMMARY

The 1997 Virginia General Assembly charged the Department of Social Services with *“studying the need for and funding of private organizations which employ new innovative strategies for serving children in foster care to ensure the availability of permanent, nurturing families for children in need”* (Appropriation Act, Item 386 (1c), 1997).

Staff from the foster care unit, budget office, and research unit of the Virginia Department of Social Services conducted this study with input of staff in the Division of Licensing, the office of Comprehensive Services, local departments of social services and private foster care agencies. The study focused on how localities, primarily local departments of social services, work with private agencies to provide foster care placements and services and how these working relationships can be improved to promote permanency for children who are placed in foster care.

Foster care placement services in Virginia are funded through Title IV-E funds of the Social Security Act (federal and state) and Comprehensive Services Act funds (state and local) in the State Pool Fund. Both of these funding streams are distributed directly to localities to purchase foster care placement services for individual children. By state statute §16.1-248.2, local departments of social services are given authority to make placement decisions for foster children. Additionally, local departments of social services provide the majority of foster home placements by recruiting and approving families to be foster parents.

When a local department of social services is unable to provide an appropriate foster home for a child, either because one is not available or the child requires more intensive services than would be provided in a regular foster home, the locality may purchase foster family care services from a private Child Placing Agency. In Virginia, private organizations must be licensed as Child Placing Agencies to provide foster care. Private agencies, with more stringent licensing requirements than public agencies, generally provide a more therapeutic, treatment, or specialized service than is provided in most public sector programs, unless the public program is designed to be a treatment program.

The study found:

- The use of private agency placements has grown significantly during the 1990's.
- Private foster family care organizations have been responding to the need for foster care placements by developing child specific placements.
- Public and private agencies desire to collaborate more in the provision of foster care services to children in areas like foster home recruitment, approval and training, and reunification and adoption services.
- Private foster care agencies need to continue to provide specialized services for children

who have needs that the public sector approved homes cannot meet, although there seems to be increased interest by the private sector in providing regular foster family care.

RECOMMENDATIONS

Virginia's foster care program has been evolving during the 1990's into a system which is truly a public-private partnership. The private sector has stepped up to provide treatment foster care to children who require more intensive services than a "regular" foster home can provide. These programs have enabled children with difficult needs to remain in communities and be served in family settings. Based on input from the public and private sector, the following are recommendations of this study:

1. Increased collaboration between public and private agencies at the local level in areas such as foster and adoptive parent recruitment, collaborative models for placement of children with special needs, reunification, additional work with biological parents, and training activities for both public and private providers. The Virginia Department of Social Services should encourage collaborative efforts between public and private agencies in their local plans for utilizing Title IV-E Foster/Adoption Training funds.
2. Local public agencies involved in the Comprehensive Services Act (CSA) need to consider using State Pool Funds to contract with private agencies to provide reunification services for families in order to return foster children home sooner. Additionally, they should consider using CSA funds to locate adoptive homes sooner for children who cannot return home.
3. Public and private foster care agencies need to develop policies to address the need of children who need to be in treatment foster care and cannot return home or to their birth family with regards to permanency. Agencies should allow treatment foster parents to adopt or become permanent foster parents for such children. While we see an increase in the use of private treatment foster homes, we are seeing a decrease in adoptions of children in foster care. In that most (70%) of foster children are adopted by foster parents, this is less likely to occur in private treatment foster homes. Further study and exploration of incentives for adoptions by treatment homes is needed.
4. There needs to be a greater level of trust between private and public agencies - establishing and holding onto the premise that all parties involved are working in the best interest of the child, family, and community. This could be accomplished through more public/private collaborative initiatives such as grants, contracts, training, and meetings.
5. Private agencies should be utilized for stabilization services, parenting skills, crisis intervention, and transition services to move a child from the foster home back to the birth parent including an intensive in-home provider. Increased local contracting with private agencies to provide various levels of service to children which include regular and/or treatment foster care services which support these alternatives is needed.

TABLE OF CONTENTS

PREFACE	i
EXECUTIVE SUMMARY	ii
RECOMMENDATIONS	iii
PURPOSE OF STUDY	1
METHODOLOGY	1
CURRENT VIRGINIA POLICY	1
Costs of Foster Care Placements	2
Funding for Child Specific Placements Only	3
Expenditures for Foster Care Provided by Private and Public Providers	3
Utilization of Private Agency Foster Care Placements	4
Number of Licensed Private Child Placing Agencies	4
FINDINGS	5
Results of Surveys	5
Interviews with Staff from Private Child Placing Agencies	7
In Summary	8
RECOMMENDATIONS	8
APPENDIX	

PURPOSE OF STUDY

The Virginia General Assembly directed the Department to study new and innovative means of working with private agencies to ensure that permanent, nurturing families are available for children in foster care. Placement in foster care is intended to be temporary; foster parents are needed to meet the needs of children until the birth parents can resume their parenting responsibilities. Ensuring permanent, nurturing families for children in foster care means either placing children with their own family and ensuring that these families have the skills to provide a nurturing environment for the child or, if placement with family is not possible, identifying adoptive families that can meet the child's needs. In a limited number of cases, it may mean identifying permanent foster families when the child cannot be adopted or returned home.

The study focused on how localities, primarily local departments of social services, work with private agencies to provide foster care placements and services and how these working relationships can be improved to promote permanency for children who are placed in foster care.

METHODOLOGY

This study reviewed:

1. The use of private foster care placements for children in foster care during the 1990's using VACIS data.
2. Surveys (attached) and interviews with public and private providers to ascertain how private and public sector agencies view the provision of foster care placements by private agencies.
3. The funding of foster care through the Comprehensive Services Act and Title IV-E .

CURRENT VIRGINIA POLICY

Foster care placement services in Virginia are funded through Title IV-E funds (federal and state) and Comprehensive Services Act funds (state and local) in the State Pool Fund. Both of these funding streams are distributed directly to localities to purchase foster care placement services for individual children. By statute, local departments of social services are given authority to make placement decisions for foster children. Local departments of social services also provide the majority of foster home placements by recruiting and approving families to be foster parents.

When an appropriate foster home cannot be provided by a local department of social services because one is not available, or because the child requires more intensive services than would be provided in a regular foster home, the locality may purchase foster care services from a private Child Placing Agency. Private organizations must be licensed as Child Placing Agencies

to provide foster care in Virginia. Because of the more stringent licensing requirements, private agencies generally provide a more therapeutic, treatment, or specialized service than is provided in most public sector programs, unless the public program is designed to be a treatment program. Treatment foster care is defined as a family based, service delivery approach which provides individualized treatment for children, youth, and their families. Treatment is delivered through an integrated constellation of services and key interventions and supports provided by treatment foster parents who are trained, supervised, and supported by qualified program staff. (Foster Family-based Treatment Association, July 1995)

The placement of a foster child with a private Child Placing Agency foster home requires coordination between the private agency and the local department of social services that has custody or placement responsibilities for the child and is ultimately responsible for the child's welfare and achieving permanency for the child, as well as purchases the placement. These placements often also require approval from the Family Assessment and Planning Team (FAPT) and Community Policy and Management Team (CPMT) under the Comprehensive Services Act.

Costs of Foster Care Placements

When foster care is provided by foster parents who are approved by the local department of social services, payment is made in the following amounts (effective July 1, 1997) from Title IV-E or State Pool Funds:

Ages	0-4	\$270/month
	5-12	\$316/month
	13-21	\$400/month

These rates may be supplemented by the local department when a child requires additional care. The costs to recruit, approve, train, administer, and supervise are paid from the local department's administrative budget and are not charged to Title IV-E maintenance funds or the CSA Pool Fund.

Child Placing Agency (CPA) fees are market-based, and fees are not regulated. The CPA sets the fees and negotiates with the local department as to the actual fee charged based on the service needs of the child and what level of service the locality wishes to purchase. For a CPA placement, localities pay for the administrative costs for the private agency to recruit, approve, train, and supervise the foster home, and as a result, the fees charged to the locality from the CSA State Pool Fund or Title IV-E is higher. Localities pay for the cost of maintenance and services from Title IV-E or the State Pool Fund for publicly provided foster homes, but not administrative costs, which makes the expense to the Pool or Title IV-E much less for public foster family home placements.

Because placements with private Child Placing Agencies are generally for children with more difficult needs, localities often require placements with private agencies to be reviewed by

the FAPT and approved by the CPMT for the Comprehensive Services Act.

Funding for Child Specific Placements Only

Both Title IV-E and CSA State Pool Funds must be used to pay for child-specific placements. These funds cannot be used to fund programs. They cannot be used to finance start-up costs for new programs in communities.

Expenditures for Foster Care Provided by Private and Public Providers

Neither the departments of social services nor the office of Comprehensive Services account for expenditures for public and private agency provided foster homes separately. The Department does separate foster home maintenance (room and board costs) expenditures from residential maintenance expenditures in Title IV-E funded placements.

**TABLE 1
Title IV-E Maintenance Expenditures**

Family Foster Care	Average Maintenance Expenditure	Total Expenditures
FY 95	\$419	\$12,176,841
FY 96	\$471	\$15,703,899
FY 97	\$547	\$19,950,890

The increased use of private agency foster home placements is reflected by the increased average maintenance payment over the last three years since monthly payments are greater to private foster care homes.

**TABLE 2
Title IV-E Expenditures for Maintenance in Residential Facilities**

Residential	Average Monthly Residential Maintenance Cost	Total Expenditures
FY 95	\$1,655	\$3,277,510
FY 96	\$1,573	\$3,916,767
FY 97	\$1,688	\$5,876,588 **

**Part of the total dollar increases in FY 97 are explained by the Department's efforts to maximize Title IV-E and reduce expenditures from the CSA State Pool Fund.

The average cost of residential care per month is at least three times that of family foster care, either public or private. These figures do not include the cost of services beyond maintenance for children placed in any of these types of placements. The Comprehensive Services Act does not separate residential expenditures from foster care provided by private or public foster care agencies. For example, treatment counseling services and other services are not included in these costs.

Utilization of Private Agency Foster Care Placements

The use of private foster care placements has increased since the Comprehensive Services Act began in 1993. Table 3 shows that the number of placements with private agencies has tripled from 280 at the end of FY 91 to 918 at the end of FY 97. The Comprehensive Services Act encouraged public-private partnerships by including private agencies on interagency teams at both the state and local level. As a result, private agencies began working with localities more closely to develop resources to meet the needs of localities. As the population in foster care has grown over the last few years, private agencies' placements have grown to meet the need created by that growth in population and the requirements for more intensive services.

TABLE 3
Number of Foster Home Placements Provided by Public and Private Agencies
FY 91- FY 97

	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
Children in Public Agency Approved Foster Homes	3,826 (61%)	3,575 (59%)	3,723 (60%)	3,905 (62%)	4,134 (60%)	4,117 (57%)	4,068 (54.6%)
Children in Private Agency Approved Foster Homes	280 (4.4%)	368 (6.1%)	421 (6.8%)	466 (7.4%)	525 (7.7%)	683 (9.5%)	918 (12.3%)
Total Children In Foster Care	6,304	6,035	6,229	6,313	6,841	7,201	7,446

** The remaining placements are in residential, independent living, the child's own home, shelters, and other placements.

Number of Licensed Private Child Placing Agencies

The number of private Child Placing Agencies licensed in Virginia and the capacity of those agencies has grown significantly during the 1990's. In 1989, there were 35 licensed Child Placing Agencies with 22 additional branch offices. As of July 1, 1997, there are 50 licensed

private Child Placing Agencies with 43 branches. Four more new agencies are applying for licensing currently. This growth seems to indicate that the environment is encouraging growth in the private sector.

FINDINGS

Staff from public and private foster care agencies were interviewed and anonymously surveyed for this study. Questions focused on how well public and private agencies work together, what types of programs have been developed in the private sector, especially those that would be considered innovative, and how public and private sector could work better together to provide permanency for foster children.

Results of Surveys

Surveys were given to both public and private agencies. Local department of social services staff, primarily direct services staff, completed 35 anonymous surveys. Twenty private agencies completed surveys, primarily the agency director. Of the private agencies, 10% were not child placing agencies but provided prevention, transportation, or other services for foster children.

The surveys revealed the following:

- Most public agencies (71%) felt they interacted enough with private agencies in the provision of foster care. Seventy-nine percent (79%) indicated that they had referred children and families to private foster care agencies. Sixteen percent (16%) of the respondents indicated they had never used private foster care agencies. Eleven percent (11%) of the respondents indicated they use private foster care agencies to provide placements for a number of their children yearly.
- Less than half of the private agencies (44%) believed they interacted enough with public agencies.

One private agency commented: Our agency interacts at a very high level with foster agencies in providing a service to children referred by the specific public (DSS) agency. Most of our conversations relate to the provision of services to a specific child rather than planning for collaborative or cooperative efforts or initiatives.

- Private agencies believed that there could be more collaboration and cooperation. They would also like to provide more stabilization and transition services with families once a child is returned home.
- The vast majority of both public and private agencies agree that they can work together effectively in providing foster care placements, but that improvements need to be made.

How Relationships and Services Could Be Improved:

- Developing a greater level of trust; establishing and holding onto the premise that all parties involved are working toward the best interest of the child, family, and community and are therefore working in the best interest of the respective agencies in providing services;
- Closer coordination in the referral/admission process;
- More frequent interaction during placement;
- Development of new collaborative models for placement of children with special needs, including the child with severe disabilities, the medically needy child, sexual offending child, etc.;
- Jointly identifying needs in the community and strategies for retention, recruitment, and training of foster placements;
- Increased sub-contracting with private agencies to provide various levels of service to children which include regular and/or treatment foster care services, or services which support these alternatives;
- Using private agencies to provide stabilization services, parenting skills, crisis intervention, and assist with transition from home to the foster parent and back to the biological parent, as an intensive in-home provider;
- Providing wraparound supportive services to foster care placements;
- Coordinating services by doing joint training for staff and foster parents, making each other aware of needs and abilities, sharing resources and treatment goals, and negotiating costs and services;
- Making private agency adoptive staff available;
- Using private agencies to provide additional home studies;
- Having private agencies allow their foster families to adopt;
- Developing private agency initiatives for Independent Living arrangements/mentor homes or supported apartment living; and
- Offering step-down levels for specialized foster care after a child has been in therapeutic care for a period of time.

Private agencies thought public agencies would choose private agency foster care more frequently if:

- Resources were made more available in the home community;
- Public agencies were confident that the private agencies were providing quality services;
- There was less of a focus on money and costs;
- Private agencies demonstrated the ability to provide stable environments for children and prevent multiple placements;
- Private agencies demonstrated the ability to handle at-risk youth who exhibit severe behavior problems;
- Cost comparisons were done to dispel the common notion that private providers are more expensive; and
- There was better communication, an understanding of each other's point of view, and a commitment to making the relationship work.

Interviews with Staff from Private Child Placing Agencies

Staff from Lutheran Family Services, People Places, Carpe Diem, De Pauls, United Methodist Family Services, Clinical Alternatives, the Children's Connection, and the Institute for Family Centered Services were interviewed.

Most of these agencies have developed treatment foster care programs and are working with localities to provide community-based services. Some of them are developing services within the treatment foster care model that are more specialized. For instance, People Places is developing a wraparound team for children in foster care with extensive residential placement history. The purpose of this team would be to place these children in the community with the appropriate community services and supports. DePauls is currently developing foster homes for two children who are severely mentally retarded who are currently in residential care. United Methodist Family Services is also focusing on moving children out of residential placement and into foster/adoptive homes.

Other private agencies, who are not providing foster care placements, are providing in-home services within foster homes to maintain the child in the foster home setting and are providing services to the biological parent to facilitate the child's return home. Several private agencies expressed concern that the public sector is overwhelmed and cannot provide the services needed. Those interviewed cited the need for more cooperation between the public and private sector.

Because of the immense pressures on foster care funding during the last few years which has resulted in deficits, private agencies have expressed concern about the availability of funding for reunification services and adoption services for foster children. While the provision of these services may in the long run, save localities funds by reducing the length of stay a child stays in foster care, they are commonly not funded through the CSA State Pool Fund.

In Summary

During the 1990's, in response to a growth in the foster care population and the difficult needs presented by children in foster care:

- The use of private agency placements has grown. These agencies are generally able to provide more intensive services to children who come into foster care with more difficult problems.
- Private foster care organizations have been responding to the need for foster care placements by developing child specific placements.
- Public and private agencies desire to collaborate more in the provision of foster care services to children in areas like foster home recruitment, approval and training, and reunification and adoption services.
- Private foster care agencies need to continue to provide specialized services for children who have needs that the public sector programs cannot meet adequately, although there seems to be increased interest by the private sector in providing regular foster care.

RECOMMENDATIONS

Based on input from the public and private sector, the following are recommendations of this study:

1. Increased collaboration between public and private agencies at the local level in areas such as foster and adoptive parent recruitment, collaborative models for placement of children with special needs, reunification, additional work with biological parents, and training activities for both public and private providers. The Virginia Department of Social Services should encourage collaborative efforts between public and private agencies in their local plans for utilizing Title IV-E Foster/Adoption Training funds.

2. Local public agencies involved in the Comprehensive Services Act need to consider using State Pool Funds to contract with private agencies to provide reunification services for families in order to return foster children home sooner. Additionally, they should consider using CSA funds to locate adoptive homes sooner for children who cannot return home.

3. Public and private foster care agencies need to develop policies to address the need of children who need to be in treatment foster care and cannot return home or to their birth family with regards to permanency. Agencies should allow treatment foster parents to adopt or become permanent foster parents for such children. While we see an increase in the use of private treatment foster homes, we are seeing a decrease in adoptions of children in foster care. In that most (70%) of foster children are adopted by foster parents, this is less likely to occur in private treatment foster homes. Further study and exploration of incentives for adoptions by treatment homes is needed.

4. There needs to be a greater level of trust between private and public agencies - establishing and holding onto the premise that all parties involved are working in the best interest of the child, family, and community. This could be accomplished through more public/private collaborative initiatives such as grants, contracts, training, and meetings.

5. Private agencies should be utilized for stabilization services, parenting skills, crisis intervention, and transition services to move a child from the foster home back to the birth parent including an intensive in-home provider. Increased local contracting with private agencies to provide various levels of service to children which include regular and/or treatment foster care services which support these alternatives is needed.

APPENDIX

Thank you for your participation in this study. We are asking private and public foster care agencies to help us determine the use of private resources (provided through licensed child placing agencies), the need for additional private resources, and recommendations for other uses of private agencies.

Please answer the following questions if you are employed by a public foster care agency:

1) Do you believe your agency interacts enough with private foster care agencies?
Please explain.

- (a) Yes, _____
- (b) No, _____

2) Do you refer children/families to private foster care agencies?

- (a) Yes
- (b) No

3) How much do you use private foster care placement agencies?

- (a) never
- (b) for a few children yearly
- (c) for several children yearly
- (d) for many children yearly

4) Do you believe private agencies and public agencies could work together in providing foster care placements?

- (a) They cannot work together.
- (b) Private and public agencies can work together in providing foster care placements by:

- 1. _____
- 2. _____
- 3. _____

(c) Other _____

5) How can private agencies provide foster care placements?

6) Are there any innovative placement programs you can think of that private foster care agencies could provide that they are not providing currently? Please describe.

Thank you for your participation in this study. We are asking private and public foster care agencies to help us determine the use of private resources, the need for additional private resources (provided through licensed child placing agencies), and recommendations for other uses of private agencies.

Please answer the following questions if your are employed with a private foster care agency:

1) Do you believe your agency interacts enough with public foster care agencies?
Please explain.

(a) Yes, _____

(b) No, _____

2) Would the development of a private program be helpful in providing foster care placements?

3) Do you believe private agencies and public agencies could work together in providing foster care placements?

(a) They cannot work together.

(b) Private and public agencies can work together in providing foster care placements by:

1. _____

2. _____

3. _____

(c) Other _____

4) What would make public agencies more likely to use private agencies?

5) How can private agencies provide foster care placements?
