

OFFICE OF CHILDREN'S SERVICES

ADMINISTERING THE CHILDREN'S SERVICES ACT



TREATMENT FOSTER CARE SERVICES UNDER THE CSA

Annual Report to the General Assembly, December 2019

In accordance with the Appropriation Act, Chapter 854, Item 282 (K)(1)

The Children's Services Act (CSA, §2.2-2648 et seq) was enacted in 1993 to create a collaborative system of services and funding for at-risk youth and families.

The CSA establishes local multidisciplinary teams responsible to work with families to plan services according to each child's unique strengths and needs and to administer the community's CSA activities.

The Office of Children's Services (OCS) is the administrative entity responsible for ensuring effective and efficient implementation of the CSA across the Commonwealth.

Guiding principles for OCS include:

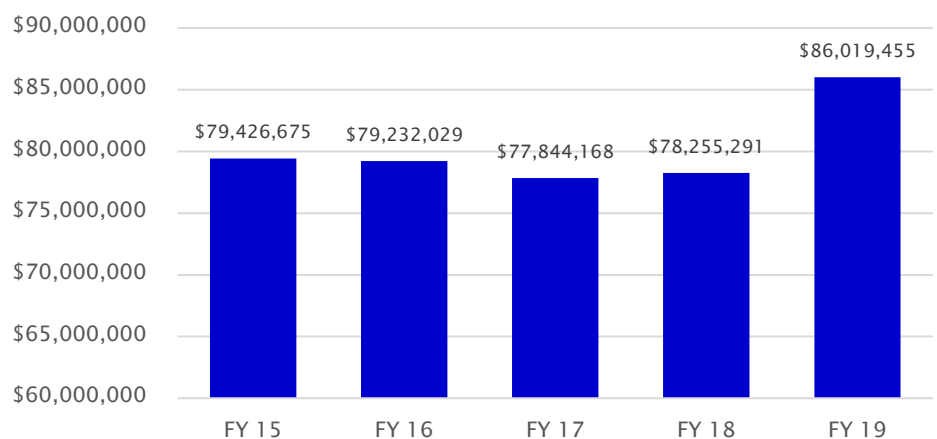
- Child and family directed care,
- Equitable access to quality services,
- Responsible and effective use of public funds,
- Support for effective, evidence-based practices, and
- Collaborative partnerships across state, local, public, and private stakeholders.



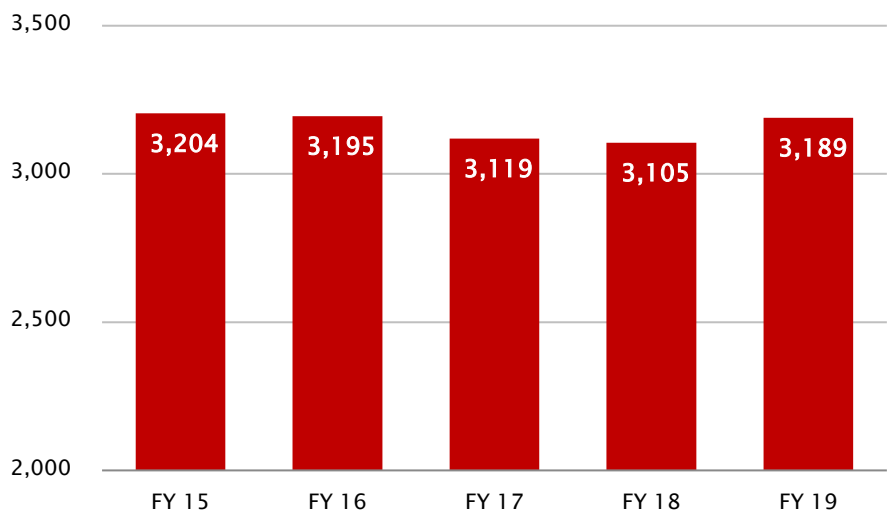
Office of Children's Services
Empowering communities to serve youth

Treatment foster care (TFC) is a community-based program where services are designed to address the special needs of children in the custody of a local department of social services. TFC is provided by foster parents who are trained, supervised, and supported by a private agency (licensed child placing agency or LCPA). TFC is family-based, goal-directed, results-oriented, and emphasizes permanency planning for the child in care. Total TFC costs are partially offset by federal/state Title IV-E revenues for eligible foster children. Title IV-E revenues and payments are handled through the Department of Social Services.

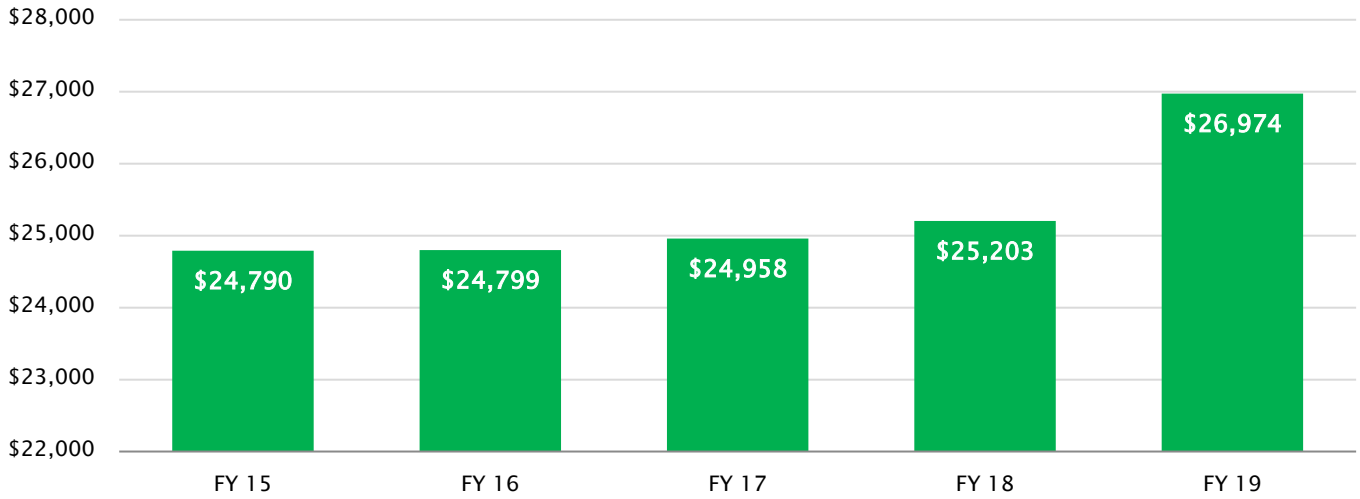
Total CSA Expenditures – Treatment Foster Care (FY15 – FY19)



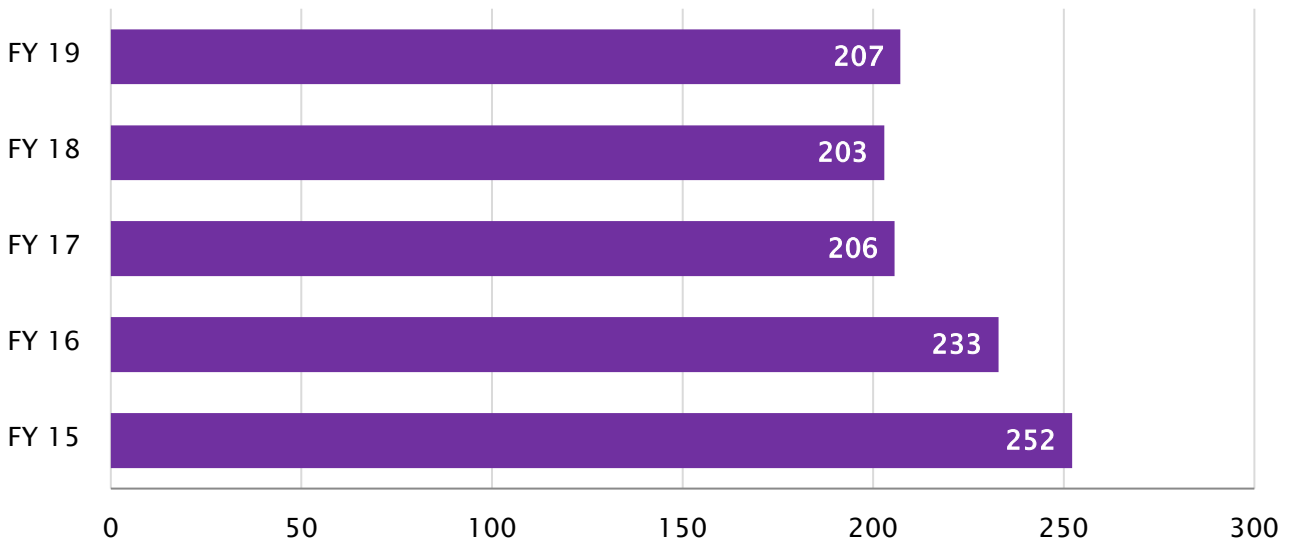
Number of Youth Served – Treatment Foster Care (FY15 – FY19)



Average Annual CSA Expenditure per Child – Treatment Foster Care (FY15 – FY19)



Average Length of Stay (Number of Days/Year) – Treatment Foster Care (FY15 – FY19)



Note: Beginning in FY2017, length of stay data is derived from actual days of service received from the locality. This results in a modified calculation from prior years.

Discussion

The increases in treatment (also known as therapeutic) foster care (TFC) utilization in FY2019 appear to be related to several contributing factors. As noted in the 2018 report by the Joint Legislative Audit and Review Commission (“Improving Virginia’s Foster Care System”), total TFC spending in FY2017 was almost \$100 million. These expenditures are from three primary sources, federal (Title IV–E), state (Title IV–E match and CSA), and local (local CSA match). In the past year, the number of children in foster care has increased from 4,807 on July 1, 2018 to 5,307 on July 1, 2019, a 10.4% rise. Ongoing challenges in local DSS agencies ability to sustain “agency foster homes” (foster families recruited and supported by the local department) have resulted in 60% of children in care being placed through a licensed child placing agency (LCPA) in a TFC arrangement. LCPAs are private agencies that among other services, provide for foster home placements through referrals from the local DSS. The cost of a TFC placement (exclusive of monthly maintenance and enhanced maintenance payments) averages \$73 per day or almost \$27,000 per year. While maintenance costs may fall to one of the several sources described above, TFC–specific costs (CSA Service Name = “Private Foster Care, Support, Supervision and Administration”) are paid exclusively from CSA state pool and local matching funds. The increase in the number of children in foster care has resulted in increased numbers of children in TFC and increased CSA expenditures for both maintenance costs, as well as TFC–specific costs.

A second source of increasing CSA expenditures for TFC (independent of the number of children in foster care) is a shift in the eligibility rate of foster children for federal Title IV–E and state matching funds. For eligible children (determined by the income of the child’s family at the time of their removal to foster care), the Title IV–E program covers the monthly costs of maintenance payments to foster families, a major component of the cost of foster care. For Title IV–E eligible children, there are no CSA funds (state or local) required to support the monthly maintenance payment. For non–Title IV–E eligible youth, the maintenance payment is the responsibility of the CSA program (state pool (65%) and local matching (35%) funds). Data provided by the Virginia Department of Social Services indicates that the Title IV–E eligibility rate (often referred to as the penetration or P–rate) peaked at 64.91% in July 2017. That rate has declined to 59.49% on July 1, 2019, resulting in a significant shift in responsibility for TFC maintenance costs from the federal and VDSS state funding streams to the CSA. When compared to FY2018, FY2019 non–Title IV–E costs for TFC increased by 26.8% (\$10.2 million) while Title IV–E eligible TFC costs declined by 3.4% (\$1.2 million). This shift followed several years in which the TFC costs for Title IV–E eligible children remained stable and for non–Title IV–E children had been declining. At present, there is no specific explanation for the declining Title IV–E eligibility rate.

In summary, in FY2019 there were significant increases in CSA utilization and costs for children in treatment (private) foster care (\$8.9 million or a 12% increase over FY2018). This is accounted for by a combination of factors, including an increase in the number of children in foster care and a declining Title IV–E eligibility rate.