



REPORT HIGHLIGHTS
SPECIAL REPORT

Department should continue taking actions to reduce the use of congregate care

Our Conclusion

The best setting for abused or neglected children who are removed from their homes is a family-based setting, such as with a relative or in licensed foster care. Because it is not family-based, congregate care, such as emergency shelters, group homes, and residential treatment centers, is the least preferred placement option. However, the number of Arizona children and the length of time they are in congregate care has increased and as a result, the costs for this placement type nearly doubled between fiscal years 2009 and 2013. Contributing to the increase in congregate care use is an inadequate supply of foster care homes; various state practices, including some related to permanency goals and activities; and inadequate access to behavioral health services. Although the Arizona Department of Child Safety (Department) has taken some steps to reduce the use of congregate care, it should consider other states' experiences to identify multiple strategies for reducing its use.

Statute and department policy require that abused or neglected children be placed in the least restrictive, most family-like setting until they are reunified with their parents or other permanent placement is achieved. Generally, congregate care is the least preferred placement because it is the most restrictive and least family-like. Arizona uses three types of congregate care facilities: emergency shelters, group homes, and residential treatment centers.

Congregate care use has increased—The number of children in out-of-home care (with relatives, licensed foster care, or congregate care) increased by approximately 56 percent, from 10,100 children in September 2009 to 15,750 children in March 2014, while the number of children in congregate care increased by approximately 73 percent during this same time—1,259 to 2,176 children. As of September 30, 2013, the typical child in congregate care was a 15-year-old non-Caucasian male who had a clinically diagnosed disability.

The growth in the number of Arizona children in out-of-home care and placed in congregate care is contrary to most states' experience. For example, according to national data, only two other western states, Montana and Nevada, experienced growth in both of their out-of-home and congregate care populations. Additionally, national data indicate that the average percentage of children placed in congregate care for all 50 states, as a percentage of total out-of-home care, decreased slightly, from 13.8 percent in federal fiscal year 2010 to 13.4 percent in federal fiscal year 2012. However, the percentage of Arizona children in congregate care grew from 12.5 percent to 14.2 percent during this same time period.

In Arizona, the percentage of younger children with congregate care as their predominant placement type has also increased from 4.9 percent in calendar year 2009 to 8.4 percent in calendar year 2013. In addition, children who have been placed in congregate care are staying longer.

Finally, not only is congregate care expensive, costing the Department from \$40 to \$327 per day depending on the placement type, but it may adversely affect the children because it delays permanency and may pose threats to a child's safety and well-being. For example, studies indicate that children who were cared for in congregate care settings were more likely to be arrested, continue problematic behaviors, and have lower levels of education and more substance abuse problems than children cared for in foster homes.

Several factors have increased Arizona's congregate care use:

- **Inadequate supply of foster homes**—Foster homes provide a better setting for children, in part, because they are family settings. However, although the number of Arizona children in out-of-home care increased by 56 percent between September 2009 and March 2014, the number of foster homes has not similarly increased. Specifically, the number of foster homes increased from 3,954 to 4,329 homes during this same time, an increase of 9 percent.
- **Department practices**—Several department practices may be contributing to the



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increased use of congregate care. For example, the Department uses independent living and long-term foster care as permanency goals; however, child welfare experts have expressed concerns about these goals because they do not steer children to permanent families. Inadequate permanency planning is another factor that may be contributing to the Department's congregate care use. Although the Department achieved some success by using permanency planning roundtables, which are meetings involving experts intended to achieve permanency for youth, these roundtables were placed on hold. In addition, unsupported assumptions that older children are not adoptable and have unmanageable behavioral issues also tend to create a bias against permanency for older children.

Other practices make successful placements in foster homes less likely, such as providing foster parents with insufficient information about the children. A January 2014 survey of Arizona foster and adoptive parents indicated that 58 percent of respondents felt that they had too little information about the children placed in their homes. Placements are also more successful when transitional activities are planned, such as pre-placement contact and visitation, but such activities are sometimes lacking. Some foster home placements may be poorly matched to the child and not address a child's needs. Further, in January 2014, the Governor's Child Advocate Response Examination Team reported that several systemic department problems may have also contributed to an inappropriate use of congregate care, indicating that the large volume of incoming cases had resulted in heavy caseloads, high staff turnover, insufficient training, and a culture that did not adhere to standard processes.

- **Inadequate access to behavioral health services**—Child welfare experts believe that children with specialized needs can be cared for in a family setting with the right kinds of support. As of September 2013, department data indicated that 31 percent of children aged 13 or older in out-of-home care were clinically diagnosed as emotionally disturbed. Although the Department may place children in therapeutic foster homes to address behavioral health needs, department staff indicated that such homes are designed for only temporary stays. Children whose behavioral health improves in therapeutic homes may be moved to less-restrictive family settings, but require continued support. Foster parents are often frustrated because of the difficulty they face in obtaining needed behavioral health services.

Other jurisdictions have reduced their congregate care use—We reviewed strategies from five other jurisdictions that reduced their congregate care use. For example, Tennessee reduced its congregate care use from 22 percent in January 2001 to 9 percent in January 2009, in part, by requiring providers with congregate care contracts to maintain an array of placement and service options to best meet children's needs. Tennessee paid these providers the same no matter where they placed the child. As a result, providers were incentivized to place children in family-based settings rather than in congregate care because it was less expensive to do so. As of 2009, Tennessee had exceeded its goals by serving 95 percent of all moderately disturbed children and 75 percent of severely disturbed children in family settings.

Department has taken some actions to reduce congregate care use—The Department has worked to improve recruitment and retention of foster parents by partnering with faith-based groups, developing a performance-based contract for foster home recruitment services, and seeking input from children and families in making placement decisions. It has also developed a preliminary plan to redesign its congregate care system. As part of its plan to develop solutions for congregate care, the Department intends to review the best practices of other jurisdictions that have reduced their congregate care use.

Recommendations

The Department should:

- Continue to assess what actions it can take to reduce the number of children entering out-of-home care; and
- Develop and implement a comprehensive approach to reduce the use of congregate care. In doing so, the Department should consider various strategies, such as those used in other jurisdictions, and the reasons for the increased use of congregate care in Arizona.