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OFFICE OF THE
AUDITOR GENERAL

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November 15, 2007

Members of the Arizona Legislature

The Honorable Janet Napolitano, Governor

Ms. Tracy Wareing, Director
Department of Economic Security

Transmitted herewith is a report of the Auditor General, a Questions-and-Answers Document on the Department of Economic Security, Division of Children, Youth and Families—Child Protective Services—Licensed Family Foster Homes. This document was prepared pursuant to and under the authority vested in the Auditor General by Arizona Revised Statutes §41-1966.

Our questions-and-answers documents were created to provide answers to multiple questions on a particular subject area. We hope that these questions-and-answers documents will fill a need and provide you with timely and useful information on topics of particular interest.

My staff and I will be pleased to discuss or clarify items in this document.

This document will be released to the public on November 16, 2007.

Sincerely,

Debbie Davenport
Auditor General

Attachment

QUESTIONS and ANSWERS

Summary

This document answers five questions about Arizona's licensed family foster homes. Specifically, it presents information on the funds available to foster parents, the type of training foster parents receive, whether licensed foster home recruitment and retention has improved with the increase in foster care maintenance rates, and how Arizona's rates compare to other states' rates. In addition, it provides information on the number of children in licensed family foster homes.



2007

Licensed Family Foster Homes

Question 1: What funds are available to licensed foster parents to address the immediate needs of foster children when they are first placed in the home?

Licensed foster parents have access to emergency funds if necessary; however, most costs are reimbursed at the end of each month.

Foster care is intended to be a short-term or temporary solution when abused or neglected children are removed from their homes. The Division attempts to place children in the least restrictive, most family-like setting possible. This may include placement with a relative or in a licensed family foster home. In Arizona, licensed foster parents must meet specific criteria regarding age, income, health, and maturity, and be free from conviction, indictment, or involvement in certain criminal offenses; and the home must pass life and safety inspections.

The Department reimburses licensed foster parents for the room, board, and supervision of foster children placed in their care.¹ This reimbursement is referred to as a maintenance payment. Daily foster care maintenance rates range between \$24.60 and \$44.69, depending on the age and needs of the child in care.² Added to this amount are the following: a daily clothing allowance of between \$0.53 to \$1.02, and a daily personal allowance of \$0.10 to \$2.10 for items such as diapers and formula, again depending on the child's age. In addition, foster parents may receive special allowances for expenses associated with emergency clothing, educational supplies, school tuition, graduation, and day and overnight camps. These allowances must not exceed the maximum allowed limits.

Division management indicated that, during the licensing process, prospective foster parents are informed that when a child is first placed in their home, they must cover the costs of caring for the foster child's immediate needs and that they will receive a maintenance payment within 30 days of submitting the billing invoice to the Division to reimburse those costs of care.

¹ Unlicensed relative providers are also eligible to receive a daily allowance between \$0.63 and \$2.63 for clothing and personal items for each foster child in their care.

² The standard daily reimbursement rate is \$24.60 to \$27.15 per day, depending on the age of the child. Children with mild, moderate, or severe special medical or behavioral care needs receive daily reimbursement rates of \$29.40, \$37.42, or \$44.69, respectively, depending on the severity of the child's special needs.

Question 2: What type of training do foster parents receive?

Foster parents receive 30 hours of training prior to licensing and 6 hours each year thereafter.

Foster parent training is provided state-wide using a nationally recognized and standardized curriculum known as PS-MAPP (Partnering for Safety and Permanency—Model Approach to Partnerships in Parenting).¹ The 30-hour training program is provided in ten 3-hour sessions by contracted community agencies. PS-MAPP uses case examples to help potential foster parents better understand the responsibilities of parenting children through foster care. Training covers multiple topics, including meeting the conflicting

needs of foster children and family members, building alliances with the parents of children in foster care, and asking questions to understand foster children's cultural needs. It also includes an assessment component to help potential foster parents assess their suitability for the role of foster parent. This training must be completed before licensing and is offered in both English and Spanish.²

In addition to the 30 hours of initial training, foster parents must annually attend a minimum of 6 hours of ongoing training. This training is selected from preestablished training modules based on the needs of the foster child(ren) in the home and can address a wide variety of subjects, including discipline, crisis intervention, and behavior management techniques. Ongoing trainings are mutually selected and planned by the foster parent and the contracted community agency providing the training.

Question 3: Has family foster home recruitment and retention improved with the increase in foster care payment rates?

The increase in foster care payment rates appears to be one factor contributing to improved foster home recruitment and retention.

It appears that increases in foster care maintenance rates may be one factor contributing to improvements in licensed family foster home recruitment and retention. Between 1996 and 2003, there were no rate increases for foster care maintenance, and the number of licensed foster homes fluctuated between about 1,750 and 1,900 state-wide. However, since 2003, both Arizona's foster care maintenance rates and number of licensed foster homes have steadily increased. Division records indicated that between 2003 and 2007, the average monthly standard rate almost doubled, increasing from \$394 to \$787, and the number of licensed family foster homes increased by 70 percent from 1,865 to 3,177. Division management indicated that rate increases have made foster parenting more attractive, and rates are now more comparable to the actual cost of caring for a child. However, in addition to

increased rates, in recent years the Division has implemented various initiatives that may also be contributing to improved foster home recruitment and retention, including:

- **Performance contracts**—The Department contracts with community agencies to recruit, license, and train foster families. Beginning in November 2006, the contracts for these services include 16 performance measures. Nine of the measures relate to recruitment and retention. For example, "the number of licensed foster families with placement of children within their own neighborhood shall increase each year over the baseline" and "the number of new homes licensed within (department) identified targeted neighborhoods shall increase each year." In addition, the contracts provide incentive payments of 2 to 5 percent of the contract amount when 12 or more of the 16 performance measures are reached. According to division officials, the first incentive payments will be paid after the contract year ends on October 31, 2007.
- **PS-MAPP training program**—As previously discussed (see Question 2), this program has an assessment component to help potential foster parents identify if they are suitable for the role before they become licensed. This may help reduce the amount of turnover because people not suited to the role may instead decide to not become foster parents. PS-MAPP also includes information on what foster parents should expect, the potential challenges ahead, and ongoing training and support for those people who go on to become licensed, which may also help retain foster parents.

¹ The Department adopted the PS-MAPP curriculum in the fall of 2005 and fully implemented it by November 2006.

² According to division management, foster parents licensed before the State's adoption of the PS-MAPP must complete a modified version of the program, called Mini-MAPP, by December 31, 2007.

Question 4: How do Arizona's foster care payment rates compare to those of other states?

An August 2007 report shows that Arizona has some of the highest average standard foster care payment rates. However, direct comparisons with other states may be misleading because of various factors, such as variations in the cost of living in different areas.

The National Resource Center for Family-Centered Practice and Permanency Planning prepared an August 2007 compilation of states' standard foster care maintenance rates. The report presents the standard maintenance payments for children ages 0 through 16 and older for 48 states and the District of Columbia.¹ However, rates presented in the report for some states may not be current because they were obtained before 2007.² In addition, the report stated that comparative information may be

misleading in some instances because direct comparisons may not consider such things as:

- Variations in the cost of living in different areas;
- Variations in payments between regions or counties within the states;
- Supplemental payments that may be provided for various expenditures; and
- Variations in criteria used to determine different levels of care that receive higher reimbursements.

Auditors used the report data on basic maintenance payments for the various age levels to calculate monthly state averages across all ages and found that the average monthly payments ranged from a low of \$263 in Nebraska to a high of \$851 in the District of Columbia, with the general average for all states being \$516. Arizona was shown to have some of the highest average standard foster care payment rates in the nation across the various age categories. However, in the report it appears that Arizona's standard maintenance rate may include the daily clothing and personal allowances. Arizona's average monthly standard rate was \$816 based on the report data.

Question 5: How many children are currently in licensed family foster home placements?

As of March 31, 2007, there were about 4,300 children in licensed foster homes.

According to the Department's *Child Welfare Reporting Requirements Semi-Annual Report*, there were 4,273 children in licensed family foster homes on March 31, 2007. Between March 2004 and March 2007, the number of children in out-of-home care increased from 8,246 to 9,773, a 19 percent increase. During the same period, the number of children placed in licensed foster homes grew by 55 percent, relative placements grew by 16 percent, and children placed in other placement settings, such as group homes and residential treatment facilities, decreased by 15 percent.

**Children in Out-of-Home Care
By Placement Type**

As of March 31,	Total children in out-of- home care	Placement Type		
		Licensed family foster home ¹	Unlicensed relative home	Other ²
2004	8,246	2,756	2,701	2,789
2005	9,536	3,633	3,120	2,783
2006	9,902	4,042	3,417	2,443
2007	9,773	4,273	3,137	2,363

- ¹ The family foster home category includes children placed in licensed non-relative and relative placements.
- ² Other includes children placed in group homes, residential treatment facilities, and independent living facilities; children on runaway status; and children on trial home visits.

Source: The Department's *Child Welfare Reporting Requirements Semi-Annual Report* for the periods ending March 31, 2004 through 2007.

¹ National Resource Center for Family-Centered Practice and Permanency Planning. *Foster Care Maintenance Payments (Updated 8/28/07)*. New York City: Hunter College School of Social Work, 2007.

² Rates presented in the report were obtained on various dates ranging from 2003 to 2007.



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