

NEIL ABERCROMBIE
GOVERNOR



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January 30, 2014

TO: The Honorable Mele Carroll, Chair
House Committee on Human Services

FROM: Patricia McManaman, Director

SUBJECT: **H.B. 1576 - RELATING TO FOSTER CARE SERVICES**

Hearing: Thursday, January 30, 2014, 10:00 am
Conference Room 329, State Capitol

PURPOSE: The purpose of H.B. 1576 is to increase the monthly board rate for foster care services for children.

DEPARTMENT'S POSITION: The Department of Human Services strongly supports this bill to increase foster board payments to its resource families. Following the 2013 Legislative Session, the Department initiated a collaborative process to review and develop recommendations for increasing the foster care board rate. Based on findings from a review of the foster care rates and practices of forty-six (46) other states, the cost of raising children in Hawaii, and the current benefits that resource families in Hawaii receive in addition to tax-free monthly foster care payments; the DHS recommends increasing the monthly foster care payment based on an age-tiered system indexed to expenditures contained the United States Department of Agriculture's Expenditures on Children by Families Report. (Please see attached Hawaii

Foster Care Rate Report for detailed information.) The Governor's Supplemental Executive Budget includes the Department's requested funding for the increase in foster care board payments.

Thank you for the opportunity to testify on this bill.

EXECUTIVE SUMMARY

Introduction

At the close of the 2013 Legislative Session, the Department of Human Services (DHS) initiated a collaborative process to review and develop recommendations for increasing the foster care board payments to resource families caring for children in the DHS' child welfare system (CWS). This effort was in direct response to shared concerns expressed by legislators, resource families, foster youth leaders and DHS during the 2013 Legislative Session. This report reflects the work done since the close of the 2013 Legislative Session and provides background and a methodology that supports the budget request submitted by the DHS to the 2014 Legislature, requesting funds to increase foster board payments to resource families.

Review of Research

The University of Hawaii, College of Social Science, Public Policy Center, through a MOU with the DHS, reviewed the work done nationally and locally by researchers to address payment rates to resource families caring for children in child welfare systems. The Public Policy Center worked closely with the DHS research and planning staff as well as with CWS staff to review current practices, rates, administrative rules and data related to utilization. A summary review follows:

1. Review of National Standards and Individual State Practices in Setting Foster Care Maintenance Rates

Many states have discussed and are engaged in ongoing discussions related to the needs of resource caregivers who are caring for children in the foster care system. Two highly regarded national studies were reviewed including: The Family Foster Care Provider Classifications and Rates Survey (2013), and Hitting the M.A.R.C. Establishing Foster Care Minimum Adequate Rates for Children (2007).

2. Cost of Raising Children in Hawai'i

The United States Department of Agriculture (USDA) Expenditures on Children by Families reports are looked upon by many states and scholars as a reliable tool in assessing costs associated with raising a child as applied to provider rates for family resource families. For the purposes of this report and the DHS' proposed budget, the DHS relied upon the 2011 USDA Expenditures report as the 2012 USDA report had not yet been published. Nevertheless, the methodology used by the DHS was captured so that it could be replicated as new USDA reports are issued and the projections can be recalculated based on the same methodology.

3. Hawai'i's Current Benefits

In addition to the monthly foster care maintenance payments, there are other benefits that foster children and their resource caregivers may be eligible for. These additional benefits were reviewed.

Major Findings

The Family Foster Care Provider Classifications and Rates Survey (2003) reviewed data from 46 states and examined the methodology and amount reported that each state used to reimburse resource caregivers (Hawai'i was not included in this study). The report found:

- Forty (40) states utilize an age-related classification for determining their basic reimbursement rate, with the majority of states using three age categories: 0-5 or 6 years old; a second group of youth up to 12 or 13 years old; and a final group of older youth;
- In the majority of states, most basic foster care rates, fall below the estimated costs of caring for a child based on the USDA rates. A number of states have rates that represent less than half of the estimated cost of care;
- Twenty-five states include clothing allowance in their basic rate;
- Most states pay the same rate for care across the state, regardless of geographic location of the home;
- Most states use a diagnostic tool in the process of determining a child's enhanced needs or level of care. These tools determine additional special needs or difficulty of care required by the foster child/youth. Frequently cited tools were: the Child and Adolescent Functional Assessment S, the Child and Adolescent Needs and Strengths;
- Most states do not revise their foster care rates on a set schedule (e.g. annually) and do not revise the rates based on inflation.

Conclusions

It is difficult to compare monthly foster care rates across states, or rank states, since states use different methodologies for calculating monthly reimbursements and include different expenses in their board rate. Expenses that are covered are not uniform across the states, and there is variation among the states in the reimbursement for clothing, transportation, special needs adjustments, and/or other components.

As with other states, Hawai'i's resource caregivers currently receive additional benefits such as: QUEST health insurance, difficulty of care payments, clothing allowances, special circumstances

and/or events payments, designated transportation costs, respite care and child care coverage, limited liability insurance, training, and other additional enhancements and supports.

Recommendations

- Increase the monthly foster care payment to resource caregivers utilizing the cost projections contained in the United States Department of Agriculture’s Expenditures on Children by Families Report.
- Use an age adjusted system utilizing age groupings.
- Include for those eligible families, the current annual clothing allowance of \$600, prorated to a monthly amount of \$50 into the board rate.¹

REPORT

At the close of the 2013 Legislative Session, the Department of Human Services (DHS) initiated a collaborative process to review and develop recommendations for increasing the foster care board payments to resource families caring for children in the DHS’ child welfare system (CWS). This effort was in direct response to shared concerns expressed by Legislators, resource families, foster youth and the DHS.

This report reflects the work done since the close of the 2013 Legislative Session and provides background and a methodology that supports the budget request submitted by the DHS to the 2014 Legislature, requesting funds to increase foster board payments to resource families.

Discussion

Several important studies have been published recently to assess the type and methodologies used by states to determine their payment rates for resource caregivers. A study conducted by Kerry DeVooght, Child Trends and Dennis Blazey, Family Foster Care Reimbursement Rates in the U.S. A Report from a 2012 National Survey on Family Foster Care Provider Classification and Rates published in 2013 and funded by the Annie E. Casey Foundation, Casey Family Programs and Child Trends, analyzed payment data from 46 states (Hawai’i was not one of the states included in this study). The study revealed that the majority of states classify children into different payment groups based on the age of the child; all states provided some type of “difficulty of care” or “special needs” categorical assistance using a diagnostic tool selected by the state to determine the child’s needs and level of care; most states pay the same rate across the state regardless of the geographic location of the home; the basic rate in the majority of states falls well below the actual expenditures of caring for a child in foster care; and the states vary widely on what they provide and what methodology they use to providing assistance to

¹ Under Hawai’i Administrative Rules, families receiving adoption assistance do not receive a clothing allowance.

caregivers. Some states include such items as emergency clothing or a regular clothing allowance, transportation, and personal incidentals, in the basic reimbursement rate and others do not.

A second leading study, Children's Rights, National Foster Parent Association, and University of Maryland School of Social Work, Hitting the M.A.R.C. Establishing Foster Care Minimum Adequate Rates for Children 2007, known as the MARC Report is also frequently cited as an influential report on rate care setting. The MARC report used Consumer Expenditure Survey (CES) data which is a nationally representative annual survey of households that describes the buying habits of American families. The MARC attempted to match the "categories of foster care spending for which the federal government reimburses under Title IV-E." Thus the categories under this report differ from the set of costs reflected in the USDA estimates of the cost of raising children. For example, the MARC report includes "liability and property insurance," while the USDA estimates include a broad category of housing costs, education and health care costs.

The MARC study attempts to establish a minimum adequate rate for children living in foster care. The authors argue that foster children are more costly than non foster children and thus, they adjusted many categories upward. For example the MARC study estimates that foster children spend 15% more in school supplies than non foster children, 10% more on food, and 15% more in personal incidentals. To support the upward adjustment, the MARC report cites a 2002 study by McHugh, The Costs of Caring: A Study of Appropriate Foster Care Payments for Stable and Adequate Care in Australia. McHugh argues that because foster children often suffer from trauma, this results in behaviors and needs that entail increased costs when compared to other children. Most states, however, address this issue by creating an additional payment category called a special needs payment or difficulty of care payment to accommodate the additional costs for individual behavioral and health needs. This is the approach adopted by Hawai'i.

To provide some additional background, some children in the foster care system qualify under the Title IV-E of the Social Security Act for federal financial assistance to help cover state foster care maintenance payments (see 42 U.S. C. 675 (4) (a), for eligible children. For these eligible children who come from low-income families, there is a federal dollar match for the foster care payments. Since the number of eligible children varies at any given time, the DHS uses averages, based on prior years, to estimate the federal and state match for budgetary requests.

In addition, this report addresses just board payment and not all payments that are part of a larger foster care payment system that provides for health care, transportation, special needs/difficulty of care etc. Also note that any increase in the basic board payment that is provided to resource caregivers also applies to families eligible for adoption assistance, permanency assistance, youth receiving higher education board allowance payments, and to young adults who choose to enroll in the new program of extended Voluntary Care to age 21. Importantly, this report does not address Hawai'i's difficulty of care payments which is currently set at a maximum \$570 per month.

Scanning the States

DeVoogth et al. surveyed all the states to examine foster care provider classifications and rates. While they attempted to compare the data across the states, they concluded that these data are difficult to analyze since there is significant variation about what is included in the different state's payment and benefit mix. For example, Arkansas had the lowest average board rate at \$427 a month, but they provide a clothing allowance of \$200 "sometimes" and "extraordinary expenses" may be reimbursed, with advanced agreement. Oregon has three levels of care and 4 levels of personal care that are used to determine their rates. Nebraska has a 14-point reimbursement system that determines the rate paid based on the needs of the individual child. No state revises their payment rates automatically on a set time schedule, or revises the rates automatically based on inflation or the cost of living index. (One exception is the District of Columbia that *does* adjust its rates annually based on U.S. Department of Agriculture's Expenditures on Children by Families Report.) DeVoogth et al. conclude that the basic foster care rates in most states fall below the cost-of-care estimates for all age groups.

Sample methodologies adopted by specific states are as follows:

1. Oregon

The state began developing its new foster rate system in 2008. Oregon's methodology used five of the cost categories enumerated in Title IV-E and listed in the MARC report: food, clothing, shelter, daily supervision, and personal incidentals. Oregon policymakers then relied upon the USDA estimates of annual expenditures on children of different ages by a middle-income family in the "Urban West." Oregon then adjusted upward using the McHugh multipliers as recommended in the MARC report. For example, the USDA food amount was increased by 10%, but because Title IV-E does not contemplate reimbursement for mortgage or rent, property taxes or insurance, the USDA housing cost was reduced by 40% to reflect only utilities, household furnishings, and appliances. Currently Oregon's basic rates depending on age range from \$18.90 per day to \$24.36 per day.

2. North Carolina

In 2005 North Carolina assessed its foster care rates with primary reliance on the USDA reports. North Carolina elected used the lowest income bracket of the USDA report income brackets because it most clearly matched the median income levels of North Carolina residents. North Carolina then took the USDA data costs for housing, food, transportation, clothing and miscellaneous and used those rates to establish the basic rates. Currently, North Carolina's basic rates depending upon age range from \$15.62 per day to \$20.84 per day.

3. **Indiana**

In August 2011, Indiana contracted with the Center of Business and Economic Research at Ball State University to conduct a foster care *survey* of all foster parents for the Indiana Department of Child Services. While states often use some type of data like the U.S Department of Agriculture's Expenditure on Children by Families to consider when establishing their foster board rate, the study in Indiana examined the *specific* expenditures allowable under Title IV-E of the Social Security Act as *reported by current foster parents*. The survey analyzed two groups of children: young children (infants to 4 years of age) and other children (5-18).

The Indiana study measured the *incremental* cost of an additional child which they considered to be more relevant for determining an appropriate foster board payment. The cost categories considered the *median daily cost per day* and included Breakfast, lunch, dinner, snacks, dining out and other food costs; On-going clothing; Increase in utilities; Personal incidentals (personal hygiene and school supplies for those over 5); and Travel and daily supervision. In doing so, Indiana rejected the underlying premises of the MARC Report (2007) which it considered to be unreliable. Based upon its study, Indiana's current basic rate ranges from \$18.28 per day to \$22.90 per day, based upon age.

Hawai'i's Current Approach

Hawai'i uses a base rate of \$529 a month to reimburse resource caregivers. In addition, all foster children in Hawai'i receive QUEST medical insurance covering medical, dental, behavioral health and prescription medications. In addition to the tax free current basic rate of \$529 per month and Med-QUEST coverage, the DHS' currently provides a broad array of other supports for resource families under its administrative rules (HAR 17-1617) including:

1. **Difficulty of Care Payments**

Difficulty of Care Payments are provided for a child who requires more care and supervision as documented by a treating professional because of the child's physical, emotional, psychological and/or behavioral needs. The difficulty of care payment is determined based upon the child's needs with the maximum amount of \$570 per month. This difficulty of care allowance is then added to the base foster care board rate.

2. **Other Transportation Costs**

- a. School bus fare or private car mileage – Car mileage is paid to resource families at the current established state mileage rate when free school transportation not available for the months school is in session.

- b. Local bus fare, private care mileage, taxi fare is paid for medical/therapy – Available when transportation services not covered by Med-Quest or Medicaid and when other resources not available. Car mileage paid to resource families at the current established state mileage rate.
- c. Transportation to effect placement or reunify with family out of State – Transportation for out of state travel needs prior approval from DHS.
- d. Transportation for resource caregivers to attend authorized meetings such as trainings.
- e. Transportation for child visitation/ohana time with parents and siblings.

3. **Other Medical Treatments / Medicines for Resource Family Needed as a Result of a Foster Child’s Condition**

Up to \$500 per incident or \$500 may be authorized when cleaning supplies or special immunizations, testing or treatment is needed to ensure the child and the resource family’s well-being.

4. **Clothing Allowance**

In 2013, the state Legislature increased the allotment for clothing by \$100 to \$600 annually for children in foster care. This fall CWS amended its rules and resource families are no longer required to submit requests to receive the clothing allotment. Instead, resource families will automatically receive semi-annual payments for children in their care. The clothing allowance may now also be used to purchase diapers. In addition, upon placement in a new home, resource families receive an allowance, as needed, to ensure that a child has sufficient clothing.

5. **Group Activity Fees for Organized Group Activities**

This includes organized group activities that are determined necessary for the child’s growth and development (e.g. Scouts, YMCA, YWCA, Community Soccer, Community Baseball, Community Swimming, Boys and Girls Clubs).

6. **Enhancement Fund**

Funds from Geist Foundation through Family Programs Hawai‘i – limited to \$500/child/year (extracurricular, social activities, hobbies, camps, other enhancements, etc.).

7. **Respite Care Funds**

Each resource family can receive up to 10 days of respite per foster child at \$25/day; Family Programs Hawai'i provides respite resources and supplemental funding.

8. **Child Care**

Resource caregivers may be eligible for child care subsidies for their foster children. BESSD does not include a resource caregiver's income in the child care eligibility determination for foster children.

9. **Additional costs covered for services and care provided to foster children**

Free school lunch, free Summer Program, free A+ after school program at public schools.

10. **Limited Liability Insurance**

Bodily Injury & Property Damage; Defense Payments.

11. **Completion Awards**

\$100 gift cards for completion of Unconditional Licensure and Unconditional Renewal Licensures (which includes mandatory ongoing training requirements).

12. **Support Groups**

Free Statewide Support Groups for resource families and Post-Permanency Families through DHS contractors, various foster care coalitions partially funded by DHS, community-based providers, and others. Child Care and Meals/Snacks are often provided.

13. **Training**

Free Statewide training for resource families and Post-Permanency Families through DHS' contractors, various foster care coalitions partially funded by DHS, and community-based providers. Child Care and Meals/Snacks are often provided.

14. **Family Events**

Free Statewide events for resource families and post permanency families through DHS' contractors, and various foster care coalitions partially funded by DHS, community-based providers, the community, businesses, and foundations. These

events are often connected with National Foster Care Month, a National Adoption Month, Recognition of resource families, holiday parties, and summer picnics.

15. Warm Line, Resource Referrals, Newsletters, Care To Share

DHS contractor provides newsletters, referrals and other supportive services to families.

Hawaii’s Methodology for Calculating Recommended Board Payment Increases

Hawaii’s methodology for developing a new foster care board rate is based upon the 2011 USDA Estimated Annual Expenditures on a Child by Middle Income (average before tax income = 79,240) Husband-Wife Families, Urban West (Table 1). The USDA methodology is a recognized tool utilized by states across the nation in determining foster board rates. Because a resource family must be self sufficient prior to the placement of a child in the home, the DHS selected the middle income, before tax, estimated annual child expenditure rate as its starting point.

Table1: Estimated annual expenditures on a child by husband-wife families, urban west, 2011

Before-tax income: \$58,890 to \$101,960 (average =\$79,240)

Age of Child	Housing	Food	Misc.	Total Annual Expense	Total Monthly Expense
0 – 2	\$4,670	\$1,440	\$1,020	\$7,130	\$594
3 – 5	4,670	1,530	1,220	7,420	618
6 – 8	4,670	2,150	1,240	8,060	672
9 – 11	4,670	2,460	1,230	8,360	697
12 – 14	4,670	2,640	1,300	8,610	718
15 – 17	4,670	2,630	1,180	8,480	707

The Western region consists of Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming

In developing Hawaii’s new foster care board rate structure, only three of the cost categories, *housing, food, and miscellaneous*, as listed in the 2011 USDA report, were utilized in deriving Hawaii’s proposed basic foster care board rate.² The other USDA cost categories of transportation, clothing, health care, child care and education were not factored because Hawaii’s resource families currently receive separate individualized payments or subsidies for

² Lino, Mark (Aug 2013). Expenditures on Children by Families 2012. USDA Center on Nutrition and Policy and Promotion. Publication 1528-2012. *Table 3: Estimated Annual Expenditures on a Child by Husband-Wife Families, Urban West, 2012.*

these expenses, or they are provided through other existing programs. For example, health care is provided for all foster children through the State's comprehensive Med-QUEST program. Similarly, a free and comprehensive education is provided through the Department of Education. After school A-Plus care costs are reimbursed by the CWS and resource families are eligible to participate in the DHS' Pre-School Open Door's program. Similarly, transportation costs are reimbursed for specified activities. The DHS provides an annual clothing allowance of \$600 with additional allowances upon placement into a new home, and a \$125 per annum allowance for special occasions such as prom, athletic endeavors or other similar enriching events.

Under the USDA formula, housing expenditures include shelter (mortgage interest, property taxes or rent, maintenance and repairs, insurance, utilities (gas, electricity, fuel, cell/telephone, and water), and household furnishings and equipment (furniture, floor coverings, and major and small appliances).³ Although Title IV-E does not expressly contemplate reimbursement of resource parents for mortgage interest, property taxes or rent, insurance, and maintenance and repairs, the USDA housing expenditure standard nevertheless provides a useful benchmark of child rearing costs and is relied upon by myriad other states in setting their foster board payment rates.

The USDA food expenditures for an average family include food and nonalcoholic beverages purchased at grocery, convenience, and specialty stores, dining at restaurants, and household expenditures on school meals.

The USDA Miscellaneous expenses consist of personal care items (haircuts, toothbrushes, etc.), entertainment (television, computers, etc.) and reading materials (non-school books, magazines, etc.).⁴ Hawaii's basic board rates should cover these miscellaneous expenses as well.

Annual Clothing expenses as estimated by USDA consist of children's apparel such as diapers, shirts, pants, dresses, and suits; footwear; and clothing services such as dry cleaning, alterations, and repair.⁵ Rather than utilizing the 2011 USDA Annual Estimated Clothing expenditures, the DHS prorated the present \$600 annual clothing allotment, at \$50 per month, into the monthly board board payment rate. Actual payout will be twice a year before the beginning of school and near the Christmas holidays, at \$300 per payment. Resource families may request an additional \$150 per annum to assist with special clothing needs such as prom dresses or sport uniforms, and are also entitled to an additional clothing allowance, as needed, upon initial placement of a child.

Utilizing the 2011 USDA estimated *Housing, Food, and Miscellaneous* expenditures and averaging the USDA age brackets to correspond to an age tiered structure (0-5, 6-11, and over 12 years of age) The, DHS calculated the USDA's estimated total monthly expenses by age for 2011 and compared this expenditure to DHS's current 2013 Foster Care board rate.

As shown in Table 2, below, the current 2013 DHS foster care board rate of \$529 per month falls short of meeting the USDA estimated cost of raising a child in Hawai'i.

³ Ibid. p.2

⁴ Ibid. p.2.

⁵ Ibid. p.2.

Table 2: Annual and Monthly Estimated 2011 USDA Expenditures on a Child by Age in Comparison to Hawaii's current 2013 Foster Care Board Rate

Based Upon the 2011 USDA Estimated Annual Expenditures on a Child by Husband-Wife Families, Urban West (Before-tax income: \$58,890 to \$101,960 (average =\$79,240))

Age of Child	Type of Assistance *	2011 Housing Expense	2011 Food Expense	2011 Misc. Expense	2011 USDA Estimated Total Annual Expense	2011 USDA Estimated Total Monthly Expense	Current 2013 CWS Foster Care Board Rate
0 – 5	FC	\$4,670	\$1,485	\$1,120	\$7,275	\$606	\$529
	PA	4,670	1,485	1,120	7,275	606	529
	AA	4,670	1,485	1,120	7,275	606	529
6 – 11	FC	\$4,670	\$2,305	\$1,235	\$8,210	\$684	\$529
	PA	4,670	2,305	1,235	8,210	684	529
	AA	4,670	2,305	1,235	8,210	684	529
12+	FC	\$4,670	\$2,635	\$1,240	\$8,545	\$712	\$529
	PA	4,670	2,635	1,240	8,545	712	529
	AA	4,670	2,635	1,240	8,545	712	529
	Higher Ed	4,670	2,635	1,240	8,545	712	529
	FC to 21	4,670	2,635	1,240	8,545	712	529

*Legend:

FC- Foster Care

PA- Permanency Assistance

AA- Adoption Assistance

Current Cost of Hawaii's Foster Care System

The current annual cost of Hawaii's Foster Care system using Hawaii's Current 2013 Foster Care Board rate of \$529 a month is \$38,145,132 (Table 3).

Age of Child	Type of Assistance*	Current 2013 Hawaii CWS Monthly Foster Care Rate	June 2013 Number of CWS Foster Children	Monthly Cost of Current Foster Care Board Rate**
0 – 5	FC	\$529	532	\$281,428
	PA	\$529	31	\$16,399
	AA	\$529	322	\$170,338
		subtotal:	885	\$468,165
6 – 11	FC	\$529	326	\$172,454
	PA	\$529	221	\$116,909
	AA	\$529	1,498	\$792,442
		subtotal:	2,045	\$1,081,805
12+	FC	\$529	333	\$176,157
	PA	\$529	571	\$302,059
	AA	\$529	1,740	\$920,460
	Higher Ed	\$529	300	\$158,700
	FC to 21	\$529	135	\$71,415
		subtotal:	3,079	\$1,628,791
Total Monthly Cost:				\$3,178,761
Total Annual Cost:				\$38,145,132

*Legend:

FC- Foster Care

PA- Permanency Assistance

AA- Adoption Assistance

The total annual cost of \$38,145,132 includes all children receiving basic foster care assistance, permanency assistance and adoption assistance. The total annual cost does not include any additional Difficulty of Care (DOC)⁶ payments that a foster child may also receive in addition to their basic foster care board rate.

⁶ DOC are payments provided in addition to the basic board rate for a child who requires more care and supervision as documented by a treating professional because of the child's physical, emotional, psychological, and/or behavioral needs or as documented by appropriate school personnel when the child requires academic or educational assistance over and above the average assistance needed for a child. (HAR §17-1617-3)

Alternate Foster Care Board Rate Structures Proposed

The DHS analyzed three different Foster Care Board Rate Structures and the funding required for each Option. The following is an analysis of the three different Options.

Option 1:

1. Meet 2011 USDA Monthly Expense by 100%
2. Provide Clothing allowance of \$50 per month, with the exception of those on Adoption Assistance (AA)

OPTION 1: Clothing Allowance Per Month: \$50					% USDA Monthly Expense: 100%					
Age of Child	Type of Assist	June 2013 Number of CWS Foster Children	2011 USDA Estimate Total Monthly Expense	Current 2013 CWS FC Board Rate	Net Amt increased	Increased Monthly Board Rate w/o Clothing	Monthly add'l clothing rate	Increased Monthly Board Rate w/ Clothing	Monthly Cost of Increased Board Rate w/Clothing	
0 – 5	FC	532	\$606	\$529	\$77	\$606	\$50	\$656	\$348,992	
	PA	31	\$606	\$529	\$77	\$606	\$50	\$656	\$20,336	
	AA	322	\$606	\$529	\$77	\$606	\$0	\$606	\$195,132	
	subtotal:	885							\$564,460	
6 – 11	FC	326	\$684	\$529	\$155	\$684	\$50	\$734	\$239,284	
	PA	221	\$684	\$529	\$155	\$684	\$50	\$734	\$162,214	
	AA	1,498	\$684	\$529	\$155	\$684	\$0	\$684	\$1,024,632	
	subtotal:	2,045							\$1,426,130	
12+	FC	333	\$712	\$529	\$183	\$712	\$50	\$762	\$253,746	
	PA	571	\$712	\$529	\$183	\$712	\$50	\$762	\$435,102	
	AA	1,740	\$712	\$529	\$183	\$712	\$0	\$712	\$1,238,880	
	Higher Ed	300	\$712	\$529	\$183	\$712	\$50	\$762	\$228,600	
	FC to 21	135	\$712	\$529	\$183	\$712	\$50	\$762	\$102,870	
	subtotal:	3,079							\$2,259,198	
TOTAL:		6,009						Total Monthly:	\$4,249,788	
									Total Annual:	\$50,997,456
									Current Annual Cost Using Current Board Rate (\$529/mo):	(\$38,145,132)
									FY 2014 Clothing Budget Allowance	(\$1,469,400)
									Add'l Funds Needed Annually for Board Rate Increase	\$11,382,924

NOTE:

1. Children on Adoption Assistance (AA) do not receive clothing allowance.
2. Costs do not include Difficulty of Care payments which some foster children receive in addition to board payments.
3. Based on the 2011 USDA estimated annual expenditures on a child, Urban West (Before income tax average=\$79,240)
4. The average daily basic rate for children 0-5 is \$21.57; for children 6-11 the rate is \$24.13; and for children 12 and over the rate is \$25.05.

Option 2:

1. Meet 2011 USDA Monthly Expense by 95%
2. Provide Clothing allowance of \$50 per month

OPTION 2: Clothing Allowance Per Month: \$50					% USDA Monthly Expense: 95%					
Age of Child	Type of Assist	June 2013 Number of CWS Foster Children	2011 USDA Estimate Total Monthly Expense	Current 2013 CWS FC Board Rate	Net Amt increased	Increased Monthly Board Rate w/o Clothing	Monthly add'l clothing rate	Increased Monthly Board Rate w/ Clothing	Monthly Cost of Increased Board Rate w/Clothing	
0 – 5	FC	532	\$606	\$529	\$47	\$576	\$50	\$626	\$333,032	
	PA	31	\$606	\$529	\$47	\$576	\$50	\$626	\$19,406	
	AA	322	\$606	\$529	\$47	\$576	\$0	\$576	\$185,472	
	subtotal:	885							\$537,910	
6 – 11	FC	326	\$684	\$529	\$121	\$650	\$50	\$700	\$228,200	
	PA	221	\$684	\$529	\$121	\$650	\$50	\$700	\$154,700	
	AA	1,498	\$684	\$529	\$121	\$650	\$0	\$650	\$973,700	
	subtotal:	2,045							\$1,356,600	
12+	FC	333	\$712	\$529	\$147	\$676	\$50	\$726	\$241,758	
	PA	571	\$712	\$529	\$147	\$676	\$50	\$726	\$414,546	
	AA	1,740	\$712	\$529	\$147	\$676	\$0	\$676	\$1,176,240	
	Higher Ed	300	\$712	\$529	\$147	\$676	\$50	\$726	\$217,800	
	FC to 21	135	\$712	\$529	\$147	\$676	\$50	\$726	\$98,010	
	subtotal:	3,079							\$2,148,354	
TOTAL:		6,009						Total Monthly:	\$4,042,864	
									Total Annual:	\$48,514,368
									Current Annual Cost Using Current Board Rate (\$529/mo):	(\$38,145,132)
									FY 2014 Clothing Budget Allowance	(\$1,469,400)
									Add'l Funds Needed Annually for Board Rate Increase	\$8,899,836

NOTE:

1. Children on Adoption Assistance (AA) do not receive clothing allowance.
2. Costs do not include Difficulty of Care payments which some foster children receive in addition to board payments.
3. Based on the 2011 USDA estimated annual expenditures on a child, Urban West (Before income tax average=\$79,240)
4. The average daily basic rate for children 0-5 is \$20.58; for children 6-11 the rate is \$23.01; and for children 12 and over the rate is \$23.86.

Option 3:

1. Meet 2011 USDA Monthly Expense by 94%
2. Provide Clothing allowance of \$50 per month

OPTION 3: Clothing Allowance Per Month: \$50					% USDA Monthly Expense: 94%					
Age of Child	Type of Assist	June 2013 Number of CWS Foster Children	2011 USDA Estimate Total Monthly Expense	Current 2013 CWS FC Board Rate	Net Amt increased	Increased Monthly Board Rate w/o Clothing	Monthly add'l clothing rate	Increased Monthly Board Rate w/ Clothing	Monthly Cost of Increased Board Rate w/Clothing	
0 – 5	FC	532	\$606	\$529	\$41	\$570	\$50	\$620	\$329,840	
	PA	31	\$606	\$529	\$41	\$570	\$50	\$620	\$19,220	
	AA	322	\$606	\$529	\$41	\$570	\$0	\$570	\$183,540	
	subtotal:	885							\$532,600	
6 – 11	FC	326	\$684	\$529	\$114	\$643	\$50	\$693	\$225,918	
	PA	221	\$684	\$529	\$114	\$643	\$50	\$693	\$153,153	
	AA	1,498	\$684	\$529	\$114	\$643	\$0	\$643	\$963,214	
	subtotal:	2,045							\$1,342,285	
12+	FC	333	\$712	\$529	\$140	\$669	\$50	\$719	\$239,427	
	PA	571	\$712	\$529	\$140	\$669	\$50	\$719	\$410,549	
	AA	1,740	\$712	\$529	\$140	\$669	\$0	\$669	\$1,164,060	
	Higher Ed	300	\$712	\$529	\$140	\$669	\$50	\$719	\$215,700	
	FC to 21	135	\$712	\$529	\$140	\$669	\$50	\$719	\$97,065	
	subtotal:	3,079							\$2,126,801	
TOTAL:		6,009						Total Monthly:	\$4,001,686	
									Total Annual:	\$48,020,232
									Current Annual Cost Using Current Board Rate (\$529/mo):	(\$38,145,132)
									FY 2014 Clothing Budget Allowance	(\$1,469,400)
									Add'l Funds Needed Annually for Board Rate Increase	\$8,405,700

NOTE:

1. Children on Adoption Assistance (AA) do not receive clothing allowance.
2. Costs do not include Difficulty of Care payments which some foster children receive in addition to board payments.
3. Based on the 2011 USDA estimated annual expenditures on a child, Urban West (Before income tax average=\$79,240)
4. The average daily basic rate for children 0-5 is \$20.38; for children 6-11 the rate is \$22.78; and for children 12 and over the rate is \$23.64.



TESTIMONY IN SUPPORT OF HB 1576: Relating to Foster Care Services

TO: Representative Mele Carroll, Chair, Representative Bertrand Kobayashi, Vice Chair and members of the Committee on Human Services

FROM: Trisha Kajimura, Social Policy Director, Catholic Charities Hawai'i

Hearing: Thursday, January 30, 2014, 10:00 am; CR 329

Thank you for the opportunity to testify on HB 1576, which increases the rate of monthly board payments for foster children in Hawai'i. I am Trisha Kajimura, Social Policy Director for Catholic Charities Hawaii. **I am testifying in support of HB 1576.**

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for over 60 years. CCH has programs serving elders, children, developmentally disabled, homeless and immigrants. Our mission is to provide services to the most vulnerable of the people in Hawai'i.

Catholic Charities Hawai'i has a long history of working with children in foster care and their families. We provide training to foster families and work with biological families to maintain custody of their children or become reunified with them. We have an in-depth, professional understanding of the dynamics of child abuse and neglect and the resources it takes for foster parents to effectively parent foster children. Many of these resources are mental and emotional and really cannot be defined by a price tag. However, it is easy to understand that with the high cost of living in Hawai'i, \$529 per month is not enough to cover the costs of caring for a foster child.

Recruitment of resource (foster) families has become increasingly challenging for agencies and it is clear that the significant contribution they make to our communities by caring for children in need is very important. They are the best chance that these children have for breaking the cycle of family violence that they are caught in. We cannot financially compensate these families for the sacrifices that they make but we must try to reasonably pay for the living expenses of the children that they care for.

Please help us continue to support foster families in caring for Hawai'i's children in need. Catholic Charities Hawaii urges you to pass HB 1576.

Thank you for the opportunity to testify. Please contact me at (808)527-4810 or trisha.kajimura@catholiccharitieshawaii.org if you have any questions.



CLARENCE T. C. CHING CAMPUS • 1822 Ke'eaumoku Street, Honolulu, HI 96822
Phone (808)527-4810 • trisha.kajimura@catholiccharitieshawaii.org





FAMILY PROGRAMS HAWAII

TO: Representative Mele Carroll, Chair
Representative Bertrand Kobayashi, Vice Chair
Committee on Human Services

HEARING: Thursday, January 30, 2014
10:00 am
Conference Room 329

FROM: Judith Wilhoite
Family Programs Hawai'i

RE: HB 1576 – Relating to Foster Care Services

Thank you for the opportunity to testify. I am the Family Advocate for Family Program Hawaii's It Takes An `Ohana (ITAO) program and a resource caregiver, formerly referred to as foster parent. I, along with my Advisory Committee, strongly support this bill.

In return for the federal reimbursement to the states for a portion of foster care costs, Title IV-E of the Social Security Act requires states to reimburse resource caregivers, formerly known as foster parents, for their foster child's cost of food, clothing, shelter, daily supervision, school supplies, personal incidentals and childcare.

The \$529 per month reimbursement rate that Hawaii resource caregivers receive to cover their foster children's costs has not been changed since 1990. Per the Hawai'i State Data Center, the cost for a basket of food to be prepared at home in 1990 was \$24.71. In 2011, the cost for that same basket of food was \$53.75. That cost alone has risen 100% while the reimbursement has not budged.

In hard economic times like we are in now, this can prevent good families from becoming resource caregivers and at the same time, force good resource caregivers out of the system.

I strongly support this bill to adjust the foster care reimbursement rate so that it adequately covers the needs of our children in foster care.

HAWAII YOUTH SERVICES NETWORK

677 Ala Moana Boulevard, Suite 702 Honolulu, Hawaii 96813

Phone: (808) 531-2198 Fax: (808) 534-1199

Web site: <http://www.hysn.org> E-mail: info@hysn.org

Daryl Selman, President
Judith F. Clark, Executive Director
Aloha House
American Civil Liberties Union of Hawaii
Bay Clinic, Inc.
Big Brothers Big Sisters of Honolulu
Big Island Substance Abuse Council
Blueprint for Change
Bobby Benson Center
Catholic Charities Hawaii
Child and Family Service
Coalition for a Drug Free Hawaii
Courage House Hawaii
Domestic Violence Action Center
EPIC, Inc.
Family Programs Hawaii
Family Support Hawaii
Hale Kipa, Inc.
Hale 'Opio Kauai, Inc.
Hawaii Behavioral Health
Hawaii Student Television
Healthy Mothers Healthy Babies Coalition
Hina Mauka Teen Care
Hui Malama Learning Center
Kaanalike
Kahi Mo'ohala Behavioral Health
KEY (Kualoa-Hee'ia Ecumenical Youth)
Project
Kids Hurt Too
Kokua Kalihi Valley
Life Foundation
Marimed Foundation
Maui Youth and Family Services
Palama Settlement
P.A.R.E.N.T.S., Inc.
Parents and Children Together (PACT)
Planned Parenthood of Hawaii
REAL
Salvation Army Family Intervention Svcs.
Salvation Army Family Treatment Svcs.
Sex Abuse Treatment Center
Susannah Wesley Community Center
The Catalyst Group
The Children's Alliance of Hawaii
Waikiki Health Center
Women Helping Women
YWCA of Kauai

January 28, 2014

To: Representative Mele Carroll, Chair
And members of the Committee on Human Services

Testimony in Support of HB 1576 Relating to Foster Care Services

Hawaii Youth Services Network (HYSN), a statewide coalition of youth-serving organizations, supports HB 1576 Relating to Foster Care Services.

Our current foster care rates do not cover the actual costs of caring for young people in the foster care system. \$529 a month does not adequately cover the growing costs of food, clothes, and utilities. This makes it difficult to recruit and retain foster families.

Families who are interested in caring for foster children are telling youth workers that they cannot afford the costs that they themselves would have to contribute from their personal funds. They do not choose to become foster families for the money; the issue is that the amount of the board payment does not cover the cost of caring for a child's basic needs.

We can increase the stability of young people in care by increasing the foster care rates because children will be more likely to live with one stable family throughout their time in foster care. When foster children are moved around to multiple homes, they cannot form trusting relationships with caregivers, they have more difficulty in school, and they are more likely to have emotional and behavioral issues.

By maintaining a larger pool of foster families to match with the children, we also increase the probability that the foster family will have similar culture, values, and interests to the child. The child will be more likely to live in a familiar community and continue to attend the same school.

Increasing the stipend for foster care will also help the transitioning foster children who participate in the higher education program. By increasing the funds they have for basic expenses, they will be able to work fewer hours,

allowing more time to concentrate on their education. This will increase college graduation rates, leading to greater self-sufficiency and less future dependence on public assistance.

Foster parents are already donating their time to take care of foster youth, if this bill passes, they won't need to donate their savings too.

Thank you for this opportunity to testify.

Sincerely,

A handwritten signature in black ink, reading "Judith F. Clark". The signature is written in a cursive style with a large, sweeping initial "J".

Judith F. Clark, MPH
Executive Director

kobayashi1-Joni

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, January 28, 2014 2:14 PM
To: HUS testimony
Cc: sherrianwitt@aol.com
Subject: Submitted testimony for HB1576 on Jan 30, 2014 10:00AM

HB1576

Submitted on: 1/28/2014

Testimony for HUS on Jan 30, 2014 10:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
sherrian witt	Witt Counseling Service	Support	No

Comments: I support the increase in financial enumeration to those who care for our children in Foster Homes, group Homes and more. Inflation has caused the amount now paid since 1990 to be decreased. The rise in living expenses have caused this amount to be in need of increase.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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kobayashi1-Joni

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, January 28, 2014 5:40 PM
To: HUSstestimony
Cc: thirr33@gmail.com
Subject: Submitted testimony for HB1576 on Jan 30, 2014 10:00AM

HB1576

Submitted on: 1/28/2014

Testimony for HUS on Jan 30, 2014 10:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Arvid Tadao Youngquist	Individual	Support	Yes

Comments: Chair, Rep. Mele Carroll Vice Chair, Rep. Bert Kobayashi Right Honorable House HUS Committee Members: .Rep. Della Au Belatti .Rep. Richard Creagan, M.D. .Rep. Mark Jun Hashem .Rep. Jo Jordan .Rep. Dee Morikawa .Rep. Rep.Marcus R. Oshiro .Rep. Justin Woodson .Rep. Beth Fukumoto We support HB 1576 Relating to Foster Care. The difference and insufficiency in the per diem expenses for the Foster Parents have been borne by these substitute "parents" for decades without increase keeping pace with the cost of living. An increase is overdue. The measure merits serious consideration and support by the House HUS Committee. Request that the members report out with minimal amendments that may dilute the intentions of the maker as well as those of us who support such a gesture. Any amendment which enhances the measure fiscally will be welcome, of course. Mahalo nui loa, Arvid T. Youngquist Founder/Spokesman-The Mestizo Association (1982) Registered Voter, CD1 U.S. House District, Kalihi Valey Resident 1725-F Perry St., Hon., HI 96819 thirr33@gmail.com

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

Kevin D. Dayton
90 S. Wilder Road
Hilo, Hawaii 96720

Jan. 29, 2014

RE: House Bill 1576, RELATING TO FOSTER CARE SERVICES

Aloha, Chair Carroll and members of the House Human Services Committee. Thank you for allowing me to submit these comments in favor of House Bill 1576, which instructs the state Department of Human Services to increase state payments to support children in foster care in Hawaii.

We all recognize that our children are our most valuable resource, and safeguarding the well-being of our children today prepares Hawaii for a better future. Properly caring for our foster children is particularly important because these children are especially vulnerable. Many are victims of abuse or neglect, which can put them at high risk for all kinds of problems as they reach adolescence and adulthood. Intervening early and effectively in their lives is critical.

Foster parents are one of the primary tools available to the state to help these children. These children often arrive at our homes in times of crisis. We show them what a safe and stable home looks like, which is something some of them have never seen before. We model healthy adult relationships, provide structure and order in their lives, teach them good habits to help prepare them for work and school, and give them hope for a better future for themselves. Most importantly, we give them love. People become foster parents because they love children, and because they want to help children.

Even the state now acknowledges that Hawaii's foster board payments do not cover the actual cost of caring for these children. In effect, the state is requiring that volunteer foster parents reach into their own pockets each month to pay to support children who are the responsibility of the state. The state has frozen reimbursements for foster parents for the past 24 years, and we all know that prices dramatically increased during the last two decades for food, diapers, toys, preschool, rent, electricity, school supplies and all of the many items that our families purchase every day. The foster board reimbursement today is about \$17 per day, which cannot possibly cover the cost of housing, feeding and caring for a child. This puts extra pressure on foster families, and it forces some to reassess whether serving as foster parents is in the best interests of our own families.

House Bill 1576

Kevin Dayton

Page 2

Please also consider that foster children often require extraordinary investments of attention and time, which can make foster parenting a 24-hour job. Some foster children are drug-exposed or come to us with emotional disorders that require therapy. Some foster children need very intensive supervision to keep them safe. Foster parents often must navigate the complexities of public school special education programs. Teenagers placed in our care may need to participate in drug treatment or have Family Court hearings.

The Department of Human Services is also making new demands on foster families. Today the department often asks foster parents to have more frequent contact with birth parents to assist with visitation and help the birth families prepare for reunification. Last year the state also established new mandatory, ongoing training for licensed foster families. While I agree with both of these DHS initiatives, they are examples of the state asking for more and more, while providing less and less financial support to our foster families.

The state has made progress in recent years in recruiting and training caring, capable foster parents so that foster children will have stable, safe places to stay in times of crisis. However, we know that recruitment of foster families has become much more challenging, and retention of foster families becomes more difficult when foster board payments do not cover the cost of caring for these children.

Experienced foster parents have skills that are critical for the welfare of foster children, and it is extremely important that we retain them. Veteran foster parents have helped guide children through feelings of abandonment and crisis, and learned to watch for signs of still-undetected sexual or other abuse. They have learned to navigate the state system to help connect their foster children with the services they need. These experienced foster parents have coped with child-raising challenges that many parents never experience, and they make an enormous contribution to our community.

We respectfully ask that you approve House Bill 1576 to increase foster board payments and provide foster parents with the financial support they need to continue this important work for the state. Thank you for your consideration.

Kevin Dayton

(808) 960-5007

LATE DELIVERY

ADULT FOSTER HOMES OF THE PACIFIC
P.O. BOX 971450 WAIPAHU, HI 96797

House Committee on Human Services
January 30, 2014
Room 329 @ 10:00am

LATE DELIVERY

LATE

To: Honorable Rep. Mele Carroll, Chair HUS
Honorable Rep. Bertrand Kobayashi, Vice Chair
Honorable Members of the House Committee on Human Services

From: Margie Agliam
Vice President AFHOP Adult Foster Homes of the Pacific
94-1496 Kahualoa St. Waipahu HI, 6797
808 677-2201

RE: HB1576- Relating to Foster Care Services- Increase the monthly board Rate for foster care services. Makes an appropriation. Requires DHS to Report on impact of board rate increase.

My name is Margie Agliam Vice President of the adult foster homes of the pacific, representing more than 1000 caregivers statewide.

Subject: I strongly support HB1576 to increase the monthly board rate for foster home care services. Makes an appropriation. Requires DHS to report on impact of board rate increase. As an adult foster home operator I have seen the demand grow for residential care for the elderly and disabled. Studies have shown the government relies heavily on our services. As the aging population increases so does the storage of nurses and I am concerned we will lose many more foster homes as the current operators retire. We have seen a drop in membership in the past year alone. Financially the foster homes program does not entice many new members because of the financial burden it costs each foster home owner to operate. At \$41.06 for level 2 and \$ 24.98 for level 1 per day a minimum wages for 24-hour period cannot even be compared to working minimum wage of only 8 hour job.

Therefore, being a caregiver who provides a private room for our clients a 24/7care, food, transportation, very challenging and costly requirements such as liability insurance, car insurance, mortgage or rental, fingerprinting, APS /CAN, criminal background, TB clearance, PE physical exam, first aid CPR, CAN renewal and now we are doing our own billing is too much considering how much we are getting paid for. In other words, we are being under paid with the amount of works that we do.

This is why I am strongly support HB1576: Some of the major reason why we ask DHS to have an increase: 1) the cost of housing is dramatically increasing through the years. Providing a private room including 3 meals a day and snacks for each our client at a minimal average cost of \$418 dollars for room and board is un comparable to any rental housing and nursing homes. 2) providing a 24 hour care for a nursing home level client at average cost of \$1600 dollars a month is unreasonable considering the loads of work that we do each day. Beside nursing we also do laundry every day, cleaning, and cooking. Nursing home clients cost an average \$6000 to \$8000 dollars each month with the same amount of work we do. Not too forget this nursing home clients are in a four-beds room. 3) requirements of the department is getting harder each year and at the same time it is costly. 4) when we go grocery we are paying our substitute \$10 to \$12 dollars per hour.

5) we have been helping the state saving millions of money each year by placing this nursing home level clients in our homes. But to continue to help the state, we also need some consideration so that we continue to serve and help.

My sincerest thanks and I'm hoping for your kind consideration together with rest of the committee to consider to pass HB1576 so that we can continue to serve the frail elderly people in the community.

Thank you for giving me the oppportunity to testify.

Yours Truly,

Print Name & Signature

Phone number:

Address: