

## 2009 DRAFTING REQUEST

### Bill

Received: **11/20/2008**

Received By: **gmalaise**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget 6-8219**

By/Representing: **Stinebrink**

This file may be shown to any legislator: **NO**

Drafter: **gmalaise**

May Contact:

Addl. Drafters:

Subject: **Children - out-of-home placement**

Extra Copies:

Submit via email: **NO**

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### Pre Topic:

DOA:.....Stinebrink, BB0230 -

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### Topic:

Graduated foster care licensing system

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### Instructions:

See attached

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### Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
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/1			rschluet 12/19/2008	_____	mbarman 12/19/2008		S&L
/2	gmalaise 01/23/2009	bkraft 01/24/2009	phenry 01/24/2009	_____	chanaman 01/25/2009		S&L
/3	gmalaise 01/30/2009	bkraft 01/31/2009	mduchek 01/31/2009	_____	mbarman 02/02/2009		S&L
/4	gmalaise 02/09/2009	bkraft 02/10/2009	jfrantze 02/10/2009	_____	sbasford 02/10/2009		

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/3	gmalaise 01/30/2009	bkraft 01/31/2009	mduchek 01/31/2009	_____	mbarman 02/02/2009		

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RS

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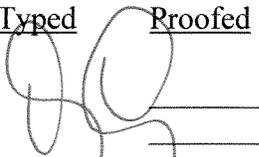
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## 2009-11 Budget Bill Statutory Language Drafting Request

- Topic: Graduated Foster Care Licensing System
- Tracking Code: BBO230
- SBO team: Education, Children & Families
- SBO analyst: Cory Stinebrink
  - Phone: 266-8219
  - Email: Cory.Stinebrink@Wisconsin.gov
- Agency acronym: DCF
- Agency number: 437
- Priority (Low, Medium, High): High

### Intent:

The intent of DCF is to pursue changes to foster home licensing standards to create one licensing standard with levels of care.

Language is needed provide the basis for updating the administrative rules, including a basis for linking provider reimbursement with the qualifications of the provider.

Currently foster care licensing regulations are divided into two separate licensing standards, Ch. 56, Adm. Code, "Foster Home Care for Children" and Ch. 38, Adm. Code, "Treatment Foster Home Care for Children." There is inconsistency in how foster parents are licensed under the two codes, with some regular family foster parents providing care equivalent to treatment level and some treatment foster parents who are not as skilled as family foster parents. In addition, there is a lack of standardized assessment process to consistently and reliably determine whether a child needs to be placed in a treatment or family foster home.

Relative caregivers are typically not licensed as foster homes and receive lesser levels of support as a result. If licensed at a basic level, administrative costs associated with relative placements would qualify for federal IV-E reimbursement.

*kinship care?*

**DEPARTMENT OF CHILDREN AND FAMILIES**  
**2009-11 Biennial Budget**  
**Governor's Budget Issue Paper**

**Issue: Graduated Foster Care Licensing System**

**Problem Description**

Currently foster care licensing regulations are divided into two separate licensing standards, Ch. 56, Adm. Code, "Foster Home Care for Children" and Ch. 38, Adm. Code, "Treatment Foster Home Care for Children." There is inconsistency in how foster parents are licensed under the two codes, with some regular family foster parents providing care equivalent to treatment level and some treatment foster parents who are not as skilled as family foster parents. In addition, there is a lack of standardized assessment process to consistently and reliably determine whether a child needs to be placed in a treatment or family foster home.

Relative caregivers are typically not licensed as foster homes and receive lesser levels of support as a result. If licensed at a basic level, administrative costs associated with relative placements would qualify for federal IV-E reimbursement.

There are two decisions for the Department to consider: 1) to pursue changes to foster home licensing standards to create one licensing standard with levels of care, and 2) to implement a statewide assessment process for children entering or transitioning out-of-home placements.

**Background**

Currently, Ch. 56, Adm. Code, establishes minimum expectations for all foster parents licensed in the State of Wisconsin including background check requirements, physical space and safety requirements, and requirements for the care of foster children. Ch. 56 also includes parameters for determining reimbursement for foster parents. In addition to the requirements in Ch. 56, Adm. Code, treatment foster parents must also meet the requirements of Ch. 38, Admin. Code. Ch. 38, Adm. Code, includes specific training requirements and higher expectations for treatment foster parents. Ch. 58, Adm. Code, "Eligibility for the Kinship Care and Long-Term Kinship Care Program," establishes a separate approval process for kinship caregivers. The process for how a family becomes approved or licensed through one of these regulations and how the child is placed in the home is subjective based upon the agency's policy, court orders, funding, and availability of relatives or non-relative foster homes. For example, some agencies across the state are currently placing non-treatment children in treatment homes or negotiating a variable reimbursement rate to keep siblings together due to a lack of family foster homes.

Nationally, a number of states have implemented or are considering implementation of a level of care (LOC) assessment and graduated licensing system. Implementing an assessment process for children in out-of-home care and LOC system in Wisconsin would help achieve the following goals:

1. More appropriately match the needs of children with the abilities and expertise of foster care providers;
2. Create continuity between kinship care, family foster care and treatment foster care; and
3. Create flexibility for the placement of children, especially siblings or minor relatives, with varying level of needs together in a foster home.

Federal IV-E regulations require that the same licensing standards be applied to relatives as to non-relatives. States can waive licensing requirements for relatives or other prospective foster parents on a case-by-case basis, but cannot make blanket waivers for relatives.

The Wisconsin experience is that relatives are rarely licensed as foster parents, except in Milwaukee County. Relatives are often not interested in becoming licensed or do not meet licensing requirements; in addition, many counties do not encourage relatives to become licensed due to the fiscal impact on counties. When a relative cares for a child under the Kinship Care the providers costs are paid by TANF funds from the state, whereas as foster parents the costs are paid by the county,

Since 2006, federal IV-E policy has restricted reimbursement of administrative costs for foster care activities to only those children placed in licensed settings. Previous states could claim IV-E administrative reimbursement for children placed with unlicensed relatives. The federal policy change is estimated to cost Wisconsin \$13 million annually in IV-E reimbursement. Creating a LOC system that allows relatives who are currently approved for the Kinship Care program to be licensed at a basic level would allow the Department to recoup federal Title IV-E revenue.

Child welfare agencies must determine the needs of children coming into out-of-home care through an assessment process and place a child into a foster home licensed at the corresponding level of care to meet the child's needs. Information gathered during an assessment process assists in determining a child's placement need for any out-of-home care setting, including residential or group care.

Current assessment or evaluation tools being used or recommended with LOC licensing standards in other states include: Achenbach Child Behavioral Checklist, Child and Adolescent Functional Assessment Scale (CAFAS), Child and Adolescent Needs and Strengths (CANS), Preschool and Early Childhood Functional Assessment Scale (FECFAS), and the Child and Adolescent Service Intensity Instrument (CASII), formerly known as Child and Adolescent Level of Care Utilization System (CALOCUS).

### Levels of Care

A LOC foster home licensing system creates varying levels of licensing requirements, qualifications for foster parents, and increased responsibilities or expectations for agencies within one licensing standard. The child would then be matched with a foster home with the corresponding level of licensure to meet his or her identified needs. A foster home would be able to accept any child assessed at or below the level of care for which they are licensed.

For all of the specified levels foster parents would have to meet minimal safety requirements which would include background checks, a physical plant inspection, and an understanding and ability to meet a child's identified needs. A proposed level of care system in Wisconsin could include the following levels and requirements:

**Level 1: Foster Care:** Level 1 would follow the existing Ch. 58 Adm. Code Kinship Care requirements with the same Ch. 56, Foster Care Adm. Code requirements for minimal safety checks which would include background checks, a physical plant inspection, and an understanding and ability to meet the identified relative child's identified needs. Only relative caregivers or persons with a substantial relationship to the child prior involvement with the child welfare or juvenile justice system involvement also known as "like kin" could qualify for fostering at this level.

To move to level 2, a foster parent would need to meet the additional requirements of licensure at level 2.

**Level 2: Foster Care** Level 2 would consist of the minimal safety requirements and the additional requirements to licensure in Ch. 56, Adm. Code, which include: verification of homeowner's or renter's and vehicle liability insurance, a health examination of all household members, favorable references from at least three non-relatives, employment history for at least the past five years, and notification of any prior foster care licenses or other caregiver licenses held. In addition, new requirements would be added. Foster parents at Level 2 would be required to participate in Competency Based Foster Parent Training approved by the Department for both Pre-Placement, Foundation, and Ongoing Training hours. Level 2 certification, allows a foster family to provide care to children assessed with Level 2 and Level 1 care needs.

To move to level 3, a foster parent would need to have been licensed as a Level 2 foster parent for a minimum of two years and meet the additional requirements set forth now in Ch. 38, Adm. Code requirements to licensure. The current requirements under Ch. 38, Adm. Code, include possessing at least two of the following: a minimum of 5 years working with or parenting children, a minimum of 500 hours providing respite care to children under the supervision of human service agency, a high school diploma or equivalent, or a substantial relationship with the child to be placed through experience as a staff member or volunteer involved in the child's case or as a family member or friend of the treatment foster family. There could be a provision to waive the minimum two years for relatives or "like kin." In addition, a new requirement could include advanced ongoing training on the competencies outlined in Ch. 38; favorable references from at least two of the following: agency personnel, service providers (therapists, physicians), school personnel, former foster children, birth families, foster parent associations, or someone having substantial knowledge regarding their ability to provide care for foster children with treatment level service needs; and an exam to demonstrate knowledge and skill on competency based concepts for providing treatment foster care.

**Level 3: Treatment Foster Care** Level 3 care, would consist of the existing and revised Ch. 38, Adm. Code requirements as stated above in how a licensee would move from Level 2 to Level 3. Level 3 certification, allows a treatment foster family to provide care for children with assessed care needs for Levels 3, 2, and 1.

To move to Level 4, a treatment foster parent would need to have been licensed as a Level 3 treatment foster parent for a minimum of two years, meet additional training requirements, obtain favorable references from at least two of the following: agency personnel, service providers, school personnel, former foster children, birth families, foster parent associations, or someone having substantial knowledge regarding their ability to provide care for foster children advanced treatment foster care needs; and an exam to demonstrate knowledge and skill on competency based concepts for providing advanced treatment foster care.

**Level 4: Advanced Treatment Foster Care** Level 4 certification would meet the minimum standards required to move from Level 3 to Level 4 care. Level 4 Advanced Treatment Foster Care, allows a foster family to provide care to children with assessed care needs for Levels 4, 3, 2, and 1.

To move to Level 5 Shift-staffed Treatment Care, a home would need to meet all of the requirements of Level 3 Treatment Foster Care, demonstrate an ability to provide care to children requiring 24-hour awake staff in a home-like setting, demonstrate an ability to maintain staffing levels adequate to meet the needs of all of the children at the home, and have an agency willing and able to provide the necessary level of oversight for this type of home.

**Level 5: Shift-staffed Treatment Foster Care** Level 5 Shift-staffed Treatment Foster Care is a facility with 24-hour awake staff in a home-like setting. The staff and facility should minimally meet the requirements specified under Level 3, demonstrate an ability to maintain staffing levels adequate to meet the needs of all of the children at the home, have an agency willing and able to provide the necessary level of oversight for this type of home, and have identified children or need specified for the specific home. There should be specific children identified with this Level of Care need or a resource need to fill prior to licensure of this type of facility. Level 5 Shift-staffed Treatment Foster Care only allows children with assessed care needs of Level 5 live in this type of home.

LOC systems in other states include a set amount or an established range of reimbursement for foster parents that corresponds with the assessment or evaluation of the child. Thus, in addition to revisions to Administrative Rule(s), the Uniform Foster Care Rate structure would need to be revised.

#### Implications for Child Welfare Agencies

Implementation of the Levels of Care would have a significant impact on counties and BMCW. There could be an initial small but growing shift over the years for relatives or other persons at the basic level 1 to move up to level 2, which may result in increased payment costs for agencies. It is important to keep in mind that the foster parent will be able

to provide care up to the highest Level they have attained, so the payments would be based on the child's needs, not just the type of certification for Levels of Care a family would have.

At the other end of the scale, establishing levels 3-4 will lead to reduced costs for treatment foster care in that the administrative costs associated with non-treatment children in treatment foster homes would not be the same issue as they are today because a family would not be labeled as treatment or not, but instead they would be certified to care for children up to certain levels, but not limited to just a certain assessed level of need child.

Finally, by expanding the use of Level 5 for shift-staffed homes, this could allow children to be stepped down from expensive RCC placements. There is a trend in serving children with Developmental Disabilities to "step-down" these children to community placements and the shift-staffed treatment foster home appears to be a fit for many of these children since the homes are typically designed for specific children. Often the shift-staffed treatment foster home becomes the adult family home when the child turns age 18. There are currently no standards for shift-staffed treatment foster care in Administrative Code, but with homes approved on a case-by-case basis using the licensing exception process. Shift staffed homes should have requirements specified in Administrative Code.

Current licensing policy allows the Bureau of Milwaukee Child Welfare and county agencies to license both regular and treatment foster homes, this would continue for the proposed levels of care. Public agencies would be able to license Levels 1-5, so foster parents would not need to be privately licensed to get to the treatment level of care.

The appendix to the paper shows the recent trend in OHC placements, with the share of the total caseload in relative placements and treatment foster homes increasing while the share in regular family foster homes is decreasing.

### **Scope**

- Revisions to Ch. 58, Adm. Rule, "Eligibility for the Kinship Care and Long-Term Kinship Care Program," Ch. 56, Adm. Rule, "Foster Home Care for Children" and Ch. 38, Adm. Rule, "Treatment Foster Care for Children."
- Creation of standardized assessments for children in out-of-home care.
- Incorporation of standards for shift-staffed treatment foster care into the combined administrative rule.
- Revisions to the Uniform Foster Care Rate policy.

Note: Group homes and residential care centers not in the scope.

### **Constraints and Assumptions**

- Constraints:
  - Revisions to Administrative Rule, especially revisions of this scope, can take several years to draft and finalize. Statutory changes may be easier to accomplish/

- Implementation of levels of care standards and assessments of children in out-of-home care will have a significant impact on county, private agency, and tribal workloads and on DCF.
  - Public agencies may oppose the uniformity and loss of flexibility in determining the foster care rates that are associated with levels of care.
  - DCF or the Training Partnerships will need to provide initial and ongoing training to staff to assure the uniform and consistent application of assessment tools.
  - The next Child and Family Services Review will be held in the spring of 2010, during the revision process.
  - Kinship care providers may not want to be formally involved with the child welfare or child protective services system or may not meet licensing standards.
- Assumptions:
    - The needs of children in out-of-home care are currently not assessed or documented in a standardized manner across the state.
    - The Kinship Care program does not provide relative caregivers with adequate reimbursement, services, training opportunities, or support.
    - Some foster homes licensed as treatment level do not demonstrate the skills, experience, or training necessary to care for children with treatment level needs.
    - Levels of care assessments and graduated foster home licensing standards improve matches between children and foster families.
    - Levels of care assessments and corresponding reimbursement amounts will increase consistency across the state for foster parent reimbursement amounts.

## **Alternatives**

### **Option 1 – Implement a formalized assessment process for children in out-of-home care.**

DCF would require a standardized assessment of need for all children in out-of-home care to more systematically evaluate children's needs and place children with out-of-home providers who are qualified to meet a child's identified needs. Agencies are currently required to gather and provide information about a child to the out-of-home care provider, but are not required to conduct any type of formalized assessment to decide the level of care a child needs.

#### **Pros**

- This option would accurately and comprehensively capture information about a child's needs and guide agencies to place children with out-of-home care providers who have the skills and abilities to provide the services necessary for that child creating better outcomes for the child's safety, permanence, and well-being.
- The assessment process would support more consistency in setting maintenance payment rates.

#### **Cons**

- Agencies may not have foster homes available to meet the identified needs of specific children. Many agencies are currently lacking foster homes and some are placing non-treatment children in treatment foster homes due to a lack of resources.
- There are workload implications for conducting assessments of every child in out-of-home care.
- Agencies may be reluctant to conduct assessments if they do not think they have the services to meet the needs of children in out-of-home care.

**Option 2 – Create a Level of Care (LOC) system for family-based out-of-home placement settings. This option has several components:**

*Combine Chs. 56 and 38, Adm. Code, into one licensing standard with varying levels of care.*

**Pros**

- This option would create a single foster home licensing rule with more specific criteria for training, skills, and experience for foster parents at each LOC. It would also establish increased flexibility for the placement of siblings or other minor family members in foster care together.
- One licensing standard would eliminate the separation between foster care and treatment foster care, creating greater continuity between the two program areas.
- Revisions would include the provision of shift-staffed treatment foster care, providing greater clarification and expectations for this new type of placement setting.

**Cons**

- The revision of licensing standards would be an involved process, taking possibly up to several years.
- There will be fiscal and workload implications for county and private agencies, especially to learn and implement new licensing standards, determine appropriate levels of care, and provide increased services.
- Existing foster homes may have the skills and experience to qualify for higher levels of care, resulting in increased costs to child welfare agency.
- The Uniform Foster Care Rate system would need to be updated to include the assessment criteria and levels of care criteria.

*Create a graduated licensing standard, or levels of care system, that supports licensing of for kinship care providers.*

DCF could combine elements of the Kinship Care certification process in Ch. 58 with the combined licensing rule incorporating Chs. 56 and 38, Adm. Code, into one licensing standard with varying levels of care based upon a child's level of need. To comply with federal regulations, the basic licensing level would not be targeted exclusively at relatives and would have to be open to unrelated persons.

### **Pros**

- In addition to the Pros listed in Option 4.2.1.a. above, this option would increase federal Title IV-E revenue. The additional IV-E revenue would help cover the costs of implementing the LOC system.
- This option would provide additional support services to kinship providers.
- It would eliminate the issue of agencies not encouraging or allowing relatives to become licensed foster parents.
- Training kinship caregivers will better prepare them and raise their awareness of support services.

### **Cons**

- Some kinship care providers may not qualify for foster care licensing standards or may not choose to become licensed.
- Local agencies are allowed to make exceptions to background check requirements in Kinship Care but not in Foster Care.
- Kinship Care is currently paid for through the TANF program with no agency contribution required. Providing reimbursement to relative caregivers through Foster Care and at the Basic Maintenance Rate would have a fiscal impact on local agencies.
- Kinship caregivers receive reimbursement in advance at the beginning of the month while foster care providers receive reimbursement at the end of the month for care provided in that month.
- If the first level of foster care licensure is the existing Kinship Care Standard, it could be perceived as lowering the standard for foster care.

***Create a graduated licensing standard, or levels of care system, with minimum licensing criteria based upon criminal background checks, safety, and physical plant requirements.***

DCF could create one basic licensing rule with expectations or standards for levels of care established through separate policies.

### **Pros**

- This option would probably address the federal prohibition against separate licensing standards for relative and non-relative providers, an issue that needs to be addressed in any LOC design.
- This option allows for additional federal Title IV-E revenue for administrative costs associated with kinship care providers licensed as foster homes.
- It will potentially increase the number of kinship providers who can become licensed foster parents.

### **Cons**

- This option may be perceived as lessening the requirements or expectations for foster homes.
- Kinship providers may not want to become licensed or may not meet minimal foster care licensing standards, especially background checks. It is unknown which specific background check requirements could be waived or considered for exceptions in order for some kinship providers to become licensed foster parents.
- Additional LOC standards would need to be created through a separate process.

**Option 3 - Allow Professional Foster Parents.** This would entail foster parents being on “retainer” to maintain available beds and improve their qualifications separate from the per child reimbursement for placements. In these situations, a monthly fee could be paid to the foster parents in addition to child-specific payments for individual placements.

The use of professional foster parents is currently allowed as a licensing exception, but has been used on a very limited basis. More specific direction should be provided in statute or administrative rule. The monthly fee or retainer would be taxable income to the foster parent. The per child foster care payment would remain non-taxable assistance payments.

#### **Pros**

- Allows agencies to maintain openings for emergency placements.
- Provides compensation to those foster parents willing to take emergency placements and maintain openings in their home until a home appropriately matched to meet a child’s needs can be found.
- Some agencies are currently doing something similar to this, but they call them “receiving homes.” The foster parent is paid a small monthly fee and an additional fee on top of a child’s foster care payment when they accept placements.
- Foster parents who specialize in this type of care would become experts at easing a child into placement and transitioning a child to another placement.

#### **Cons**

- This type of placement builds in additional placements for children, if the expectation is that they will continue to keep beds open reducing placement stability.
- Would likely provide additional protections to foster parents as “employees” of the agency, such as unemployment compensation, health insurance, etc. (this has already happened in counties in which a foster parent regularly provided respite and then this was no longer needed—the foster parent was awarded unemployment compensation).
- The monthly fee or retainer would be taxable income and would establish an employee/employer relationship between the foster parent and the licensing agency. This would require the agency to collect payroll taxes and make the agency liable for unemployment insurance and worker compensation for the foster parent.

#### **Additional Implementation Issues:**

##### **Include skill or experience requirement for each LOC.**

Foster parents would be required to have a minimum number of years of experience or demonstrated skills to qualify for a specific LOC. This would encourage foster parents to seek additional training to develop their competencies.

**Establish maintenance payment reimbursement amounts or parameters according to each LOC.**

Each Level of Care would have an associated specific reimbursement amount or established range of reimbursement. This would make reimbursement commensurate with the level of care being provided. The existing Uniform Foster Care Rate structure with basic, supplemental and exceptional rate components would be maintained, with more direction regarding setting the exceptional component. This would lead to more standardized reimbursement across the state.

A concern with linking reimbursement to provider qualifications is that the federal tax exempt status for foster care maintenance payments is based on the payments being viewed as public assistance payments based on the needs of the child. Having the maintenance payment be based in part on provider qualifications could lead to payments being considered taxable income to foster parents.

**Determine the ability of agencies to grant exceptions to background check requirements**

Agencies would have the ability to grant exceptions or allow appeals to license denials based upon background check requirements. This would support relatives to become licensed as foster parents. Recent federal legislation clarifies the ability of states to make exceptions to licensing requirements for relatives on a case-by-case basis. Exceptions to licensing rules could be encouraged to assist relatives to move up from the basic kinship care level to the next licensing level and qualify for higher reimbursement.

Making exceptions on a broad scale could raise concerns among some stakeholders who may be opposed to the appearance of allowing children to be in less safe environments. Current policy allows for rehabilitation reviews, where past criminal offenses or maltreatment committed by persons can be “forgiven” or disregarded for licensing purposes. Expanded use of rehabilitation reviews may be preferable to making licensing exceptions for prior offenses.

**Establish a foster parent training requirement.**

Every level of foster home licensure would include specific training requirements. To implement the LOC system, it would be essential to have a statewide foster parent training system in place to meet the training needs. Foster parent training was cited as an issue in the first Children and Family Services Review (CFSR) of Wisconsin and will receive considerable attention for the second CFSR.

- The Foster Parent Training Committee of the Child Welfare training Council has been working since 2005 to establish a foster parent training curriculum that could be implemented statewide. Training requirements would need to be addressed in the revision of Ch. 56, Adm. Code. The current rule requires under s. 56.12 that the Department must fund foster parent training if it is mandated.

**Determine how to convert existing foster and kinship care providers to a new level of care license.**

Agencies would be allowed to grandfather existing foster home and kinship care providers based upon specific criteria. Implementation of the LOC system would be designed not to disrupt any existing placements in foster or kinship care. This approach will increase the complexity of managing licensing activities.

**Determine if children should have an assessment of need conducted or revised every time they change placements.**

The initial assessment would be conducted when children first enter out-of-home care. Since the needs of children will change over time, assessments should be updated on a periodic basis and when placement changes occur. Updating assessments will have workload impacts for child welfare agencies.

**Recommended Approach and Rationale**

1. DCF should implement formalized assessments for children in out-of-home care. The formalized assessments are essential to a LOC system and will lead to more appropriate placements for children and more consistent reimbursement levels statewide.
2. DCF should implement a LOC system for graduated licensing that ties licensing levels and provider reimbursement to the needs of the child and the provider qualifications.

The graduated licensing system will establish levels of care that provide a continuum of family-based care for children that supports the development of providers and ties reimbursement to the qualifications of providers. This will result in more equitable reimbursement for providers and assure that the cost of care is commensurate with the quality of service being provided.

The LOC system should include the option for professional foster parents to be paid a monthly retainer fee to maintain placement options and improve their skills beyond the current receiving home payments.

**Actions Needed to Implement:**

- Statutory changes to provide the basis for updating the administrative rules, including providing a basis for linking provider reimbursement with the qualifications of the provider.
- Comprehensive revisions to Chs. 38, 56 and 58 Adm. Code to create a single licensing rule that covers multiple levels of licensing.
- eWiSACWIS changes to support the assessment process and provider levels.
- Regional licensing coordinator positions to support local implementation of the LOC rule.

- A DSP policy position to develop and implement the LOC program.
- Establish a statewide foster parent training program.
- Update Child Welfare training to support assessment of children and licensing staff to use the new LOC licensing rule.
- Statewide education regarding the LOC program.

### **Fiscal Impact**

The following fiscal impacts would be incurred to implement the pilot program:

- A foster care policy position would be needed to implement the program, including developing LOC policies and procedures, administrative rule modifications and coordinating technical assistance to child welfare counties. The position cost is approximately \$80,000 including salary, fringe, DCF charges, travel and supplies and services. The position cost would be partially IV-E reimbursable.
- A contract for regional foster care coordinators who would provide technical assistance to licensing agencies and monitor provider licensing to ensure consistency with the new licensing rules. A total of 9 positions would be needed, with one based in each of the five DCF administrative regions co-located with Area Administrative staff, three staff to cover Milwaukee County located either with the Bureau of Milwaukee Child Welfare or the Southeast Regional Office, and a supervisor that would work with the child welfare licensing section in the Division of Safety and Permanence. Assuming a cost of about \$70,000 per position and \$80,000 for the supervisor, the total would be approximately \$640,000. The cost would be partially IV-E reimbursable.
- eWiSACWIS changes would be necessary to support the formal placement needs assessments for children, set the LOC level for providers and reflect the appropriate information on the provider license, track provider training and experience, and modify the rate setting functionality. The system changes would be significant, so additional funds may be needed on a one-time basis to make the changes under a change order with the system maintenance vendor. Costs could be as much as \$250,000, with the cost partially IV-E reimbursable based on the eWiSACWIS IV-E cost share.
- A consulting contract to help the Division establish the formal assessment process and develop educational materials regarding the LOC approach. The Division will need assistance to select assessment tools and develop training for licensing agency staff on how to use the tools. Educational materials will be needed to explain the system to kinship providers and foster parents along with other stakeholders. The consulting contract should be funded at \$250,000 in the first year and \$150,000 in subsequent years. The cost would be partially IV-E reimbursable.
- The costs for a statewide foster parent training program is addressed in a separate paper.

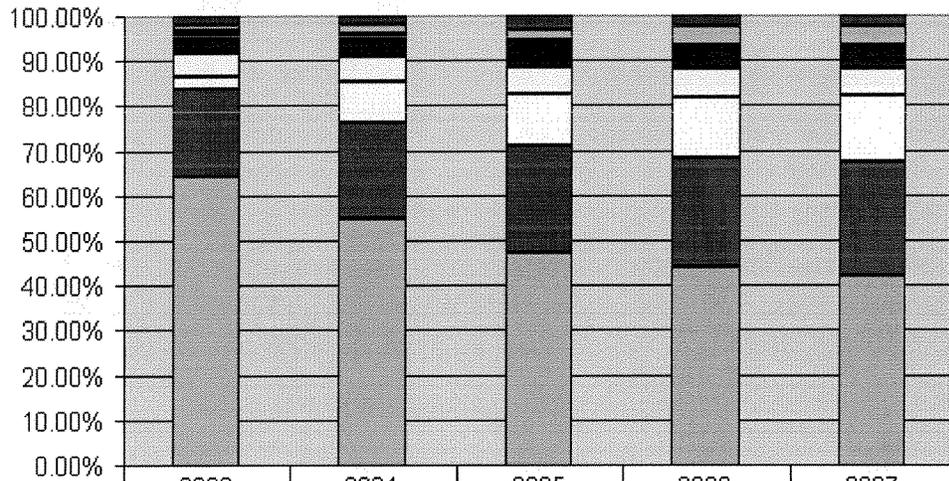
Summary of Fiscal Effect:

	FY 2010	FY 2011
DSP Position (start 10/1/09)	\$60,000	\$80,000
Regional Coordinators (start 1/1/10)	\$320,000	\$640,000
eWiSACWIS Costs	\$250,000	
Consulting Contract	\$250,000	\$150,000
Total Costs	\$880,000	\$870,000
GPR Cost – approx 79%	\$695,200	\$687,300
IV-E Cost – approx 21%	\$184,800	\$182,700

Implications for Title IV-E revenue:

- Implementing the LOC system and licensing current court-ordered kinship care providers at a basic level would allow the Division to claim IV-E administrative reimbursement for the kinship placements. The additional IV-E revenue would amount to up to \$13 million annually and could be used to pay for the costs of implementing the LOC program as described above. Some of the IV-E revenue should be allocated to counties to cover their increased costs of doing formal assessments and likely increased costs associated with relatives becoming licensed at higher levels.
- Of the additional IV-E revenue, \$1 million annually should be added to the Children and Families Allocation to compensate counties for their increase costs. The funds would be allocated among counties based on their current use of relative placements. Since the additional IV-E revenue will not materialize until SFY 2011, the \$1 million of additional funding would be distributed \$500,000 for CY 2010 and \$500,000 for the first six months of CY 2011.

### Changing Composition of Placement Settings for Children in Out-of-Home Care by Percentage



	2003	2004	2005	2006	2007
■ Institutions	0.0184	0.0214	0.0305	0.0245	0.0248
■ Other	0.0112	0.0179	0.0253	0.0431	0.0419
■ Group Home	0.0519	0.0528	0.0596	0.0525	0.0538
□ RCC	0.0538	0.0552	0.0577	0.0602	0.058
□ Treatment Foster Care	0.0288	0.091	0.1172	0.1351	0.1456
■ Unlicensed Relative Care	0.1911	0.2135	0.237	0.2446	0.2562
■ Foster Care	0.6444	0.5478	0.4724	0.4396	0.4195

**Malaise, Gordon**

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**From:** Stinebrink, Cory R - DOA [Cory.Stinebrink@wisconsin.gov]  
**Sent:** Thursday, December 18, 2008 11:55 AM  
**To:** Malaise, Gordon  
**Subject:** RE:

Gordon-

In reference to the Graduated Licensing and Levels of Care draft that you were working on I think I have an update for you. DCF would like to have the statutes that create the five levels of care effective Jan. 1, 2010. The reason being is that they want to be able to count court-ordered kinship care providers as licensed providers, thus being able to claim additional Title IV-E money that they would begin to see in FY11. When I asked them if they'd be able to establish administrative rules this is the response I got:

*"The statutory language could give DCF the authority to issue rules on an emergency basis, so emergency rules could be put into place for CY 2010. Some of the specific details, such as procedures for relicensure, might take longer to deal with and have to go through the regular rules process. The essential pieces could be done via the emergency rule process provided the basic framework is in statute."*

If you have any questions let me know, I'd be happy to try and answer them.

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**From:** Malaise, Gordon [mailto:Gordon.Malaise@legis.wisconsin.gov]  
**Sent:** Wednesday, November 26, 2008 11:54 AM  
**To:** Stinebrink, Cory R - DOA  
**Subject:** RE:

Cory:

What I'm thinking now is that the DCF narrative indicated that it might take years to rewrite the rules and get the new system up and running, so I'm thinking of drafting the proposal with a delayed effective date that would not take effect until the 2011-13 biennium. In that case, I can as a placeholder delete the references to "treatment foster care" in s. 301.26 (4) (d) 2. and 3. effective in 2011, but with the understanding that we would come up with a solution when we draft the next budget, e.g., perhaps by referencing rates for the various levels of foster care.

You might want to run this idea by Karina re s. 301.26 and by the DCF budget people re the delayed effective date idea.

Gordon

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**From:** Stinebrink, Cory R - DOA [mailto:Cory.Stinebrink@wisconsin.gov]  
**Sent:** Wednesday, November 26, 2008 11:40 AM  
**To:** Malaise, Gordon  
**Subject:** RE:

Did you need me to still discuss anything with Dept. of Corrections analysts?

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**From:** Malaise, Gordon [mailto:Gordon.Malaise@legis.wisconsin.gov]  
**Sent:** Wednesday, November 26, 2008 11:36 AM  
**To:** Stinebrink, Cory R - DOA  
**Subject:** RE:

12/18/2008

Cory:

Thank you. This information is helpful, indeed invaluable, in fleshing out the details of the drafts.

Gordon

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**From:** Stinebrink, Cory R - DOA [mailto:Cory.Stinebrink@wisconsin.gov]

**Sent:** Tuesday, November 25, 2008 10:14 AM

**To:** Malaise, Gordon

**Subject:**

*Cory Robert Stinebrink*  
*Executive Policy & Budget Analyst*  
*State Budget Office*  
*(608)266-8219*