

June 1999

## RESIDENTIAL TREATMENT CENTERS AND RESIDENTIAL CHILD CARE FACILITIES STUDY - BACKGROUND MEMORANDUM

Section 22 of Senate Bill No. 2012, a copy of which is attached as an appendix, directs the Legislative Council to study residential treatment centers and residential child care facilities, including occupancy rates, the number of out-of-state residents, and the need for additional facilities.

### PREVIOUS STUDIES

The 1997-98 Budget Committee on Government Services, pursuant to Senate Concurrent Resolution No. 4001, monitored mental health and foster care services, including changes in the role of the State Hospital, psychosocial rehabilitation centers, and clubhouse projects; the effect of welfare reform on the delivery of mental health and foster care services; methods used to place children in the custody of the Division of Juvenile Services; methods used to place children in residential child care facilities and residential treatment centers; methods of setting and levels of reimbursements for residential child care facilities and residential treatment centers; and items of legislative intent regarding mental health and foster care services. Regarding the foster care services portion of the study, the committee recommended that the Legislative Assembly through its Appropriations Committees review the status of administrative rule changes affecting residential child care facility cost reimbursements and evaluate the following components of the reimbursement system:

1. The limit on social service rate reimbursement.
2. The limit on salaries eligible for reimbursement.
3. The limit on administrative costs eligible for reimbursement.
4. The ineligibility for reimbursement of expenditures made with donated or grant income.

The 1993-94 interim Budget Committee on Youth Services, pursuant to two resolutions and two sections of bills, studied youth services in North Dakota. The committee recommended a number of bill drafts to enhance and expand children's services in North Dakota. Relating to foster care, the 1995 Legislative Assembly approved Senate Bill No. 2044 which authorized the Department of Human Services,

on a pilot project basis, to provide out-of-home treatment services for severely emotionally disturbed children without requiring parents to relinquish custody of the child.

### 1999 RELATED LEGISLATION

Section 11 of Senate Bill No. 2012 provides for a moratorium on the expansion of residential child care facility beds beginning July 1, 1999.

### FOSTER CARE FACILITIES

The types of foster care placements are:

1. Foster care family - A family providing for the child's care. Children placed with a foster care family are generally younger and have been deprived, neglected, or abused.
2. Therapeutic foster care family - A family providing for the child's care. Children placed with a therapeutic foster care family generally have been diagnosed with a psychiatric disorder and are often in transition from a residential treatment center placement.
3. Group homes - Children placed in these types of facilities are generally adolescents who have been deprived or abused, involved in parent/child conflict, or have character disorders. A group home serves from 4 to 10 children.
4. Residential child care facilities - Children placed in these types of facilities are generally adolescents who have been deprived or abused, involved in parent/child conflict, or have character disorders. A residential child care facility serves more than eight children.
5. Residential treatment centers - Children placed in these types of facilities are generally adolescents who have been diagnosed with psychiatric disorders.

The licensed group homes, residential child care facilities, and residential treatment centers in North Dakota and the number of licensed beds for each as of June 1, 1999, include:

Facility	Location	Number of Licensed Beds
<b>Group Homes</b>		
Charles Hall Youth Services	Bismarck	24
Eckert Youth Homes	Williston	16
Harmony House	Devils Lake	7
Lake Oahe Group Home	Fort Yates	8
New Outlooks	Devils Lake	10
Total group home beds		65
<b>Residential Child Care Facilities</b>		
Home on the Range	Sentinel Butte	79
Red River Victory Ranch	Fargo	12
Dakota Boys Ranch	Minot	39
Dakota Boys Ranch	Fargo	10
Dakota Boys Ranch - Transitional Living	Minot	12
Prairie Learning Center	Raleigh	50
Southwest Key	Mandan	24
Total residential child care facility beds		226
<b>Residential Treatment Centers</b>		
Southwest Key	Mandan	16
Ruth Meiers Adolescent Center	Grand Forks	12
Dakota Boys Ranch	Minot	16
Luther Hall	Fargo	16
Manchester House	Bismarck	10
Total residential treatment center beds		70
<b>Accredited Residential Treatment Centers</b>		
Eight Rivers	Jamestown	8
Rivers Edge	Fargo	16
Total accredited residential treatment center beds		24
Total beds		385

### FOSTER CARE STATISTICS

The schedules below present foster care placements in recent years:

Year	Number of Children Placed in Family Homes (Unduplicated)	Number of Children Placed in Facilities (Unduplicated)	Total Foster Care Placements	Number of Children Placed Out of State (Unduplicated) <sup>1</sup>	Percentage of Children in Foster Care Placed Out of State
1991	883	388	1,271	32	2.5%
1992	946	385	1,331	33	2.5%
1993	1,065	448	1,513	48	3.2%
1994	1,064	492	1,556	61	3.9%
1995	1,125	529	1,654	70	4.2%
1996	1,128	535	1,663	67	4.0%
1997	1,162	559	1,721	85	4.9%
1998	1,121	607	1,728	63	3.6%

<sup>1</sup> Because children placed out of state may be placed in either a family home or a facility, these numbers are also reflected in the columns titled "Number of Children Placed in Family Homes" and "Number of Children Placed in Facilities" on this schedule.

Foster Care - Out of State				
Fiscal	Average Number of	Average Cost Per	Unduplicated	Annual Cost

Year	Children Per Month	Month	Number of Children	
1991	12		32	\$402,276
1992	14		33	\$293,359
1993	26		48	\$520,713
1994	29		61	\$602,888
1995	34		70	\$1,104,974
1996	37		67	\$1,767,828
1997	51		85	\$2,082,950
1998	44		63	\$1,946,528

### FOSTER CARE FUNDING

The schedule below presents the Department of Human Services estimate of foster care costs for the 1999-2001 biennium:

1999-2001 Estimated Costs				
	General Fund	Federal Funds	Other Funds	Total
<b>Room and Board</b>				
Family foster care homes	\$1,117,181	\$5,342,835	\$952,663	\$7,412,679
Therapeutic foster care homes - Room and board amounts reflected under family foster care homes				
Residential child care facilities	4,643,287	12,472,809	6,613,535	23,729,631
Residential treatment centers - Room and board amounts reflected under residential child care facilities				
Total room and board	\$5,760,468	\$17,815,644	\$7,566,198	\$31,142,310
<b>Treatment and Service Payments</b>				
Family foster care homes - Not applicable				
Therapeutic foster care homes	\$1,638,346	\$4,447,025	\$247,209	\$6,332,580
Residential child care facilities	534,156	1,442,650	80,594	2,057,400
Residential treatment centers	1,606,278	3,793,722		5,400,000
Total treatment services	\$3,778,780	\$9,683,397	\$327,803	\$13,789,980
<b>Other Services</b>				
Shelter care	\$155,687			\$155,687
Independent living	153,918	\$471,699		625,617
Transportation	18,500	81,500	\$33,333	133,333
Serious emotional disorder (SED) - Out-of-home care	178,083	212,154	58,430	448,667
Tribal therapeutic	140,364	332,322		472,686
Turtle Mountain Professional Association of Treatment Homes (PATH)		83,080	35,091	118,171
Total other services	\$646,552	\$1,180,755	\$126,854	\$1,954,161
<b>Administration and Training</b>				
Foster care - Administration	\$141,864	\$148,266	\$3,834	\$293,964
Foster care - Training	527,286	1,255,250		1,782,536
Total administration and training	\$669,150	\$1,403,516	\$3,834	\$2,076,500
Total Department of Human Services foster care-related expenses	\$10,854,950	\$30,083,312	\$8,024,689	\$48,962,951

### STUDY PLAN

The committee may wish to proceed with this study as follows:

1. Conduct a survey of residential treatment centers and residential child care facilities regarding services provided, occupancy

- rates, and the number of out-of-state residents served.
2. Receive information from the Department of Human Services on foster care facility placements, including the need for additional facilities.
  3. Receive testimony from representatives of residential treatment centers and residential child care facilities regarding services provided, occupancy rates, the number of out-of-state residents served, adequacy of state funding, and the need for additional facilities.
  4. Receive testimony from interested persons regarding residential treatment centers and residential child care facilities.
  5. Consider funding needs of the facilities, the need for additional facilities, and whether the moratorium on the expansion of residential child care facility beds needs to be continued.
  6. Develop committee recommendations and prepare any necessary legislation to implement committee recommendations.

ATTACH:1

**SECTION 22. LEGISLATIVE COUNCIL STUDY - RESIDENTIAL TREATMENT CENTERS AND RESIDENTIAL CHILD CARE FACILITIES.** The legislative council shall consider studying during the 1999-2000 interim residential treatment centers and residential child care facilities, including occupancy rates, the number of out-of-state residents, and the need for additional facilities.