Group Homes for Foster Children
Fact Sheet

What is a group home?
The term “group home” is used in California to cover a wide array of programs of different size and structure providing various combinations of care, supervision, and services to meet the needs of diverse groups of children. Unlike many states, California does not distinguish between campus-based residential treatment programs and community-based group homes, or between group homes serving varying populations such as pregnant and parenting teens, juvenile offenders, emotionally disturbed children and transition-aged youth.

“Group home,” as used in Community Care Licensing (CCL) regulations refers to a residential facility of any capacity that provides 24-hour non-medical care and supervision to children in a structured environment with the services provided at least in part by staff employed by the licensee. It does not include health facilities and clinics, county-operated juvenile halls, homeless shelters, or residential schools whose only function is education. Although a group home may be licensed to care for fewer than six children, the vast majority of group homes are licensed for 6 or more children.

What is a group home program?
The term “group home program” is used to describe a combination of care, supervision, and services designed to meet the needs of specific population of children residing in a group home. A group home program may be operated at a single location with a single Community Care License issued by the California Department of Social Services (CDSS) or it may be operated at several locations, each with a separate license. It is also possible for more than one group home program to be operated at a single site, with a separate license for each program operated at that site.

What populations of children are placed in group homes?
There are currently four primary populations of children placed in group homes: (1) foster children; (2) emotionally disturbed (ED) children under AB 3632; (3) developmentally disabled children; and (4) children placed privately and independently by parents.

The population of foster children includes “dependents” of the juvenile court under Welfare and Institutions Code (WIC) Section 300 who have been removed from the custody of their parents because of abuse and/or neglect, and “wards” of the juvenile court under WIC Section 602 who have been removed from the custody of their parents because of their delinquent behavior.

ED children funded under the AB 3632 program are placed in out-of-home care for educational reasons on the basis of their individualized education program (IEP), rather than on the basis of a juvenile court order. They have not been adjudicated as abused, neglected or delinquent and remain in the legal custody of their parents.

Since many foster children are also seriously emotionally disturbed, the administrative system used to make AFDC-Foster Care payments is also used for making AB 3632 payments for out-of-home care for ED children.
This fact sheet addresses issues related only to publicly funded, privately operated group homes that provide services to dependent, delinquent and emotionally disturbed children and youth. It does not address issues related to group homes serving exclusively developmentally disabled children funded through Regional Centers, children who are placed by their families and paid for with private dollars, or children’s shelters operated by county child welfare agencies (such as Orangewood in Orange County and the now closed MacLaren Children’s Center in Los Angeles County) that now must be licensed as group homes.

Who operates group homes?

Since 1993, only group home programs operated by nonprofit corporations are eligible to receive funding through the AFDC-Foster Care and ED programs in California. Some of these nonprofit corporations are engaged solely in the operation of a single group home program. Others operate a wide variety of programs serving children and families, including family foster care through a foster family agency (FFA), adoption services, mental health treatment services, family support and preservation services, wraparound services, and child day care.

What do group homes do?

Group homes provide temporary and short-term placements in a safe and structured living environment for foster children and youth who are currently unable to live in a family setting (such as the home of their parents or a relative, or in a FFA certified or county licensed foster home), usually due to behavioral or emotional challenges.

While in a group home program, children receive services and treatment designed to eliminate or reduce the conditions, behaviors and characteristics that led to their group home placement, and to teach new, more adaptive skills and behavior.

As with all of types of foster care placements, the ultimate goal for the children and youth placed in group homes is to return home to live with their parents or, when that is not possible, to achieve permanency through adoption or guardianship. For some older foster children, the ultimate goal is to make it possible for them to emancipate from foster care and become successful and productive adults.

For foster children placed in group homes, the immediate goal is to make it possible for them to be moved safely to a less restrictive family setting, even when that setting may not be permanent. County social workers and probation officers work with group homes to balance the need to provide stability for foster children with the goal of providing care in the least restrictive setting possible.

What types of foster care group homes operate in California?

The types of group home programs, and the services they provide, vary greatly because of the diverse needs of the population of children and youth needing care. The types of group home programs include, but are not limited to:

- Residential treatment programs for SED children
- Residential treatment programs for delinquent youth requiring intensive behavior management
- Life skills programs for children with emotional and behavioral problems
- Emergency shelter and assessment programs
- Pregnant and parenting teen programs
- Emancipation programs
- Alcohol or substance abuse residential treatment programs
- Crisis nurseries for infants and toddlers
- Community Treatment Facilities
**How long do foster children stay in a group home placement?**

The length of stay for children and youth placed in group homes varies greatly, depending on the type of group home and the needs of each child. Infants and toddlers placed in crisis nurseries stay only a few days, and certainly no more than 30 days. Placements in emergency shelter and assessment programs generally range from a several days to several months. For other types of group home programs, the length of stay may range from six months to two years.

**How many group homes are there in California?**

As of September 15, 2003, CDSS Community Care Licensing Division reported that there were 1,732 facilities in California licensed as group homes, with a total licensed capacity of 17,036. Of the total, approximately 600 group home programs, with a total licensed capacity of about 13,000, receive an AFDC-Foster Care payment rate from the CDSS Foster Care Rates Bureau and serve dependent, delinquent, or emotionally disturbed youth.

**How many foster and ED children are placed in group homes in California?**

CDSS estimates that there are now approximately 12,500 foster children placed in group homes and receiving payments through the AFDC-Foster Care program. About 60% (7,500) are dependent children under the supervision of county child welfare services agencies and 40% (5,000) are delinquent youth under the supervision of county probation departments. Approximately 1,400 emotionally disturbed children are placed in group homes, with out-of-home placement costs paid for through the AB 3632 program.

**How are foster care group homes funded?**

Group homes serving foster children and ED children are paid a capitated monthly rate for each child. The rate is intended to cover the costs of providing “board and care,” social work activities, and the associated administrative costs of program operations. Board and care includes the wages and benefits for child care staff, as well as the costs of providing food, clothing, shelter, transportation, and other personal and incidental expenses related to the children in care.

The AFDC-Foster Care rate is not intended to cover (and group homes are prohibited from using the funds for) medical and dental expenses, mental health treatment services, educational instruction, or any other activity that is not included in the narrow of AFDC-Foster Care “allowable” costs. In theory, other government programs are supposed to be available to provide, or pay the group home to provide, any of the other services needed by foster children that do not fall within the AFDC-FC definition of “allowable” costs.

Under the current AFDC-Foster Care rate-setting system, all group homes are placed in one of 14 Rate Classification Levels (RCLs) using a point system that is designed to measure the intensity of the program based upon the ratio of children to child care and social work staff, taking into consideration the education, experience, training, and professional qualifications of the group home staff. All group home programs in the same RCL are paid the same AFDC-Foster Care rate, which currently range from $1,454 for RCL 1 to $6,371 for RCL 14.

In theory, the AFDC-Foster Care rate for each RCL is reflects the actual average costs of the group homes providing that level of care and services. Since the current rate-setting system was implemented in 1990, however, the State has not increased rates to reflect increases in the costs of doing business. In 9 of the past 13 years, group home rates have been frozen. While the Consumer Price Index has increased by over 44%, group home rates have increased by less than 27%. In addition, administrators and the Legislature have imposed additional statutory and regulatory requirements on group home without providing additional funding to cover the added costs, costs that far exceed the growth in cost of living.
**How are AFDC-Foster Care costs divided between the federal government, the State, and the counties?**

The State receives 50% reimbursement for federally “allowable” foster care activities under Title IV-E of the Social Security Act for foster children who meet federal eligibility requirements. At the present time, approximately 62% of the foster children placed in group homes are federally eligible under Title IV-E. The State and counties share the nonfederal costs of AFDC-Foster Care payments, with the State paying 40% and the counties paying 60% of costs not reimbursed by the federal government.

The average cost of group home placement is about $5,200 per month per child. When the federal definitions for Title IV-E eligibility and “allowable” costs are taken into consideration, the federal share of California’s total AFDC-Foster Care payments to group homes is approximately 25%, the State share is 30%, and the county share is 45%.

The federal definition of “allowable” foster care activities is basically the same as the one used by California, with one important exception. Social work services are an “allowable” foster care activity for California group homes, but they are not included in the federal definition. Social work costs must be factored out of the rate by CDSS for federal claiming purposes and paid for solely with county and state dollars.

**Who oversees foster care group homes?**

The Community Care Licensing Division of the California Department of Social Services licenses group homes and investigates all complaints concerning programs and their employees. The CDSS Foster Care Audits and Rates Branch establishes the AFDC-Foster Care rate for each group home program and oversees the use of AFDC-Foster Care funds.

Each private nonprofit agency operating a group home (and/or a foster family agency) is required to obtain a financial audit performed by an independent CPA in accordance with federal audit standards and to submit the audit report and a report of actual expenditures on AFDC-Foster Care “allowable” costs to the CDSS Audits and Rates Branch. State staff compares the financial audit of each group home program to its cost report and federal IRS Form 990.

County departments of social services, probation and mental health monitor group home programs for contract compliance, and all member agencies of the California Alliance submit to an additional level of scrutiny by undergoing accreditation through a statewide or national accrediting body.

**Have group homes been successful?**

Group home programs have evolved to serve foster and ED children with specific and high-level emotional, mental health, developmental, and behavioral needs saving the State millions of dollars and allowing children, who otherwise would have been institutionalized or incarcerated to live in the community.

Since 1991, state psychiatric hospital beds for children have been closed (with a very few exceptions) and those children are now served in the community and, since 1998, the vast majority of children placed in out-of-state institutions have been returned to California. Similarly, delinquent youth who are not a threat to the community but who in the past would have been forced to remain in more restrictive and expensive juvenile hall, county camp and ranch, and California Youth Authority settings, are now effectively served by group homes in the community.

Those youngsters who were once placed in lower level group homes are now served in family-based settings, including their own birth families and specialized foster homes certified by foster family agencies, frequently aided by community-based services and support such as wraparound and therapeutic behavioral services (TBS).