The High Cost of Denying Permanency: An Analysis of the Economic Impact of Florida’s Adoption Ban

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Executive Summary

In Fiscal Year (FY) 2004-2005, the Florida foster care system served 49,706 youth in out-of-home care.

This report addresses the economic impact of maintaining children in foster care when otherwise qualified gay and lesbian individuals and couples are available, able, and willing to adopt, and the resulting costs – both direct and indirect – to the State of Florida. This report also addresses a federal permanency law, the Adoptions and Safe Families Act of 1997 (ASFA), and its fiscal impact on Florida’s foster care system.

The long-term social, educational, and emotional costs to children raised in foster care are well documented. But Florida’s law prohibiting otherwise qualified gay and lesbian adults from adopting children also takes a substantial economic toll on the State.

This report recommends that the Florida state legislature repeal the current law which prohibits qualified gay and lesbian individuals and couples from becoming adoptive parents, even for children for whom they serve as foster parents.

Permanency

The federal Adoptions and Safe Families Act of 1977 (ASFA) imposes significant financial penalties on states that do not meet specified goals relating to the placement of foster children in permanent homes. This Act has a tremendous impact on the fiscal reality of Florida’s foster care system.

Because permanency – providing children in state custody with a permanent home – is so critical to the well-being of children, in 1997 the federal government passed ASFA, which sets stringent standards with which states must comply in order to continue receiving federal funding for child welfare programs. If Florida does not bring its programs into compliance with these federal requirements, it stands to lose all or part of its federal child welfare funding, roughly $220 million dollars in FY 2004-2005.

Florida is under tremendous pressure to align its child welfare procedures and outcomes with the permanency requirements of AFSA. In 2005, Florida had a generally favorable review in its first round of audits; however, much more needs to be done before 2006 federal reviews.

To comply with AFSA requirements, Florida must shorten the time it currently permits to finalize permanency plans from 18 to 12 months, institute new procedures to meet the stricter federal requirement for permanency hearings, and shorten the time period for reunification services to families.

According to the Department of Children & Families (DCF), during FY 2004-2005, 4,362 children whose permanency plans specified a goal of adoption had not yet been adopted after waiting more than two years. Only slightly over a quarter of eligible foster youth had been adopted after two or more years in Florida foster placement. The median wait time was 33 months. The 2005-2006 budget goal calls for the number to be reduced from 4,362 to only 1,700.

Of those children successfully placed for adoption, 58 percent of adoptive
parents were first foster parents to the children they subsequently adopted. However, under current law, lesbian and gay adults are permitted only to serve as foster parents. Although many lesbians and gay men have been successful foster parents, and would be willing and able to provide permanent adoptive homes for the children currently in their care, they are legally forbidden from doing so. Consequently the children for whom they provide foster care have no alternative but to remain in foster care or wait for another family to adopt them.

The federal government provides funding to states for each child adopted out of the foster care system, plus incentive payments of $4,000 to $6,000 per child to states that exceed the previous year’s number of adoptions. Categorically excluding an entire class of successful foster parents from consideration as permanent adoptive parents is both illogical and fiscally irresponsible. Without changing a single family placement, Florida could save hundreds of thousands of dollars in foster care services while simultaneously improving its chances of meeting federal permanency requirements (thereby protecting hundreds of millions of dollars in federal funding), simply by repealing the ban and allowing children being raised by gay or lesbian foster parents to be adopted. The next federal review of Florida’s compliance is expected to begin in late 2006.

**Direct Costs of Foster Care**

The direct cost of maintaining a child in foster care is difficult to quantify precisely due to administrative costs and the many variables involved: the child’s age, length of stay in foster care, parents’ status and reunification goals, and whether the child is placed in foster or group housing, among others.

Data from 2004-2005 indicate that:

- 3,258 children with a permanency goal of adoption were still awaiting adoption at fiscal year end 2004-2005.

- Monthly statutory reimbursement rates per foster child to foster parents were as follows:
  - Children 0-5 years old: $369 per month
  - Children 6-12 years old: $380 per month
  - Children 13 years and older: $455 per month

- Average annual state expenditure for Medicaid was $1,537.30 per child.

- In FY 2003-2004 Florida spent approximately $16.4 million for Independent Living Transition Services (ILTS) programs to assist foster youth who age out of the system because permanent adoptive placements could not be found. If the $1.3 million projected annual deficit for these programs is included, the total appropriated would be $17.7 million per year.

See Appendix A for a sample cost of an average child in foster care.

**Long-Term Costs of Foster Care**

The long-term fiscal cost to the government from current and former foster youth is staggering. Youth in foster care have poor academic outcomes compared to non-foster youth, and these youth are often unable to be fully self-sufficient after leaving the foster care system. According to the Florida Office of Program Policy Analysis & Government Accountability, “foster youth typically perform poorly in school, are at higher risk of unemployment, have long-term dependency on public assistance, and have increased rates of incarceration.”

See Appendix B for a chart of Adverse Outcomes for Florida Foster Youth.

The net result for foster youth is increased dependency on government resources, whether through additional supportive and transitional programs, through increased reliance on government aid due to the inability of many former foster youth to adequately provide for themselves and their families, or, in the worst case scenario, through increased incarceration rates.
The following figures tell the story:

**Criminal Justice**
Former foster youth are three times as likely to be in the criminal justice system as their non-foster peers.19

**Temporary Aid to Needy Families (TANF)**
Former foster youth are nine times as likely to receive TANF as their non-foster peers.20 Florida’s state share of its TANF expenditures for FYE 2004 exceeded $368 million, the sixth highest in US.21

**Food Stamps**
Former foster youth are four times more likely than their peers to receive Food Stamps.22

**Homelessness**
Foster teens are 17.5 times more likely to be homeless than their non-foster peers.23 In state funds only, Florida homeless programs cost $25.7 million in 2003 with program responsibilities spread over nine state agencies.24

**Learning Disabilities**
Former foster youth are 2.5 times more likely to be diagnosed with a “less severe” learning disability and seven times more likely to be diagnosed with a “severe” learning disability than their non-foster peers.25

**Mental Health**
The typical traumas to which foster children are exposed in their families of origin,26 together with the stresses of multiple out-of-home placements make foster youth a predictably large fraction of the 29,069 children who are at risk of an emotional disturbance in Florida.27 These childhood traumas are recognized as correlating closely with the incidence of subsequent adaptive and behavioral problems.28 Children experiencing emotional disturbances spent an average of eight days in in-patient care in FY 2004-2005.29

- Florida’s FY 2003-2004 adult and children’s mental health services expenditures were $119.9 million, serving 237,586 adults and children.
- Many mentally ill adults end up being incarcerated, creating further burdens on the budgets of the Department of Corrections and county jails.30
- Other predictable outcomes include over-utilization of hospital emergency departments, homelessness, loss of work productivity and earned income, and increased dependency on government resources.31

**Conclusion**

Despite the massive cost, infrastructure, and best efforts of DCF staff, community-based care contractors and foster parents, the State of Florida has failed to provide thousands of foster children with permanent adoptive homes.

Florida’s adoption ban exacerbates this problem. Each time a child is denied the opportunity to be adopted out of foster care because of the ban, that child is denied the security and permanency that only adoption can provide. In addition, the State of Florida commits to spend tens of thousands of dollars to maintain that child unnecessarily in a foster care system that is virtually guaranteed to lessen the child’s life prospects. In sum, from both a fiscal and child welfare perspective, Florida’s adoption ban comes at a high price.
Although reunification with the child's biological parents or other family member is often the goal, this is not always possible due to abuse, neglect, abandonment or other factors.

In FY 2004-2005, the last year for which figures are available, Florida received $29,873,959 in federal funds pursuant to Title IV-B and $190,309,299 in federal funds pursuant to Title IV-E of the Social Security Act. In that year, these sums amounted to 23.61 per cent of the total budget for Florida's child welfare programs, a percentage which remains fairly consistent. Senate Staff Analysis and Economic Impact Statement CS/SB 1080. Florida Senate, Children and Families Committee. February 7, 2006, pp. 3-4.

For example, former foster youth are less likely to attend post-secondary schools; typically earn only one-forth the median wage of the same-age population; are more likely to receive public assistance; and are three times more likely to be in prison or on probation. OPPGA Report No. 05-61, p. 6.

The average cost per year to house a male prisoner in a Florida state correctional facility is $17,603.95. For male juvenile offenders this number increases to $19,063.95. For females, both adult and juvenile, the number increases to $21,359.80 per year. OPPGA Report No. 05-61, p. 7. During FY 2004-2005, OPPGA Report No. 05-61, p. 2. The average cost per year to house a male prisoner in a Florida state correctional facility is $17,603.95. For male juvenile offenders this number increases to $19,063.95. For females, both adult and juvenile, the number increases to $21,359.80 per year. Department of Corrections, "Inmate Cost per day FY 2003-04 Major Facilities Only." http://www.dc.state.fl.us/pub/statsbrie/cost.html. The cost per inmate day in boot camps, juvenile detention facilities and community control are not compiled for this report.


“Adopting a Child in Foster Care” at http://www.myflorida.com/myflorida/governorsoffice/review_year/foster_care.html 9/24/05.


OPPGA Report No. 05-61, p. 6.


Reimbursements include, room, board, clothing, allowance and incidentals. Forty-one percent of these costs were paid by the State of Florida.


2 “In FY 2004-2005, the last year for which figures are available, Florida received $29,873,959 in federal funds pursuant to Title IV-B and $190,309,299 in federal funds pursuant to Title IV-E of the Social Security Act. In that year, these sums amounted to 23.61 per cent of the total budget for Florida’s child welfare programs, a percentage which remains fairly consistent.” Senate Staff Analysis and Economic Impact Statement CS/SB 1080. Florida Senate, Children and Families Committee. February 7, 2006, pp. 3-4.

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5 Florida Senate, Committee on Children and Families, Senate Staff Analysis and Economic Impact Statement CS/SB 1080, id., p. 4.


7 Id. Targets have not been met in any of the past three fiscal years. The targets for FY 04-05 and 05-06 are 32%, but the rate achieved in FY 04-05 was 28.85%. “Percent adoptions finalized within 24 months of the latest removal,” Table FS303, HHS Dashboard. http://dl/dashboard.dcf.state.fl.us/index.cfm?page=menu_listmeasures&purpose=GAA&lastyear=0&office_id=60910304&filter=office


10 “Adopting a Child in Foster Care” at http://www.myflorida.com/myflorida/governorsoffice/review_year/foster_care.html 9/24/05.


13 Reimbursements include, room, board, clothing, allowance and incidentals. Forty-one percent of these costs were paid by the State of Florida.


15 Operational Audit, Department of Children and Family Services, Independent Living Transitional Services Program, Exhibit 1. Florida Auditor General Report Number 2005-119, February 2005. These programs are currently severely under-funded and only roughly a quarter of those youth eligible for assistance actually receive any of the funds. Id. These amounts do not reflect the full tuition waiver afforded to former foster youth attending state colleges. To be eligible for tuition waiver the student must have been in foster care upon attaining age 18 or must have been in the Subsidized Independent Living program for at least six months prior to attaining age 18.

16 For example, foster youth score substantially lower on the Florida Comprehensive Achievement Test (FCAT), with fewer than 22% performing at grade level in reading and math; are nearly twice as likely to be held back a grade in school; are five times more likely to change schools (which is strongly correlated to reduced school performance); are more likely to be diagnosed with learning disabilities; are twice as likely to have school disciplinary problems that qualify them for dropout prevention policies; and are more likely to be homeless. Improvements in Independent Living Services Will Better Assist State’s Struggling Youth. Florida Office of Program Policy Analysis & Government Accountability report number 05-61, December, 2005 (OPPACA Report No. 05-61), pp. 4-5.

17 For example, former foster youth are less likely to attend post-secondary schools; typically earn only one-forth the median wage of the same-age population; are more likely to receive public assistance; and are three times more likely to be in prison or on probation. OPPGA Report No. 05-61, id., pp. 6-7.

18 OPPGA Report No. 05-61, p. 2. The average cost per year to house a male prisoner in a Florida state correctional facility is $17,603.95. For male juvenile offenders this number increases to $19,063.95. For females, both adult and juvenile, the number increases to $21,359.80 per year. Department of Corrections, “Inmate Cost per Day FY 2003-04 Major Facilities Only.” http://www.dc.state.fl.us/pub/statsbrie/cost.html. The cost per inmate day in boot camps, juvenile detention facilities and community control are not compiled for this report.

19 OPPGA Report No. 05-61, p. 7. During FY 2004-2005, OPPGA Report No. 05-61, p. 7. During FY 2004-2005, 1,108 foster children were placed in Florida Department of Juvenile Justice (DJJ) Detention, 254 were placed in a DJJ facility, and 69 were placed in a jail or prison. DCF, HomeSafenet, “Breakdown of Placements/Other Placements,” Table F-2, p. 169, 9/11/05.

20 Id. at 6.


22 OPPGA Report No. 05-61, p. 6.

23 Id. at 5. During FY 2004-2005, DCF reported that 3,326 foster youth ran away and 51 were in runaway shelters. DCF, Child Welfare Annual Statistical Data Tables FY 2004-2005, HomeSafenet, “Breakdown of Placements/Other Placements,” Table F-2, p. 169, 9/11/05.
Appendix A

FOSTER CARE COST EXAMPLES

Assume Sarah comes into the foster care system at age 13, spends 5 full years in the system, and then ages out of the system. The following expenditures could be made on her behalf:

<table>
<thead>
<tr>
<th>Program</th>
<th>Monthly Benefit or Expense</th>
<th>Annual Benefit or Expense</th>
<th>Cumulative Benefit or Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Room and Board</td>
<td>$455.00</td>
<td>$5,460.00</td>
<td>$27,300.00</td>
</tr>
<tr>
<td>Medicaid</td>
<td>$1,537.30</td>
<td>$7,686.50</td>
<td>$7,686.50</td>
</tr>
<tr>
<td>Pre-Independent Living, age 13 up to age 15 and Life Skills, age 15 up to age 18</td>
<td>$1,129.00</td>
<td>$5,645.00</td>
<td></td>
</tr>
<tr>
<td>Subsidized Independent Living (SIL), age 16 up to age 18</td>
<td>$1,129.00</td>
<td>$2,258.00</td>
<td></td>
</tr>
<tr>
<td>Transitional Support, ages 18 up to age 23</td>
<td>$1,975.00</td>
<td>$9,875.00</td>
<td></td>
</tr>
<tr>
<td>Road to Independence (RTI) Scholarship, ages 18 up to age 23</td>
<td>$7,267.00</td>
<td>$36,335.00</td>
<td></td>
</tr>
<tr>
<td>In-State tuition waiver, undergraduate 4 years (e.g., FSU, $88.06/credit hour. BS in psychology, 120 credit hours)</td>
<td>$2,641.00</td>
<td>$10,564.00</td>
<td></td>
</tr>
<tr>
<td>Total State Expenditures</td>
<td>varies</td>
<td>$99,663.50</td>
<td></td>
</tr>
</tbody>
</table>


25 OPPGA Report No. 05-61, p. 4.

26 Feaver, E., Clarke, L., and Amey, C. 2001. Medical, Developmental and Behavioral Problems of Foster Children and the Capacity of Foster Care Providers in Florida. Lawton and Rhea Chiles Center for Healthy Mothers and Babies, University of South Florida, Tampa; Department of Health Policy and Epidemiology Institute for Health Policy Research, University of Florida, Gainesville.

27 Emotional Disturbance - a child must be under age eighteen and meet the following criteria: have risk factors for emotional disturbance, such as referral to an educationally handicapped (EH) program in accordance with the Individuals with Disabilities Education Improvement Act of 2004 (IDEIA), homelessness, family history of mental illness, have experienced or are experiencing abuse or neglect, exposure to domestic violence, substance abuse, chronic or serious physical illness, or multiple out-of-home placements. “Served” means that they received at least one service event during the fiscal year. Florida DCF, Division of Health and Human Services. Measure List 05-06, “Number of ED children to be served.” HHS Dashboard. http://dcfdashboard.dcf.state.fl.us/index.cfm?purpose_id=gaa&mcode=M0031&page=preview.phb

28 Feaver, E., Clarke, L., and Amey, C. 2001. Medical, Developmental and Behavioral Problems of Foster Children and the Capacity of Foster Care Providers in Florida. Lawton and Rhea Chiles Center for Healthy Mothers and Babies, University of South Florida, Tampa; Department of Health Policy and Epidemiology Institute for Health Policy Research, University of Florida, Gainesville.


31 Adults with severe or persistent mental illness work for pay an average of only 34 days per year. Florida DCF, Division of Health and Human Services, Measure List 05-06, “Average annual days worked for pay for adults with severe and persistent mental illness.” HHS Dashboard. http://dcfdashboard.dcf.state.fl.us/index.cfm?page=details&id=M0003

Or, assume Sarah is in and out of foster care for most of her life, her biological parents’ parental rights are terminated when Sarah is 13, and she spends 5 full years in the system. Assume Sarah suffers from a psychological disability that hampers her ability to learn and causes her to be disruptive in the classroom. Also assume that Sarah suffers an emotional disturbance at age 16 and spends 8 days in a mental health facility. Sarah is ultimately incarcerated on her 18th birthday and is released 5 years later on her 23rd birthday. The following expenditures could be made on her behalf:

<table>
<thead>
<tr>
<th>Program</th>
<th>Monthly Benefit or Expense</th>
<th>Annual Benefit or Expense</th>
<th>Cumulative Benefit or Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Room and Board, age 13 – 18</td>
<td>$455.00</td>
<td>$5,460.00</td>
<td>$27,300.00</td>
</tr>
<tr>
<td>Mental Health Services</td>
<td>$663.36</td>
<td>$3,316.80</td>
<td></td>
</tr>
<tr>
<td>Eight days in mental health facility</td>
<td>$330.00/day</td>
<td>$2,640.00</td>
<td></td>
</tr>
<tr>
<td>Medicaid</td>
<td>$1,537.30</td>
<td>$7,686.50</td>
<td></td>
</tr>
<tr>
<td>Emergency Aftercare assistance</td>
<td>$1,200.00</td>
<td>$1,200.00</td>
<td></td>
</tr>
<tr>
<td>Average per diem at a Florida women’s correctional facility ($58.52/day)</td>
<td>$21,359.80</td>
<td>$106,799.00</td>
<td></td>
</tr>
<tr>
<td>Total State Expenditures</td>
<td>varies</td>
<td></td>
<td>$148,942.30</td>
</tr>
</tbody>
</table>


2 Although the following Independent Living Services are available to current and former foster youth, they are significantly under-funded and under-utilized (for example, only 28% of eligible former foster youth received assistance during FY2003-2004) due to a variety of factors including, for example, funding shortfalls, administrative problems, and eligible youth being unaware that the aid is available. See OPPGA Report 05-61, pp. 8-9.


8 Id.

9 2005-2006 Florida State University Catalog.

10 According to Florida’s Partners in Crisis, local jails have become the largest public psychiatric hospitals in the state, housing over 10,000 offenders with mental illnesses, many of whom are incarcerated for minor offences. National Mental Health Association, http://www.nlmha.org/shcr/community_based/costoffset.pdf.


12 Figure based on average cost of treatment for the 55,613 child served and does not include the 41,163 children in need of mental health services who received no treatment at all. Children’s Mental Health Services Funding Equity/Treatment Gap (FY 2003-2004), Annual Report of the Florida Substance Abuse and Mental Health Corporation, December 31, 2004, pp. 31-32.

13 Cost of State Inpatient Psychiatric Program (SIPP) is $330 per day. Celeste Fernandez, Pinellas University of Florida, Gainesville.


16 The cost per year to house a female prisoner, whether adult or juvenile, is $21,359.80. Department of Corrections, “Inmate Cost per day FY 2005-04 Major Facilities Only.” http://www.dc.state.fl.us/pubs/apubbrief/cost.html Costs of prosecution, public defender, post-release supervision, training and social welfare, recidivism, and poor earning power are not compiled for this report.
Appendix B

ADVERSE OUTCOMES FOR FOSTER YOUTH

<table>
<thead>
<tr>
<th>Indicator/Behavior</th>
<th>General Population</th>
<th>Foster Youth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency of changing schools</td>
<td>7%</td>
<td>38%</td>
</tr>
<tr>
<td>Disabilities that impede learning:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less severe</td>
<td>13%</td>
<td>34%</td>
</tr>
<tr>
<td>Severe</td>
<td>3%</td>
<td>19%</td>
</tr>
<tr>
<td>Scored at grade level on their FCAT exams:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Math</td>
<td>52%</td>
<td>22%</td>
</tr>
<tr>
<td>Reading</td>
<td>38%</td>
<td>18%</td>
</tr>
<tr>
<td>Held back a grade</td>
<td>10%</td>
<td>18%</td>
</tr>
<tr>
<td>Grade Point Averages</td>
<td>2.6</td>
<td>2.2</td>
</tr>
<tr>
<td>Disciplinary problems</td>
<td>24%</td>
<td>47%</td>
</tr>
<tr>
<td>In drop-out prevention programs²</td>
<td>11%</td>
<td>29%</td>
</tr>
<tr>
<td>Prevalence of teen homelessness</td>
<td>0.4%</td>
<td>7%</td>
</tr>
<tr>
<td>Seek post-secondary education</td>
<td>54%</td>
<td>21%</td>
</tr>
<tr>
<td>Employment rates</td>
<td>53%</td>
<td>52%</td>
</tr>
<tr>
<td>Income</td>
<td>$8,807.00</td>
<td>$2,234.00</td>
</tr>
<tr>
<td>On Food Stamp Program</td>
<td>5%</td>
<td>19%</td>
</tr>
<tr>
<td>On TANF Program</td>
<td>&lt;1%</td>
<td>6%</td>
</tr>
<tr>
<td>In the criminal justice system³</td>
<td>2%</td>
<td>6%</td>
</tr>
</tbody>
</table>

¹ Unless otherwise noted, all figures in this appendix are from Improvements in Independent Living Services Will Better Assist State’s Struggling Youth. Florida Office of Program Policy Analysis & Government Accountability report number 05-61, December 2005 (OPPAGA Report 05-61).

² Failure to graduate high school is highly correlated with frequent change of schools and is a predictor of future incarceration, diminished income, and reliance on social support programs. Dropout Prevention, UCLA Mental Health in Schools Training and Technical Assistance Center, 2000. See, also, OPPAGA Report 05-61, pp.4-5.

³ The average cost per inmate-day for incarceration in Florida state correctional facilities is $48.23 as of FYE 2004. The average cost is exceeded by male youthful offenders ($72.23/day) and female offenders both youthful and adult ($58.52). Florida Department of Corrections, “Inmate Cost per day FY 2003-04 Major Facilities Only,” http://www.dc.state.fl.us/pub/statbrief/cost.html. The cost per inmate day in boot camps, juvenile detention facilities, and community control are not compiled for this report.

Each time a child is denied the opportunity to be adopted out of foster care because of Florida’s ban, that child is denied the security and permanency that only adoption can provide. In addition, the State of Florida commits to spend tens of thousands of dollars to maintain that child unnecessarily in a foster care system that is virtually guaranteed to lessen the child’s life prospects. In sum, from both a fiscal and child welfare perspective, Florida’s adoption ban comes at a high price.
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