

2000-2001

**LRC
SPECIAL EDUCATION
TO CHILDREN IN
GROUP HOMES
COMMITTEE**

MINUTES

**LEGISLATIVE RESEARCH COMMISSION'S
SPECIAL EDUCATION TO CHILDREN IN GROUP HOMES COMMITTEE
2000**

SL 2000-138

Pro Tem's Appointments

Sen. Tony Rand, Cochair
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Sen. Charlie S. Dannelly
3167 Dawnshire Avenue
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(704) 392-1227

Sen. Linda D. Garrou
PO Box 11843
Winston-Salem, NC 27116
(336) 922-4192

Sen. William R. Purcell
1301 Dunbar Lane
Laurinburg, NC 28352
(910) 276-7328

Sen. David F. Weinstein
206 West 31st Street
Lumberton, NC 28358
(910) 739-3048

Staff

Jim Newlin
Philip Price
Fiscal Research Division
(919) 733-4910

Erika Churchill
Research Division
(919) 733-2578

Speaker's Appointments

Rep. John W. Hurley, Cochair
PO Box 714
Fayetteville, NC 28302
(910) 483-6210

Dr. Breeden Blackwell
Cumberland County Commissioner
PO Box 1829
Fayetteville, NC 28302

Mr. Mark Kendrick
Fayetteville City Council
433 Hay Street
Fayetteville, NC 28304

Dr. James McKethan, Executive Director
Cumberland County Schools, Exceptional
Children Program
PO Box 2357
Fayetteville, NC 28302

Rep. Drew P. Saunders
204 Sherwood Drive
Huntersville, NC 28078
(704) 875-2738

Clerk

Blinda Edwards
(919) 715-3001

ATTENDANCE

LRC SPECIAL EDUCATION TO CHILDREN IN GROUP HOMES

[illegible]

MINUTES
LRC SPECIAL EDUCATION TO CHILDREN
IN GROUP HOMES COMMITTEE
TUESDAY, DECEMBER 19, 2000
10:00 A. M.

The LRC Special Education to Children in Group Homes Committee met in the Conference Room of Suite 300 on Tuesday, December 19, 2000 at 10:00 a.m. Members attending the meeting were Senators Rand, Dannelly, Garrou, Purcell, and Weinstein; Representatives Hurley, and Wainwright; and Public Members, Dr. Breeden Blackwell, Mr. Mark Kendrick, and Dr. James McKethan. Staff members attending the meeting were Jim Newlin, Philip Price, and Erika Churchill. The Agenda and Visitor Registration Sheets are attached hereto and incorporated into the minutes.

Representative Hurley, Co-chair of the Committee, called the meeting to order. He asked the members of the committee to complete their reimbursement forms, and asked the Legislative Assistant and committee members to introduce themselves. Senator Rand, Co-Chair of the Committee, presided over the meeting.

Senator Rand asked for a motion for the adoption of the budget. Senator Dannelly moved for the approval and the budget was approved. (**See Attachment 1**).

Senator Rand recognized Mr. Philip Price of Fiscal Research. Mr. Price reviewed The Number of Group Homes by County, which is attached as **Attachment 2**. The listing showed the number of group homes for the K-12 population by county. The types of homes are mental health, developmental disabilities, and substance abuse. Group homes are growing in number. There are six counties that account for 42% of all the group homes. Those counties are Craven, Cumberland, Durham, Guilford, Mecklenburg, and Wake counties. Sixty-eight percent of the homes are therapeutic in these counties. Therapeutic homes were created with the mental health agency involved. Residential homes, which are for the emotionally disturbed, are the second largest group.

Mr. Charles Davis of the Division of Mental Health, Department of Health and Human Services (DHHS), was recognized. His presentation was devoted to the regulatory responsibilities of DHHS, the types of group homes, funding sources, responsibilities of various parties, upcoming changes in group home rules, and issues involving DPI and LEAs (**Refer to Attachment 3**). Senator Rand asked about the kind of problems the children in group homes have and the type of help provided by the state. Representative Saunders asked how many children are in the group homes statewide. Mr. Davis would provide that information at a later time.

Mr. Davis stated that the group homes operate for profit and non-profit. In therapeutic/foster care homes, children stay in the same community that they are from. There are ten juvenile justice multi-purpose group homes and they are all licensed. A majority of the children in therapeutic/foster care are abused and neglected children. Therapeutic homes usually house children who are 12 and under, and group homes usually house children

who are 13 and older. There are 700 group homes most of which are licensed under the Division of Facilities Services. The State Department of Social Services issues the license for foster homes.

Rep. Saunders asked if there was any correlation between the needs in Fayetteville with the number of military families who received group home services. Mr. Davis felt there was no relationship. The children who are military dependents are not funded any differently than the other children who are housed in group homes. The state portion of funding is transferred with the child. Local mental health provides the services and the cost remains with the originating county. The placement agencies try to place children as close to home as possible.

Senator Weinstein asked how foster parents are determined. A representative of the Division of Social Services stated that there are licensing rules. Age and employment are considered, criminal background checks are completed, thirty hours of pre-service training in competency is required, and there is a review done every year. The average amount of a foster care check per month is \$315.00 for children 0-5 years of age, \$365.00 for children 6-12, and \$415.00 for children older than 13. The monthly rate for mentally disabled children who receive medicaid ranges from \$40.00 to \$180.00 per day. Group homes are monitored on an annual. The Department of Social Services (DSS) investigates all allegations of abuse.

Staff person, Erika Churchill, was recognized to discuss federal and state laws regulating placement of group homes. She stated that the local authority, in any of its actions, could not do anything that would discriminate against the disabled. In regard to zoning in a residential area, you cannot zone the disabled or handicapped from the area. From the state's standpoint, statutorily, she had not been able to find anything that dealt with the regulations of group homes that housed children. She did find Chapter 168 that dealt with the regulation of family care homes, which are adult family care homes. In Chapter 168 there is a provision to allow local governments to require new adult family care homes to be up to one-half mile from any existing adult care home for zoning purposes. Local governments have applied that rule to children group homes. The Division of Facilities Services, in licensing children group homes, requires that homes comply with all zoning provisions. The state cannot override federal law.

Senator Rand recognized Sheriff Earl R. Butler of Cumberland County. The Sheriff discussed the problems that the group homes in Fayetteville caused the Sheriff's department. People from other counties are coming into Cumberland County and it is creating a problem for the school system. There is no simple answer. The Cumberland County group homes are having to house children from other places because other counties do not have the programs to provide for them. It is hard to track whether or not the originating counties are supporting the children who come from their counties. It is the responsibility of the Sheriff's department to look for runaways. The department uses a lot of man-hours to locate runaways. The schools should be compensated to take some of the burden off of the taxpayers.

Mr. Chuck Harris of the Department of Social Services wanted to clarify some information regarding children who are in foster care. Not all children in group homes have been placed by DSS. Very few of the children who are placed in foster care stay in their school district. Thirty percent are placed outside their county of residence. The county with custody does pay for the foster care. These funds do not pay for education or for local services provided by the Sheriff's department.

Mr. Ricky Lopes, Associate Superintendent for Business Operations for Cumberland County Schools, was recognized to address the educational costs. **(Refer to Attachment 4)**. Mr. Lopes stated that the General Statute indicates that the county where the child attends school is responsible for the education of that child. At the time that this report was compiled there were 23 out-of-county students being served. The average cost per student was \$3,429. Currently, Cumberland County Schools are serving 117 out-of-county students. If the average of \$3429 were applied to the 117 they are currently serving, the total excess cost would be approximately \$401,193. The state and federal funds are reimbursed for educating out-of-county students. The portion that is not reimbursed is the local portion for educating these students. If a charter school was set up as a group home in another county, it could charge the originating county for that student. Because Cumberland County Schools are not charter schools, they cannot be reimbursed for the educational expenses of these students.

The state portion of the funds is transferred with the child. The state applies the state average per student and transfers that money to Cumberland County Schools. The standard stay of a child in a group home is 6-9 months. Foster care varies.

Mr. Lowell Harris, Director, Division of Exceptional Children, Department of Education, was recognized to discuss the review of state education funding for students in group homes. He used **Attachments 5 and 6** in his discussion. **Attachment 5** addressed the children in the public school system. **Attachment 6** addressed the group/foster home program.

Mr. Newlin stated that there are gaps in the funding. One of the areas that could be looked at by the committee is an out-of-county transfer after the April 1 headcount. The LEA has the choice of applying for funding for that child then and receiving a pro-rated amount for the next month or so. The next fall they would not get regular exceptional children money because the child would have come in after the headcount. When something like that occurs, LEAs should be allowed to apply for this additional money from the special reserve of 3.4 Million Dollars that next fall. That gap needs to be looked at and may not require legislation.

Dr. Blackwell was recognized to speak on the Recommendations from the NC Association of County Commissioners. The Legislative Goals Committee for the Association adopted the request that every county would pay their own way when they send a child. This would allow the money from the transferring county to be sent to the receiving county.

Mr. Newlin stated that if such legislation were considered by the General Assembly, the only issue that would be left to the General Assembly would be which rate the child would be funded. Whether it would be at the rate of the receiving county or at the rate of the transferring county. Senator Rand suggested that the actual expenses be paid.

Ed Regan was recognized to speak for the NC Association of County Commissioners. The Board of Directors for the Association approved the goal to support legislation to send state and local money with the child to a new group home. There full commission will vote on this issue in January of 2001. The rate for the transferring county would determine the amount of funds that would follow the child. Senator Garrou asked about the consequences of passing such legislation. Mr. Davis stated that he was not aware of any negative consequences at this time. Tara Larson of the Department of Health and Human Services, stated that the local education representatives along with the local DSS Director, Area Program Director, and the Court Counselor, should have a Memorandum of Agreement in place that outlines the responsibilities of who will pay for what and when. She asked that DPI also participate in that process. This could be a special provision of the legislation.

Senator Rand asked if there should be some cap on the number of children a county should have to absorb. Should any county be asked to take more than its fair share? Senator Garrou asked if the issue of licensing group homes was an issue that needed to be considered.

Dr. McKethan was asked to comment on the additional costs in classrooms. Dr. McKethan stated that additional staff is needed in the schools.

Representative Hurley asked for comments or recommendations by the committee members. Senator Weinstein asked if you could cap the number that could receive care. Staff did not think that you could. Rep. Hurley asked what could locals do in setting the standards? There were other comments in regard to the zoning involving group homes.

Staff was asked for comments. Mr. Price suggested the following:

Legislation as recommended by the County Commissioners to have the funding to follow the child.

Prevent one community from taking more than their fair share of group homes.
(Staff can see if it can be done legally)

In regard to the issue of state dollars, a determination could be made of whether a local school district could apply for the 3.4 Million Dollar reserves.


Staff was asked to look into the following recommendations:

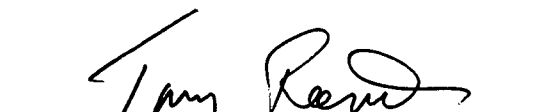
1. What can be done legally to limit the number of group homes in a community?.
2. Legislation that the money would follow the child.
3. Should the state rate be higher for children in group homes?
4. Where there is a concentration, to do it on a density of group homes based on general population.
5. School systems consider participation in Memorandum of Agreement Include the education agencies in the statute.

Staff indicated that they would draft a report and fax it to the members for approval.

Senator Rand thanked the staff and department heads and adjourned the meeting at 1:00 p.m.

Submitted by:


Blinda Edwards, Committee Assistant


Senator Tony Rand, Presiding Co-Chair

Agenda
LRC Committee on Special Education to Children in Group Homes
 Tuesday, December 19, 2000, 10:00 AM
 Room 300, Legislative Office Building
 Sen. Rand and Rep. Hurley, Co-chairs

Introduction of members and brief review of reasons for LRC Study		Co-Chairs
Adoption of budget		Ms. Erika Churchill Legislative Research
Review of Number of Group Homes by County		Mr. Philip Price Fiscal Research
DHHS: State role in licensing, regulating, and funding of group homes a. regulatory responsibilities & authority of DHHS re: group homes for children; b. types of group homes serving children; and funding sources (generally);		Mr. Charles Davis Division of Mental Health Dep't. of Health & Human Services
Federal and State laws regulating placement of group homes		Ms. Erika Churchill
Impact of Concentration of Group Homes on Community a. Additional Community Services b. Additional Educational Costs		Sheriff Earl R. Butler Cumberland County Mr. Ricky Lopes Associate Superintendent for Business Operations, Cumberland County Schools
Review of State Education Funding for Exceptional Children in Group Homes		Mr. Lowell Harris, Director Division of Exceptional Children Department of Public Instruction
Recommendations from NC Association of County Commissioners		Mr. Ed Regan
Committee discussion of problems and alternative solutions		Co-Chairs

VISITOR REGISTRATION SHEET

LRC SPECIAL EDUCATION TO CHILDREN IN GROUP GROUP HOMES
COMMITTEE

December 19, 2000

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

MITCHELLE COTTON

DMH/DD/SOS

Peyton MAGNANO

gpm A

Anna Larson

DMH/DD/SAS

LARRY DIX

DJJP

Martha Kaufman

DMH/DD/SAS

Betty Gardner

DFS

Jeff Huber

DFS

Lynda McDaniel

DHHS / DFS

Francis A. Pedrigo

DHHS / DFS

William L. Warren

DHHS / DFS

Ricky Lopez

Cumby County Schools

VISITOR REGISTRATION SHEET

LRC SPECIAL EDUCATION TO CHILDREN IN GROUP GROUP HOMES
COMMITTEE

December 19, 2000

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Jim Edgerton

DHHS

Charles Harris

DHHS - DMH/DSSAS

Ed Reyer

N.C. Assoc. of Co. Comm-

JB Burt

SBE

Jim Norton

Fiscal Research

Erika Churchill

General Research

STUDY COMMISSION BUDGET ESTIMATE

1.	Legislative Members Subsistence	<u>\$3276.00</u>
	A. USUAL SITUATION - ONE DAY MEETINGS	
	\$104 x number of legislative members x 1 ½	
	(Half of members using two days subsistence)	
	x number of meetings	
	[OR]	
	B. USUAL SITUATION - TWO DAY MEETINGS	
	\$104 x number of legislative members x 2	
	(Half of members using two days subsistence)	
	x number of meetings	
2.	Non-Legislative Members Subsistence	<u>1296.00</u>
	A. USUAL SITUATION - ONE DAY MEETINGS	
	\$96 x number of non-legislative members	
	x 1 ½ (Half of members using two days	
	subsistence) x number of meetings	
	[OR]	
	B. USUAL SITUATION - TWO DAY MEETINGS	
	\$96 x number of non-legislative members x 2	
	(Half of members using two days subsistence)	
	x number of meetings	
3.	Travel Expenses	<u>1305.00</u>
	\$58.00 x number of members x number of meetings	
	(Average 200 miles round trip x \$.29 = \$58.00)	
4.	Clerical Staff	<u>1803.00</u>
	Average of \$601 x number of meetings	
	(\$601 = average salary with benefits	
	for 5 day work week)	
5.	Professional Staff	<u> </u>
	(To be used if other than legislative	
	professional staff is employed)	
6.	Special Travel and Expenses	<u> </u>
7.	Postage and Telephone	<u>250.00</u>
8.	Supplies	<u>250.00</u>
9.	Copying and Printing	<u>1,000.00</u>
10.	Reserve	<u>15,820.00</u>
	TOTAL	<u>\$25,000.00</u>

Number of Group Homes for Children by County

FY 1999-2000 information for group homes for children (see note for types of group homes included).

LEA Name	Total Group Homes (Note)	LEA Name	Total Group Homes (Note)	LEA Name	Total Group Homes (Note)
Alamance County	10	Guilford County	61	Rutherford County	17
Alexander County	-	Halifax County	3	Sampson County	9
Alleghany County	-	Harnett County	7	Scotland County	5
Anson County	1	Haywood County	3	Stanly County	2
Ashe County	2	Henderson County	6	Stokes County	5
Avery County	1	Hertford County	3	Surry County	2
Beaufort County	6	Hoke County	13	Swain County	-
Bertie County	2	Hyde County	-	Transylvania County	1
Bladen County	3	Iredell County	3	Tyrrell County	1
Brunswick County	15	Jackson County	4	Union County	43
Buncombe County	31	Johnston County	38	Vance County	20
Burke County	5	Jones County	2	Wake County	90
Cabarrus County	20	Lee County	4	Warren County	10
Caldwell County	11	Lenoir County	23	Washington County	-
Camden County	1	Lincoln County	5	Watauga County	3
Carteret County	7	Macon County	1	Wayne County	40
Caswell County	2	Madison County	1	Wilkes County	6
Catawba County	6	Martin County	3	Wilson County	21
Chatham County	4	McDowell County	5	Yadkin County	2
Cherokee County	2	Mecklenburg County	152	Yancey County	-
Chowan County	2	Mitchell County	1	Total	1,398
Clay County	-	Montgomery County	-		
Cleveland County	15	Moore County	15		
Columbus County	6	Nash County	6		
Craven County	56	New Hanover County	29		
Cumberland County	179	Northampton County	2		
Currituck County	1	Onslow County	19		
Dare County	1	Orange County	17		
Davidson County	17	Pamlico County	6		
Davie County	6	Pasquotank County	3		
Duplin County	8	Pender County	7		
Durham County	53	Perquimans County	2		
Edgecombe County	6	Person County	12		
Forsyth County	30	Pitt County	21		
Franklin County	7	Polk County	1		
Gaston County	45	Randolph County	3		
Gates County	-	Richmond County	4		
Graham County	1	Robeson County	35		
Granville County	7	Rockingham County	10		
Greene County	1	Rowan County	21		

Note: Group homes included serve:

- adolescents who are emotionally disturbed or who have mental illness (residential and day care).
- Community residential centers for developed disabilities.
- Before/after school facilities for children at-risk of developmental delays.
- Substance abuse facilities.
- Therapeutic camps for disabled groups.
- Therapeutic homes for disabled groups working with a Mental Health Agency.
- Day care for all disability groups.
- Group homes for mental retardation or other developmental disabilities.

Fiscal Research

May 31, 2000 (F:\Mydocuments\GroupH.wk4)

GROUP HOMES FOR CHILDREN IN N.C.

**N.C. DEPARTMENT OF HEALTH
AND HUMAN SERVICES**

Dec. 19, 2000

Group Homes for Children

- ◆ DHHS Regulatory Responsibilities
- ◆ Types of Group Homes
- ◆ Funding sources
- ◆ Responsibilities of Various Parties
- ◆ Upcoming Changes in Group Home Rules
- ◆ Issues Involving DPI and LEAs

Group Homes for Children: Regulatory Responsibilities

- ◆ Licensure by DFS under G.S. 122-C
- ◆ Licensure by DSS under G.S. 131-D
- ◆ Accreditation for Participation in Medicaid or State Mental Health funding:
 - * Area MHDDSA Programs
 - * State Division of MH/DD/SAS
 - * National Accreditation (e.g., COA, JCHO, CARF)
- ◆ Private Sector may locate homes anywhere in state

Group Homes for Children: Regulatory Responsibilities

- ◆ DJJDP homes not licensed because operated by State
- ◆ ICF-MR Homes must use a CON process and be approved in State Medical Facilities Plan.

Group Homes for Children

Types of Group Homes

- ◆ "Group Home" refers to staffed residential facilities from 1 to 15 beds.
- ◆ May be apartments, private homes or freestanding special facilities
- ◆ Variety of children housed (abused/neglected; private placements; emotionally disturbed; developmentally disabled; juvenile offenders; behavioral problems).
- ◆ Supervision and staffing levels vary based on difficulty of children served

Group Homes for Children

Types of Group Homes

◆Numbers of Homes by Type:

- *DSS Licensed Homes: 270**
- *DFS - Residential Treatment - emotionally disturbed or mentally ill children - 337**
- *DFS - Intensive Residential Treatment - 7**
- *DFS - Community Residential Centers for Developmentally Disabled - 18**
- *DFS - Residential Therapeutic Camps - 4**
- *DFS - Group Homes for Developmentally Disabled - 47**
- *DFS - Foster Care Camps - 9**

Group Homes for Children: Funding Sources

- ◆ Medicaid is largest source: Service definitions are "Residential Treatment, Levels II, III, and IV" and ICF-MR.
- ◆ At-Risk Children's funds (former Willie M. Programs) second largest source
- ◆ DSS funds include Title IV-E; State Foster Home Funds; State Funds Program and TANF

Group Homes for Children: Funding Sources

- ◆ DJJDP directly operates or funds homes
- ◆ County Social Services may pay for care and supervision when child in DSS custody

Group Homes for Children: Responsibilities of Parties

- ◆ **Common Objective:** To obtain necessary behavioral health treatment and a safe, permanent home for a child in the community
- ◆ **DSS responsible for placement, if child in DSS custody; otherwise, parent or guardian responsible.**
- ◆ **Mental Health must authorize treatment need and payment. Children with DD must be authorized through Single Portal procedures.**

Group Homes for Children: Responsibilities of Parties

- ◆ MHDDSA also assists in locating available placements and monitor service quality.
- ◆ DSS and MH share case management roles
- ◆ DJJDP homes are exception - all placement and payment done by DJJDP

Group Homes for Children: Upcoming Changes in Rules

- ◆ Effective February 1, new Residential Treatment funds available for MH/SA.
- ◆ New MOAs among DSS, Area Program and DJJDP to be in effect, covering assessment, planning and placement responsibilities.
“System of Care” approach to be followed for MH/SA treatment.
- ◆ Many changes designed to streamline and support appropriate placements

Group Homes for Children: Issues With DPI and LEAs

- ◆ Involvement of LEAs in placements,
especially when across LEA lines:
 - ★ Inclusion of LEA representative in planning
process and placement decision
 - ★ Notification of LEAs when placement made
 - ★ Transfer of school records
 - ★ Responsibilities for IEPs
 - ★ Financial responsibilities for ancillary services

Special Education to Children

In

Group Homes

Legislative Study Committee

Raleigh, North Carolina

December 19, 2000

Cumberland County Schools

Exceptional Children's Services

OUT OF COUNTY GROUP HOME RESIDENTS
Projected Excess Costs
for
Special Education and Related Services
2000-2001*

Category	Student Count	Program Costs	State and Federal Funding Allocations	Excess Costs
Autistic	1	\$8,563	\$7,314	\$1,249
Behaviorally/Emotionally Disabled	12	\$120,228	\$87,766	\$32,462
Severely/Profoundly Mentally Disabled	1	\$17,828	\$7,314	\$10,514
Educable Mentally Disabled	4	\$28,204	\$29,255	(\$1,051)
Trainable Mentally Disabled	1	\$7,896	\$7,314	\$582
Specific Learning Disabled	4	\$40,076	\$28,524	\$11,552
Speech	4	\$6,372	No Additional Funding	\$6,372
Transportation	11	\$17,193	No Additional Funding	\$17,193
Total		\$246,360	\$167,487	\$78,873

* Based on November 15, 2000 Group Home Funds Allocation for 23 students

CUMBERLAND COUNTY SCHOOLS OUT-OF-COUNTY GROUP HOME RESIDENTS

Projected Excess Costs For Special education and Related Services

Definition of Terms Used

1. **Excess Costs.** Excess Costs are defined as the program costs for out-of-county group homes not covered by state and federal funding allocations. The amount of \$78,873 on the preceding page represents local funds required to provide for total program costs for out-of-county group home students. This an average of \$3,429 per students. If this amount were applied to the 117 out-of-county group home students currently served by the Cumberland County Schools, the total excess costs would be approximately \$401,193.
2. **No Additional Funding.** No addition al funding is received for duplicated services such as speech and transportation.
3. **Disability Categories.**
 - AU=Autistic
 - EM=ducably Mentally Disabled
 - LD= Specific Leaning Disabled
 - EH=Behaviorally Emotionally Disabled
 - OH=Other Health Impaired
 - TM=Trainably Mentally Disabled
 - SI=Speech Impaired
 - SP=Severe/Profoundly Disabled
 - HI=Hearing Impaired
4. **Placement Settings.**
 - **Regular Setting.** Students with disabilities who receive the majority of their education program with nondisabled children, outside the regular classroom for less than 21 percent of the school day.
 - **Resource Setting.** Students with disabilities who receive special education outside the regular classroom for 60-percent or less of the school day and at least 21 percent of the school day.
 - **Separate Setting.** Children with disabilities who receive special education outside the regular classroom for more than 60 percent of the school day. This does not include students who receive education programs in public or private separate day or residential facilities.
 - **Separate Setting.** Children with disabilities who receive special education outside the regular classroom for more than 60 percent of the school day.

Out of County Resident Students Living in Group Homes or Similar Facilities

County	First Name	Disability	Setting	Group Home or Similar Facility
Alamance	Stephen	AU	Public Separate School	Dixie Services
Beaufort	Bertram	EM	Separate	My Brother's Place
	Justin	LD	Regular	Falcon Children's Home
	Kaesha	EH	Public Separate School	My Brother's Place
Bladen	Anthony	EH	Public Separate School	Skipper Therapeutic Home
Chatham	Tiyana	EM	Separate	Angel Place Group Home
	Aundrell	EH	Public Separate School	Woodbridge Alt
	Brandon	LD	Regular	Sheffield Group Home
	Candy	EH	Public Separate School	Woodbridge Alt.
	Marcus	OH	Public Separate School	Woodbridge Alt.
	Maurice	EM	Separate	Bivens Therapeutic Home
Clayton	John	EH	Separate	Children's Treatment Center
Curttuck	Crystal	EH	Public Separate School	About Me
Duplin	Amber	SP	Separate	Pierce & Associates
	Ashley	TM	Public Separate School	Shepard's Group Home
	Michael	OH	Separate	McMichael Therapeutic Home
	Tyesha	EH	Separate	Woodbridge Alt
	Tynise	LD	Regular	Falcon Children's Home
Durham	Tyschaun	EH	Public Separate School	Woodbridge Alt
	Birung	AU	Public Separate School	Dixie Services
	Darryl	TM	Public Separate School	Sprucewood Homes
	Nikita	EH	Separate	McLeod Therapeutic Home
	Robin	EH	Separate	McLeod Therapeutic Home
	Robyn	SI	Regular	Caring Family Network

Out of County Resident Students Living in Group Homes or Similar Facilities

County	First Name	Disability	Setting	Group Home or Similar Facility
Durham	Valentina	EH	Public Separate School	Robinson Therapeutic Home
Edgecombe	Terry	EH	Separate	Caring Family Network
Forsyth	Brandon	EH	Public Separate School	Woodbridge Alt.
	Christopher	EH	Public Separate School	Faison Group Home
	Dashaun	EH	Separate	Boney Therapeutic Home
	Devon	EH	Regular	Woodbridge
	Jarico	EH	Public Separate School	Blair Therapeutic Home
	Joseph	EH	Public Separate School	Woodbridge Alt.
	Kedrick	OH	Separate	Faison Group Home
	Roseanna	EH	Public Separate School	Woodbridge Alt.
Gaston	Brittany	LD	Regular	Falcon Children's Home
	Larry	AU	Separate	Dixie Services Home
Halifax	Haywaum	EH	Separate	Kelly Foster Home
Harnett	David	LD	Regular	Falcon Children's Home
	Donna	SP	Separate	Peterkin & Associates
	Isaac	OH	Regular	Falcon Children's Home
	John	LD	Regular	Falcon Children's Home
	Leslie	TM	Separate	Extra Special Care
	Marilyn	EH	Regular	Falcon Children's Home
	Robert	AU	Separate	Avalon Group Home
Hoke	Alyssa	OH	Regular	Shepard Group Home
Johnston	Christopher	EH	Public Separate School	Schacht Therapeutic Home
	Robert	OH	Separate	Sheffield Therapeutic Home
	Sedrick	EH	Separate	Falcon Children's Home

Out of County Resident Students Living in Group Homes or Similiar Facilities

County	First Name	Disability	Setting	Group Home or Similiar Facility
Johnston	Shadonna	EM	Separate	Lots of Love (Philyaw0Home)
Lee	Kevin	OH	Separate	Joe Johnson Therapeutic Home
Lenoir	Danielle	EM	Resource	Falcon Children's Home
Martin	Jonathan	EH	Regular	Falcon Children's Home
Mecklenburg	Jessica	EM	Separate	McDonald Foster Home
Moore	Dorothy	EH	Separate	Franklin Home
	Teniiia	EH	Public Separate School	Katam Group Home
	Tina	OH	Separate	Woodbridge Alternative
Nash	Anthony	EH	Public Separate School	Reid Therapeutic Home
	Carnelius	EH	Public Separate School	Willis Therapeutic Home
	Dana	EH	Regular	Caring Family Network
New Hanover	Muriel	EM	Public Separate School	Cardinal Clinic
	Patrick	MU	Public Separate School	Sprucewood Group Home
Orange	Brian	EH	Separate	Oplinger Theraputic Home
	Dustin	OH	Regular	Woodbridge Alt.
	Michael	OH	Regular	Oplinger Therapeutic Home
	Ryan	LD	Regular	Parker Therapeutic Home
Pender	Billy	EM	Public Separate School	Dixie Services
Randolph	Kimberly	EH	Separate	Sawyer Group Home
	Michael	EH	Separate	Palama Therapeutic Home
Richmond	Katherine	TM	Public Separate School	Pierce & Associates
	Talmadge	LD	Regular	Falcon Children's Home
Robeson	Alex	EH	Separate	Mannsur Home

Out of County Resident Students Living in Group Homes or Similar Facilities

County	First Name	Disability	Setting	Group Home or Similar Facility
Robeson	Darryl	EH	Public Separate School	Natale Smith Therapeutic Home
	Jeffery	HI	Separate	Thomas Home
	Joshua	EH	Separate	Children's Treatment Center
	Marcella	MU	Separate	Worsley/Coordinated Health Care
Rockingham	Portia	TM	Separate	Lewis Therapeutic Home
	Brandon	EH	Separate	Dynamic Care
	Jarvis	EM	Resource	Dynamic Care
	Randy	EH	Separate	Angel Place
Sampson	William	OH	Separate	Guardian Angel Home
		EH	Public Separate School	Guardian Angel
	Brandon	TM	Public Separate School	Rittenhouse Therapeutic Home
	Michael	SP	Separate	Holiday Group Home
Scotland	Shawn	SI	Regular	Falcon Children's Home
Vance	Sirena	EM	Public Separate School	Fresh Start Group Home
Wake	Akheim	LD	Resource	Sole's Therapeutic Home
	Anthony	OH	Public Separate School	Willows Group Home
		EH	Separate	Sharon Robbins Foster Home
	Ash-lee	SP	Separate	Pierce & Associates
	Christopher	EH	Public Separate School	Second Chance Group Home
	Danee	EH	Separate	My Brother's Place
	DeWayne	EH	Separate	Willia Group Home
	Dontez	EM	Public Separate School	Cardinal Clinic
	Dwight	EH	Public Separate School	Willows Group Home
	Frank	EM	Separate	Pilot Therapeutic Home
	Franklin	OH	Public Separate School	Willows Group Home

Out of County Resident Students Living in Group Homes or Similar Facilities

County	First Name	Disability	Setting	Group Home or Similar Facility
Wake	Iris	EH	Public Separate School	Fresh Start Group Home
	John	MU	Separate	Extra Special Care
	Johnathan	EH	Public Separate School	Fresh Start
	Joseph	EH	Public Separate School	Fresh Start
	Joshua	EH	Separate	Carolina Behavioral Health Care Services, Inc.
	Kimberly	OH	Separate	Fresh Start
	Laponda	LD	Regular	Cardinal Clinic
	Mather	EH	Public Separate School	Blair Therapeutic Home
	Michael	OH	Separate	Childrens Treatment Center
	Patricia	EM	Separate	Cardinal Clinic
Watauga	Randy	EH	Public Separate School	Willows Group Home
	Samia	EH	Public Separate School	Alexander Therapeutic Home
	Shekila	EH	Public Separate School	By Brother's Keeper
	Steffan	EH	Separate	Second Chance Group Home
	Tabitha	EH	Public Separate School	McMichael Therapeutic Home
	Terry	LD	Regular	Second Chance
	Michael	EH	Public Separate School	Woodbridge Alt
	Kenneth	EH	Separate	Woodbridge Alt.
	Sabrina	SP	Separate	King Therapeutic Home
	Ashley	EM	Separate	Hill Therapeutic Home
Wilson	Demetrius	EH	Separate	Kelly Therapeutic Home

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Exceptional Children Division
State and Federal Per Child Allocations for Children with Disabilities and
Academically or Intellectually Gifted
2000-2001

1. Average Daily Membership state funds This ADM is established for use in determining the per child allocation for group homes and out-of-district placements.	\$4,161.63
2. State Aid (PRC 32) state funds \$ 411,658,608 Per child allocation is for children with disabilities 6-21. Funds are limited to 12.5% of the local education agencies' student enrollment.	\$2,612.30
3. IDEA, Part B (PRC 60) federal funds \$132,582,372 This is the first year of the formula grant. Each LEA will receive 75% of their allocation for 1998. This establishes their base. The remaining funds will be distributed as follows: 85% will be allocated based upon the number of children who are enrolled in public and private elementary and secondary schools and 15% will be based on the number of children living in poverty (free and reduced lunch).	Formula Based Allocation \$539.90 Base Allocation \$517.66 Population \$13.83 Poverty \$8.41
4. Preschool Disabled (PRC 49) federal \$11,554,652 Based of \$481.83 per child on December 1, 1996 child count. 85% of the remaining funding is distributed based on the total K-12 enrollment in public and private schools and 15% is based on the number of children living in poverty (free and reduced lunch).	Formula Grant
5. State Aid for Academically or Intellectually Gifted (PRC 32) state funds \$44,068,164	\$864.47
6. State Aid Preschool (PRC 32) state funds \$30,960,578 Each local education agency receives a base amount equal to the average salary of a classroom teacher plus benefits and the remainder is distributed based on the April 1, 2000 headcount of 3, 4, and pre-K-5 students.	Base Amount \$45,252.00 Per Child Amount \$1,855.77
7. Developmental Day Center Program (PRC 63) state funds \$14,245,146 Developmental day funds are for students with disabilities served in a certified developmental day center.	\$8,109.00
8. Community Residential Center Program (PRC 63) state funds \$6,028,147 Community residential funds are for students with disabilities served in a certified community residential center.	\$11,911.00
9. Group Home Program (PRC 32) state (\$950,726) and federal (\$100,000) funds \$1,050,726 Group home funds are for students with disabilities placed in group homes for residential services and who were not counted on the December 1, or April 1, headcount. Formula includes ADM, State Aid and Federal IDEA, Part B funds. Up to 10 months reimbursements.	\$2,612.30 State \$4,161.63 ADM \$ 539.90 Federal \$7,313.83
10. Out-of-District Placement Program (PRC 60) federal funds \$600,000 Out-of-district funds are for students with disabilities placed in programs outside of their LEA for special education and related services. The out-of-district placement program will pay up to 50% of the cost of placement that is over the amount of funds already received. This includes residential and extended school year services.	Allocation based on approved application
11. Special State Reserve Program (PRC 32) state funds \$3,400,000 Special state Reserve funds are available to LEAs and charter schools for "hard to serve" students who enter their system after available funds have been expended and budgets have been set. Approval is through an application process.	Allocation based on approved application
12. Behavioral Support Grants (PRC 29) state funds \$7,480,892 These funds are for children with disabilities who were identified as members of the Willie M. class at the time of the dissolution of the class and other children with disabilities needing specific educational/behavioral support services.	Allocation based on approved application
13. Capacity Building and Improvement Grant/Sliver (PRC 44) federal funds LEAs, charter schools and state-operated programs with a December 1, 1999 headcount are eligible through application. \$5,000,000	Formula Based Allocation

Group Homes

§115C-140.1. Cost of education of children in group homes, foster homes, ect.

- (a) Notwithstanding the provisions of any other statute and without regard for the place of domicile of a parent or guardian, the cost of a free appropriate public education for a child with special needs who is placed in or assigned to a group home, foster home or other similar facility, pursuant to State and federal law, shall be borne by the local board of education in which the group home, foster home or other similar facility is located. Nothing in this section obligates any local board of education to bear any cost for the care and maintenance of a child with special needs in a group home, foster home or other similar facility.
- (b) The State Board of Education shall use State and federal funds appropriated for children with special needs to establish a reserve fund to reimburse local boards of education for the education costs of children assigned to group homes or other facilities as provided in subsection (a) of this section. (1981, C. 859, s. 29.7)

Children Funded from Group Homes

School Year	Children Funded
1991-92	26
1992-93	19
1993-94	22
1994-95	47
1995-96	65
1996-97	97
1997-98	123
1998-99	118
1999-00	144
2000-2001	166 (12/8/00)

**Group/Foster Home or Similar Facility Program
State Allocation Summary
September 1, 2000 - December 8, 2000**

Local Education Agency	Funds Allocated	Number of Students	Name of Facility
Beaufort County	\$ 20,322.00	3	Life Inc. Group Home
Brunswick County	40,644.00	6	Foster Home
<i>Buncombe County</i>	<i>*20,322.00</i>	<i>3</i>	<i>Presbyterian Children's Home, The Davidson, Homes, Foster Home</i>
Burke County	101,609.00	15	Burkewell Group Home, S. Mountain Childrens Home, ComServe, Inc., Foster Home
<i>Cabarrus County</i>	<i>*60,288.00</i>	<i>9</i>	<i>Youth Care Management I & III, Old Charlotte I & II Group Home, Landon Group Home, Foster Home, Matta, Inc.</i>
Charlotte-Mecklenburg County	54,191.00	8	Covenant Group Home, Right Turn Group Home, Positive Choices, Foster Home, Hanna Court Group Home, Matta, Inc.
Cleveland County	13,548.00	2	Foster Home, Therapeutic Family Care
Columbus County	6,774.00	1	Foster Home
Cumberland County	256,733.00	38	Second Chance, Woodbridge Alt., Dynamic Care, Omni Vision, Dixie Services Home, Willows Group Home, Pilot Therapeutic Home, Oplinger Therapeutic Home, Shepard Group Home, Armwood Therapeutic Home, McMichael Therapeutic Home, Schuh Therapeutic Home, Fresh Start Group Home, McLeod Therapeutic Home, Lazybrook Group Home, Pierce & Associates, King Therapeutic Home, Holliday Group Home, Robinson Therapeutic Home, Falcon Childrens Home, Guardian Angel, Sheffield Therapeutic Home, My Brother's Keeper, Cardinal Clinic, Hancock Therapeutic Home, Hancock Therapeutic Home, Alexander Therapeutic Home
<i>Gaston County</i>	<i>*18,290.00</i>	<i>3</i>	<i>Our Father's Place, Smith's Hope House</i>
Granville County	54,192.00	8	Resource Housing of America, Masonic Children Home, Central Children Home

<i>Guilford County</i>	<i>*230,314.00</i>	<i>34</i>	<i>Youth Profile, Vision Youth Group Home, Alamance House, McCadden Foster Home, Forward Care Group Home, Last Step Group Home, Spring House Group Home, New Life Family Services, Direct Care, Specialized Children's Care, New Beginnings, Stagecoach Group Home, Oasis of Love, Foster Home</i>
Jones County	27,096.00	4	Beacon House, Comfort Elementary, Foster Home
Lee County	13,548.00	2	Foster Home
Madison County	6,774.00	1	Foster Home
McDowell County	27,096.00	4	Nebo Group Home, ComServe, Inc., East Court Group Home
Mitchell County	13,548.00	2	Foster Home
Moore County	46,063.00	7	Children's Treatment Center, Heather Trails Group Home, Foster Home
<i>Pamlico County</i>	<i>*11,516.00</i>	<i>2</i>	<i>Foster Home</i>
<i>Scotland County</i>	<i>*38,612.00</i>	<i>6</i>	<i>Scotland House, Foster Home</i>
<i>Shelby City</i>	<i>*18,967.00</i>	<i>3</i>	<i>Children's Home of Cleveland Cty, Foster Home.</i>
Stanly County	13,548.00	2	Autistic Group Home, Inc.
Wilson County	20,322.00	3	Loudin Church Road home, Canaan House, Foster Home
TOTAL: 23	\$1,114,317.00	166	Group/Foster Home or Similar Facility

**Special State Reserve Funds used due to depletion of budget (\$163,589).*

**Group Home Funding
1993-December 8, 2000**

LEA #	LEA/CS Name	Over 12.5 Cap	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01
010	Alamance County	144				3		2		
011	Burlington City				1					
070	Beaufort County	285				1				3
100	Brunswick County	193								6
110	Buncombe County	174				5	10	18	11	3
120	Burke County	248		10	11	8	15	2	13	15
130	Cabarrus County						7	18	23	9
140	Caldwell County		11	4	9		3	4	2	
182	Newton-Conover City	17						17	12	
220	Clay County					14				
230	Cleveland County	11							1	2
232	Shelby City	81							3	3
240	Columbus County							4	2	1
260	Cumberland County					2	10	5	8	38
292	Thomasville City					2				
320	Durham County	361					8			
350	Franklin County	61				1				
360	Gaston County	27								3
390	Granville County		3				2		14	8
410	Guilford County	1,173					24	9		34
420	Halifax County	109				7	4			
450	Henderson County	17		6			3	3	2	
460	Hertford County					2				
500	Jackson County	59				1		1	1	
510	Johnston County	194							4	
520	Jones County	31							10	4
530	Lee County				1	5				2

**Group Home Funding
1993-December 8, 2000**

LEA #	LEA/CS Name	Over 12.5 Cap	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01
560	Macon County	87			1	1				
570	Madison County	62	1	2	1					1
580	Martin County				5				1	
590	McDowell County	33				5	6	1	5	4
600	Mecklenburg County				3	13	7	3	3	8
610	Mitchell County	40							2	2
620	Montgomery County	24		6					2	
630	Moore County		7	4					2	7
640	Nash County	320		2	9	7	9	8		
670	Onslow County	23							4	
681	Chapel Hill-Carrboro City	118			4		2	2		
690	Pamlico County	122						5	3	2
700	Pasquotank County	29			1	2	5	3		
770	Richmond County								3	
830	Scotland County	118		11	16	14	4	12	9	6
840	Stanly County	338				2	4			2
841	Albermarle City			2	2	2				
880	Transylvania County							1	1	
980	Wilson County				1					3
		4,499	22	47	65	97	123	118	141	166

In 1997-98 the Group Home Program ran out of state funds. LEAs were given the federal portion of their requests on November 19, 1997. The state portion was sent to them on February 18, 1998.

2000-2001 Special State Reserve Funds

Summary

12/12/00

Unit #	LEA	Funds Requested	Funds Approved	# Children
49A	American Renaissance Charter School	\$53,400.00	\$53,400.00	1
070	Beaufort County	\$22,434.00	\$0.00	1
070	Beaufort County	\$24,685.00	\$0.00	1
88A	Brevard Academy	\$21,449.00	\$21,449.00	1
88A	Brevard Academy	\$22,772.60	\$22,772.60	1
100	Brunswick County	\$16,134.48	\$16,134.48	1
100	Brunswick County	\$16,134.48	\$16,134.48	1
100	Brunswick County	\$16,134.48	\$0.00	1
100	Brunswick County	\$16,134.48	\$16,134.48	1
100	Brunswick County	\$16,134.48	\$0.00	1
110	Buncombe County	\$32,769.00	\$32,769.00	1
110	Buncombe County	\$9,737.00	\$9,737.00	1
110	Buncombe County	\$15,169.00	\$15,169.00	1
110	Buncombe County	\$3,418.00	\$3,418.00	1
110	Buncombe County	\$15,169.00	\$15,169.00	1
110	Buncombe County	\$20,322.00	\$20,322.00	3
130	Cabarrus County	\$60,288.00	\$60,288.00	9
230	Cleveland County	\$16,680.00	\$16,680.00	1
230	Cleveland County	\$15,609.00	\$15,609.00	1
240	Columbus County	\$22,160.50	\$22,160.50	1
260	Cumberland County	\$18,153.50	\$18,153.50	1
260	Cumberland County	\$18,153.50	\$18,153.50	1
260	Cumberland County	\$18,154.00	\$18,154.00	1
700	Elizabeth City/Pasquotank County	\$18,436.04	\$18,436.04	1
11A	Evergreen Community Charter School	\$12,000.00	\$0.00	1
11A	Evergreen Community Charter School	\$7,500.00	\$7,500.00	1
11K	Francine Delany New School	\$5,175.40	\$5,175.40	1
11K	Francine Delany New School	\$3,875.40	\$3,875.40	1
11K	Francine Delany New School	\$4,000.00	\$0.00	1
11K	Francine Delany New School	\$4,000.00	\$0.00	1
11K	Francine Delany New School	\$4,000.00	\$0.00	1
11K	Francine Delany New School	\$4,000.00	\$0.00	1
11K	Francine Delany New School	\$4,000.00	\$0.00	1
360	Gaston County	\$18,290.00	\$18,290.00	3
370	Gates County	\$18,700.00	\$18,700.00	1
370	Gates County	\$18,700.00	\$13,692.00	1
390	Granville County	\$19,770.00	\$19,770.00	1
390	Granville County	\$20,386.00	\$20,386.00	1
390	Granville County	\$19,770.00	\$19,770.00	1
400	Greene County	\$20,018.05	\$20,018.05	1
410	Guilford County	\$29,464.00	\$29,464.00	34
460	Hertford County	\$20,070.00	\$20,070.00	1
460	Hertford County	\$20,070.00	\$20,070.00	1
500	Jackson County	\$9,020.10	\$9,020.10	1

2000-2001 Special State Reserve Funds

Summary

12/12/00

500	Jackson County	\$18,040.20	\$18,040.20	1
132	Kannapolis City	\$30,440.00	\$27,880.00	1
132	Kannapolis City	\$3,418.00	\$3,418.00	1
570	Madison County	\$17,661.48	\$17,661.48	1
570	Madison County	\$16,299.00	\$16,299.00	1
580	Martin County	\$19,335.02	\$19,335.02	1
590	McDowell County	\$38,025.00	\$38,025.00	1
690	Pamlico County	\$4,742.00	\$4,742.00	2
710	Pender County	\$18,739.68	\$18,739.68	1
710	Pender County	\$30,820.62	\$30,820.62	1
710	Pender County	\$18,739.68	\$18,739.68	1
730	Person County	\$39,254.33	\$39,254.33	1
730	Person County	\$39,254.33	\$39,254.33	1
790	Rockingham County	\$25,817.00	\$25,817.00	1
830	Scotland County	\$11,516.00	\$11,516.00	6
232	Shelby City	\$18,967.00	\$18,967.00	3
840	Stanly County	\$47,092.50	\$8,022.30	1
840	Stanly County	\$26,162.50	\$7,860.50	1
840	Stanly County	\$20,930.00	\$0.00	1
50A	Summit Charter School	\$38,304.00	\$38,304.00	1
20A	The Learning Center	\$48,424.00	\$48,424.00	1
20A	The Learning Center	\$23,460.00	\$23,460.00	1
45A	The Mountain Community Charter	\$21,500.00	\$20,000.00	1
880	Transylvania County	\$18,439.74	\$18,439.74	1
880	Transylvania County	\$34,467.32	\$34,467.32	1
880	Transylvania County	\$31,226.98	\$31,226.98	1
900	Union County	\$16,012.94	\$16,012.94	1
910	Vance County	\$49,738.00	\$49,738.00	1
910	Vance County	\$18,515.00	\$18,515.00	1
910	Vance County	\$18,515.00	\$18,515.00	1
910	Vance County	\$18,515.00	\$18,515.00	1
920	Wake County	\$30,000.00	\$30,000.00	1
920	Wake County	\$22,997.99	\$22,997.99	1
920	Wake County	\$31,193.28	\$31,193.28	1
920	Wake County	\$19,730.35	\$19,730.35	1
920	Wake County	\$19,730.35	\$19,730.35	1
422	Weldon City	\$18,719.40	\$0.00	1
980	Wilson County	\$3,510.00	\$0.00	1
19B	Woods Charter School	\$27,500.00	\$27,500.00	1
995	Yancey County	\$12,369.00	\$12,369.00	1
Total		\$1,740,563.18	\$1,519,575.62	137

**MINUTES
LRC SPECIAL EDUCATION TO CHILDREN
IN GROUP HOMES COMMITTEE
CONFERENCE CALL
JANUARY 4, 2001
12:30 P.M.**

Senator Rand called the conference call meeting to order. The Agenda for the meeting is attached as **Attachment 1**. The committee members participating in the call were Senator Rand, Representative Hurley, Mr. Mark Kendrick, and Dr. James McKethan. Staff persons present included Jim Newlin, Philip Price, and Erika Churchill. The minutes for the previous meeting on December 19, 2000 had been faxed to the members. A motion was made to approve the minutes of that meeting. The minutes were approved. (See **Attachment 2**)

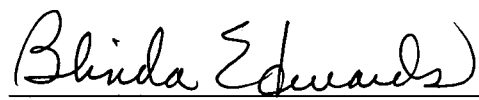
The next order of business was the consideration of the Draft Report to the Legislative Research Commission. The draft of the report had previously been sent to the members. Two amendments were made to the Draft Report. The first amendment corrected the duplication of a page number. The second amendment corrected the committee proceedings to include the conference call meeting. A motion was made and approved for those corrections.

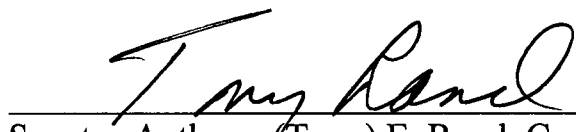
Dr. McKethan was recognized to discuss his suggestion to create an advisory committee to the Child Residential Treatment Services Program. (See **Attachment 3**). The purpose of the committee would be to review issues and make recommendations regarding the treatment and education of children in community residential placements. Senator Rand suggested that the Department of Public Instruction be charged with this task. The group would be charged to meet semi-annually and to report to the General Assembly annually. The members agreed that requiring a report to the General Assembly would provide more oversight on the issue. The members voted to approve the addition of the amendment to the report.

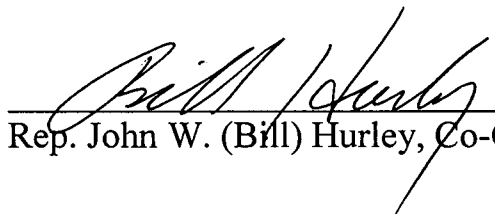
Senator Rand then asked for a motion to submit the report as amended. The motion was made and seconded. The report was approved.

Senator Rand thanked the members for their participation, and adjourned the meeting.

Respectfully submitted,


Blinda Edwards, Committee Assistant


Senator Anthony (Tony) E. Rand, Co-Chair


Rep. John W. (Bill) Hurley, Co-Chair



SPECIAL EDUCATION TO CHILDREN IN GROUP HOMES COMMITTEE (LRC)

**NORTH CAROLINA GENERAL ASSEMBLY
300 NORTH SALISBURY STREET
SUITE 545
RALEIGH, NORTH CAROLINA 27603-5925**

**Cochairmen:
Senator Tony Rand
Representative John W. Hurley**

**Commission Staff:
Erika Churchill
Jim Newlin
Philip Price**

**Telephone: 919-733-2578
Fax: 919-715-5460**

**Commission Clerk:
Blinda Edwards
Telephone: 919-733-5898**

AGENDA

**January 4, 2001
12:30 p.m.
Conference Call**

- Opening Remarks
 - Senator Tony Rand, Co-Chair
 - Representative Bill Hurley, Co-Chair
- Approval of December 19TH Minutes
- Consideration of Draft Report to the Legislative Research Commission
- Adjournment

Erika Churchill (Research)

From: Blinda Edwards (Rep. Wainwright)
Sent: Wednesday, December 20, 2000 7:26 PM
To: Erika Churchill (Research)
Subject: LRC Special Education to Children in Group Homes, Minutes 12-19-00

**MINUTES
LRC SPECIAL EDUCATION TO CHILDREN
IN GROUP HOMES COMMITTEE**

The LRC Special Education to Children in Group Homes Committee met in the Conference Room of Suite 300 on Tuesday, December 19, 2000 at 10:00 a.m. Members attending the meeting were Senators Rand, Dannelly, Garrou, Purcell, and Weinstein; Representatives Hurley, and Wainwright; and Public Members, Dr. Breeden Blackwell, Mr. Mark Kendrick, and Dr. James McKethan. Staff members attending the meeting were Jim Newlin, Philip Price, and Erika Churchill. The Agenda and Visitor Registration Sheets are attached hereto and incorporated into the minutes.

Representative Hurley, Co-chair of the Committee, called the meeting to order. He asked the members of the committee to complete their reimbursement forms, and asked the Legislative Assistant and committee members to introduce themselves. Senator Rand, Co-Chair of the Committee, presided over the meeting.

Senator Rand asked for a motion for the adoption of the budget. Senator Dannelly moved for the approval and the budget was approved. (See Attachment 1).

Senator Rand recognized Mr. Philip Price of Fiscal Research. Mr. Price reviewed The Number of Group Homes by County, which is attached as **Attachment 2**. The listing showed the number of group homes for the K-12 population by county. The types of homes are mental health, developmental disabilities, and substance abuse. Group homes are growing in number. There are six counties that account for 42% of all the group homes. Those counties are Craven, Cumberland, Durham, Guilford, Mecklenburg, and Wake counties. Sixty-eight percent of the homes are therapeutic in these counties. Therapeutic homes were created with the mental health agency involved. Residential homes, which are for the emotionally disturbed, are the second largest group.

Mr. Charles Davis of the Division of Mental Health, Department of Health and Human Services (DHHS), was recognized. His presentation was devoted to the regulatory responsibilities of DHHS, the types of group homes, funding sources, responsibilities of various parties, upcoming changes in group home rules, and issues involving DPI and LEAs (**Refer to Attachment 3**). Senator Rand asked about the kind of problems the children in group homes have and the type of help provided by the state. Representative Saunders asked how many children are in the group homes statewide. Mr. Davis would provide that information at a later time.

Mr. Davis stated that the group homes operate for profit and non-profit. In therapeutic/foster care homes; children stay in the same community that they are from. There are ten juvenile justice multi-purpose group homes, and they are all licensed. A majority of the children in therapeutic/foster care are abused and neglected children. Therapeutic homes usually house children who are 12 and under, and group homes usually house children who are 13 and older. There are 700 group homes most of which are licensed under the Division of Facilities Services. The State Department of Social Services issues the license for foster homes.

Rep. Saunders asked if there was any correlation between the needs in Fayetteville with the number of military families who receive group home services. Mr. Davis felt there was no relationship. The children who are military dependents are not funded any differently than the other children who are housed in group homes. The state portion of funding is transferred with the child. Local mental health provides the services and the cost remains with the originating county. The placement agencies try to place children as close to home as possible.

Senator Weinstein asked how foster parents are determined. A representative of the Division of Social Services stated that there are licensing rules, age and employment are considered, criminal background checks are completed, thirty hours of pre-service training in competency is required, and there is a review done every year. The average amount of a foster care check per month is \$315.00 per month for children 0-5 years of age, \$365.00 per month for children 6-12, and \$415.00 per month for children older than 13. The monthly rate for mentally disabled children who receive medicaid ranges from \$40.00 to \$180.00 per day. Group homes are monitored on an annual. The Department of Social Services (DSS) investigates all allegations of abuse.

Staff person, Erika Churchill, was recognized to discuss federal and state laws regulating placement of group homes. She stated that the local authority, in any of its actions, could not do anything that would discriminate against the disabled. In regard to zoning in a residential area, you cannot zone the disabled or handicapped from the area. From the state's standpoint, statutorily, she had not been able to find anything that dealt with the regulations of group homes that housed children. She did find Chapter 168 that dealt with the regulation of family care homes, which are adult family care homes. In Chapter 168 there is a provision to allow local governments to require new adult family care homes to be up to one-half mile from any existing adult care home for zoning purposes. Local governments have applied that rule to children group homes. The Division of Facilities Services, in licensing children group homes, requires that homes comply with all zoning provisions. The state cannot override federal law.

Senator Rand recognized Sheriff Earl R. Butler of Cumberland County. The Sheriff discussed the problems that the group homes in Fayetteville caused the Sheriff's department. People from other counties are coming into Cumberland County and it is creating a problem for the school system. There is no simple answer. The Cumberland County group homes are having to house children from other places because other counties do not have the programs to provide for them. It is hard to track whether or not the originating counties are supporting the children who come from their counties. It is the responsibility of the Sheriff's department to look for runaways. The department uses a lot of man-hours to locate runaways. The schools should be compensated to take some of the burden off of the taxpayers.

Mr. Chuck Harris of the Department of Social Services wanted to clarify some information regarding children who are in foster care. Not all children in group homes have been placed by DSS. Very few of the children who are placed in foster care stay in their school district. Thirty percent are placed outside their county of residence. The county with custody does pay for the foster care. Their funds do not pay for education or for local services provided by the Sheriff's department.

Mr. Ricky Lopes, Associate Superintendent for Business Operations for Cumberland County Schools, was recognized to address the educational costs. **(Refer to Attachment 4)**. Mr. Lopes stated that the General Statute indicates that the county where the child attends school is responsible for the education of that child. At the time that this report was compiled there were 23 out-of-county students being served. The average cost per student was \$3,429. Currently, Cumberland County Schools are serving 117 out-of-county students. If the average of \$3429 were applied to the 117 they are currently serving, the total excess cost would be approximately \$401,193. The state and federal funds are reimbursed for educating out-of-county students. The portion that is not reimbursed is the local portion for educating

these students. If a charter school was set up as a group home in another county, it could charge the originating county for that student. Because Cumberland County Schools are not charter schools, they cannot be reimbursed for the educational expenses of these students.

The state portion of the funds is transferred with the child. The state applies the state average per student and transfers that money to Cumberland County Schools. The standard stay of a child in a group home is 6-9 months. Foster care varies.

Mr. Lowell Harris, Director, Division of Exceptional Children, Department of Education, was recognized to discuss the review of state education funding for students in group homes. He used **Attachments 5 and 6** in his discussion. **Attachment 5** addressed the children in the public school system. **Attachment 6** addressed the group/foster home program.

Mr. Newlin stated that there are gaps in the funding. One of the areas that could be looked at by the committee is an out-of-county transfer after the April 1 headcount. The LEA has the choice of applying for funding for that child then and receiving a pro-rated amount for the next month or so. The next fall they would not get regular exceptional children money because the child would have come in after the headcount. When something like that occurs, LEAs should be allowed to apply for this additional money from the special reserve of 3.4 Million Dollars that next fall. That gap needs to be looked at and may not require legislation.

Dr. Blackwell was recognized to speak on the Recommendations from the NC Association of County Commissioners. The Legislative Goals Committee for the Association adopted the request that every county would pay their own way when they send a child. This would allow the money to from the transferring county to be sent to the receiving county.

Mr. Newlin stated that if such legislation were considered by the General Assembly, the only issue that would be left to the General Assembly would be which rate the child would be funded. Whether it would be at the rate of the receiving county or the rate of the transferring county. Senator Rand suggested that the actual expenses be paid.

Ed Regan was recognized to speak for the NC Association of County Commissioners. The Board of Directors approved the goal to support legislation to send state and local money with the child to a new group home. Their full commission will vote on this issue in January of 2001. The rate for the transferring county would determine the amount of funds that would follow the child. Senator Garrou asked about the consequences of passing such legislation. Mr. Davis stated that he was not aware of any negative consequences at this time. Tara Larson of the Department of Health and Human Services, stated that the local education representatives along with the local DSS Director, Area Program Director, and the Court Counselor, should have a Memorandum of Agreement in place that outlines the responsibilities of who will pay for what and when. She asked that DPI also participate in that process. This could be a special provision of the legislation.

Senator Rand asked if there should be some cap on the number of children a county should have to absorb. Should any county be asked to take more than its fair share?

Senator Garrou asked if the issue of licensing group homes was an issue that needed to be considered.

Dr. McKethan was asked to comment on the additional costs in classrooms. Dr. McKethan stated that additional staff is needed in the schools.

Representative Hurley asked for comments or recommendations by the committee members. Senator Weinstein asked if you could cap the number that could receive care. Staff did not think that you could.

Rep. Hurley asked what could locals do in setting the standards? There were other comments in regard to the zoning involving group homes.

Staff was asked for comments. Mr. Price suggested the following:

Legislation as recommended by the County Commissioners to have the funding to follow the child.

Prevent one community from taking more than their fair share of group homes.
(Staff can see if it can be done legally)

Issue of state dollars and whether a local school district could apply for the 3.4 Million-Dollar reserves.

Staff was asked to look into the following recommendations:

1. Whether anything can be legally done to limit the number of group homes in a community.
2. Legislation that the money would follow the child.
3. Should state rate be higher for children in group homes?
4. Where there is a concentration, to do it on a density of group homes based on general population.
5. School systems consider participation in Memorandum of Agreement
Include the education agencies in the statute.

Staff indicated that they would draft a report and fax it to the members for approval.

Senator Rand thanked the staff and department heads and adjourned the meeting at 1:00 p.m.

Submitted by:

Blinda Edwards, Committee Assistant

Senator Tony Rand, Presiding Co-Chair

Erika Churchill (Research)

From: Jim Newlin (Fiscal Research)
Sent: Tuesday, January 02, 2001 5:02 PM
To: Erika Churchill (Research); Philip Price (Fiscal)
Subject: FW: GROUP HOME LEGISLATION

Importance: High

Should we ask Dr McKethan to bring this up during the conference call? Has that been scheduled yet?

JIM

-----Original Message-----

From: James McKethan [mailto:jamesm@CCS.K12.NC.US]
Sent: Tuesday, January 02, 2001 4:59 PM
To: 'jimn@ncleg.net'
Cc: 'Billhu@ncleg.net'; 'Tonyr@ncleg.net'; Ricky Lopes
Subject: GROUP HOME LEGISLATION
Importance: High

Jim,

The draft legislation looks fine. However, I offer one further suggestion for consideration. I believe it would be useful if an interagency (state and local) were established so that responsible agencies have a mechanism to raise operational and procedural issues and to make recommendations regarding issues brought before the council. Such an interagency advisory council might be structured as follows:

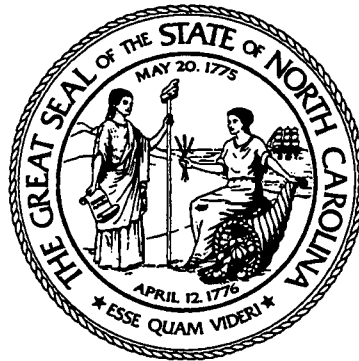
The DHHS shall establish an Interagency Advisory Council to the Child Residential Treatment Services Program established pursuant to this bill. The Advisory Council shall review issues and make recommendations regarding the treatment and education of children in community residential placements. The Advisory Council shall be comprised of 15 members six of whom will be representatives of state agencies, including the Mental Health Department, Social Services Department, the Department of Juvenile Justice and the Department of Public Instruction. Nine members will represent local agencies including local education agencies. The advisory council shall meet on a quarterly basis and more often as may be necessary.

Thanks for your efforts on our behalf. If I can be of further assistance, please do not hesitate to give me a call.

James McKethan
(910) 678 - 2439

LEGISLATIVE RESEARCH COMMISSION

SPECIAL EDUCATION TO CHILDREN IN GROUP HOMES COMMITTEE



REPORT TO THE
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2001 GENERAL ASSEMBLY
OF NORTH CAROLINA

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