

Report of Pew Commission on
Children in Foster Care:
Overview, Analysis, and Potential Impact on CT



A Presentation
to Casey Family
Services
by Shelley Geballe
CT Voices for
Children

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What Problems Was the Pew Commission Seeking
to Address?

What Principles Guided Its Recommendations?

What *Did* It Recommend?

What Are the Likely Impacts on CT if the
Recommendations Are Adopted?

What Has Been Some of the Critique of the
Recommendations?

What's the Current Status?

What *IS* the Pew Commission on Children & Foster Care?

- **Non-partisan commission** launched 5/03 with grant from Pew Charitable Trusts to Georgetown University Public Policy Institute.
- **Chaired by two former members of Congress** (Bill Frenzel, now at Brookings, and William Gray, now at United Negro College Fund). Included many experts, a state legislator, foster and adoptive parents, judges, a former foster youth, administrators of child welfare agencies, etc.

What *IS* the Pew Commission on Children & Foster Care?

- **Focused work on two topics:**
 - a) **Improving existing federal funding** mechanisms to reduce foster care placements and facilitate faster movement of children from foster care into permanent homes
 - b) **Improving court oversight** of child welfare cases to assure better and more timely decisions related to children's safety, permanence and well-being
- **Goal?** To offer an "achievable plan for improving outcomes for children in foster care and those at risk of entering care" while being "acutely aware of the context in which we worked – a mounting federal deficit and severe fiscal constraints at the state level; deeply held philosophical and political views that threaten to divide people of good will on both sides of the aisle; and the fear in all quarters of unanticipated events – an upsurge in drug use, for example - that could send large numbers of children into foster care."

I. Problems To Address

The Commission chose to focus on the reform of two key issues “that underlie many of the problems in child welfare today.” These issues were:

1. A federal financing structure that “encourages an over-reliance on placement of children in foster care”
2. A court system “that lacks sufficient tools, information and accountability necessary to move children swiftly out of foster care and into permanent homes”

Why? “Reform in these two areas is a critical first step to solving many other problems that plague the child welfare system.”

Problems with Financing

Titles IV-E and IV-B of the Social Security Act are the two major dedicated sources of federal child welfare funding.

Title IV-E is a **permanently authorized, open-ended entitlement** program that reimburses states for a portion of the cost of keeping a child in foster care (or subsidized adoption) if the child is income-eligible.

Title IV-B is a funding mixture: a **capped entitlement and discretionary funding** (i.e., overall funding level is subject to annual appropriations process). Subpart 1 funds can be used for any child welfare purpose. Subpart 2 funds can be used for preventive services, to help stabilize families and prevent foster care, or to help families when children return home. There are *no* income or other eligibility requirements.

Problems with Financing

Total FFY 2004 funding for Title IV-E foster care=\$4.8 billion.

Total FFY 2004 funding for IV-B=\$693 million.

“Because funding for safe alternatives to foster care is so limited, states use placement in foster care more than they might otherwise.

Foster care is often seen as the only available way to respond to children at risk, both in terms of the number of children placed in care and the length of time they stay there.”

Pew Commission

Problems with Financing

In CT, federal funds under Title IV-B increased from \$3.4 million in FY 95-96 to \$5.5 million in FY 03-04 and are expected to be \$5.1 million in FY 04-05 – an increase of \$1.7 million from FY 95-96 to FY 04-05.

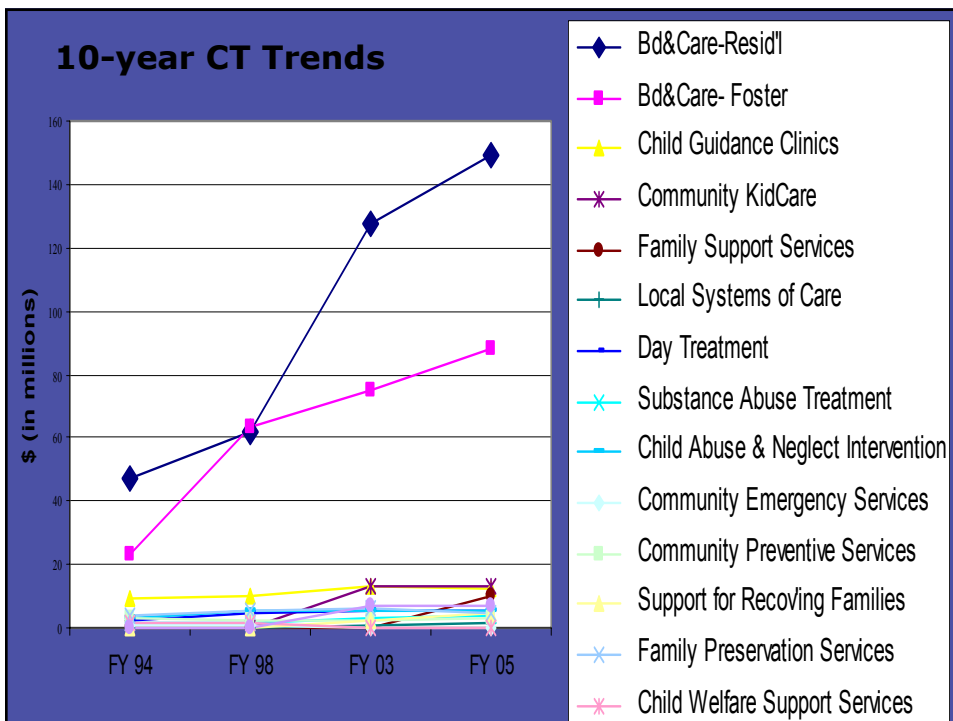
Adjusted for inflation, this is a \$0.4 million reduction in funding

By comparison, Title IV-E funds increased from \$45 million in FY 95-96 to \$159 million in FY 03-04 and are projected to be \$174 million in FY 04-05 – an increase of \$129 million from FY 95-95 to FY 04-05 (or \$73 million in 2004\$).

Problems with Financing

In addition, in FY 03-4, Connecticut received other federal funds for child welfare purposes: \$0.29 million through the Child Abuse Prevention and Treatment Act; \$1.52 million through the Chafee Foster Care Independence Program; \$23.4 million through Medicaid (for child welfare-related spending only); \$107.5 million through the Temporary Assistance for Needy Families Block Grant; and \$5.1 million from various other federal grant programs (e.g. Abandoned Infants).

Table shows distribution of these federal funds by services/activities.



Problems with Courts

“Dependency courts are often undervalued entities within the judicial system...Within the larger court system, dependency courts compete for resources with higher profile criminal and civil courts.”

“Unlike public child welfare agencies, courts have not had access to dedicated federal assistance to develop the capacity to gather and track information necessary to protecting children in the state’s custody....Federal dollars are not similarly available to help courts track critical information about children under the supervision of the dependency courts – even though court actions are reported in the federal Child and Families Services Reviews.”

“Although child welfare agencies and the courts share responsibility for improving outcomes for children in foster care, institutional barriers and long-established practices often discourage them from collaborating.”

“Children are not always present in the court and are often unaware that court proceedings are underway. Parents report feeling marginalized, criminalized, and left to their own devices to make sense of complex legal processes.”

II. Guiding Principles

1. Children must be physically & emotionally safe and must be protected wherever they live. When children are removed from their homes, public authorities have an obligation to ensure they are safer in out-of-home care than they would have been at home.
2. Children must have their needs met in a timely manner at every stage of their development and at every stage of public decision making about their futures.

II. Guiding Principles

3. Children must have continuity and consistency in care giving and relationships, including healthy ties to siblings and extended family.

4. Children must have equal protection and care, including attention to meeting children's needs in the context of their community and culture.

5. Children and their families must have an informed voice in decisions that are made about their lives.

III. Recommendations: Financing Child Welfare

1. Preserve federal reimbursement to the states for foster care maintenance and adoption assistance as a federal entitlement, but make some improvements:

- Eliminate income requirement for Title IV-E reimbursement (but cut reimbursement rate by 35%)

- Give Indian tribes and US territories access to federal child welfare funds comparable to states

Recommendations: Financing Child Welfare

2. Provide Title IV-E reimbursement for children who leave foster care to live with a permanent legal guardian, i.e., make “subsidized guardianship” a federally-subsidized route to a permanent home when a court has determined that a child can neither return to his birth family nor be adopted

Recommendations: Financing Child Welfare

3. Create a flexible & indexed Safe Children, Strong Families Grant to provide states with a larger pool of flexible resources by combining funds currently in Title IV-B, Title IV-E Administration and Title IV-E Training (for foster care & adoption)

Because states need additional resources in this part of their child welfare systems, add \$200 million to this grant (nationwide) in the first year and require that the grant grow each year by inflation (the Consumer Price Index) + 2%. States must put up 32% match to claim federal grant funds.

**Recommendations:
Financing Child Welfare**

4. As states safely reduce their foster care populations, allow them to “reinvest” the federal dollars saved into their Safe Children, Strong Families Grant, *so long as* they also reinvest the state dollars saved from reducing foster care.

**Recommendations:
Financing Child Welfare**

5. To encourage innovation and improved practice, expand and simplify the child welfare waiver process and retain Title IV-B funds for research, evaluation and sharing of best practices

6. Provide incentives to states that improve their child welfare workforce and that increase *all* forms of safe permanence – reunification, adoption *or* guardianship

Recommendations: Financing Child Welfare

7. Strengthen the current Child and Family Services Review process to increase states' accountability for improving outcomes for children

- Better measures and longitudinal analysis
- Reinvest penalties in PIPs
- Maintain federal match for data systems
- NAS study to recommend best outcomes & measures

Recommendations: Enhancing Court Oversight

1. Call on every dependency court to adopt court performance measures developed by nation's leading legal associations and use this information to improve their oversight of children in foster care, to inform decisions about allocating resources across the court system, and to assure accountability by every court.

To jumpstart these efforts, appropriate \$10 million of funds already authorized in the Strengthening Abuse and Neglect Courts Act for this purpose.

Recommendations: Enhancing Court Oversight

2. Provide incentives and impose requirements to assure effective collaboration between courts and child welfare agencies on behalf of children in foster care.

- HHS explicitly require that IV-E, Program Improvement, & Court Improvement Program plans demonstrate effective collaboration
- Training
- Multi-disciplinary state foster care commissions
- Sharing of relevant aggregate data between courts/agencies to improve outcomes/decisions

Recommendations: Enhancing Court Oversight

3. To safeguard children's best interests, give children & their parents a direct voice in court, effective representation, and the timely input of those who are about them

- Direct participation
- Court-appointed Special Advocates
- Securing effective representation

Recommendations: Enhancing Court Oversight

4. Encourage Chief Justices and state court leadership to take the lead to ensure these recommendations are adopted and to champion interests of kids in their court systems

- Office of Children in the Courts
- Dedicated courts
- Judicial training
- Encouraging best practices
- Keeping qualified judges in dependency courts

IV. Likely Impact of Recommendations: Financing Child Welfare

Urban Institute analysis of Pew Commission financing recommendations concludes:

“It appears that all states will gain federal resources or at least break even under the Pew recommendations, both immediately and in the near future... The main question is the cost to the federal government of the various recommendations.”

Likely Impact of Recommendations: Financing Child Welfare

1. **De-linking recommendation.** Urban Institute finds, in general, no projected fiscal impact on the states except elimination of administrative burden (and costs) of determining eligibility.

Urban Institute estimates that *Connecticut* could receive \$5.2-\$6 million more (before the claims adjustment at the end of 3 years) under this de-linking recommendation in large part because our Title IV-E penetration for foster care (50%) is below the national average (57%).

Likely Impact of Recommendations: Financing Child Welfare

2. **Subsidized Guardianship.** Urban Institute finds all states that currently fund subsidized guardianships with state funds (e.g., CT) or other federal dollars would see a windfall – would get federal funds for guardianships already finalized.

Urban Institute estimates that *Connecticut* could receive additional \$552,000 in federal funds in 2005 (increasing to \$733,000 in 2009) and that the number of children in subsidized guardianships would increase from projected 386 in 2005 to 720 in 2009.

Likely Impact of Recommendations: Financing Child Welfare

3. **Safe Children, Strong Families Grant.** Urban Institute finds impact varies depending on how “historical spending” in the funds to be combined is defined. States could *lose* if they have large increases in administrative claiming or a massive increase in foster care or adoptive placements (because these funds now would be capped and *not* tied to the size of the caseload).

Urban Institute estimates that *Connecticut* would receive more under SCSF grant than under current law *unless* its admin/training costs increased by more than 36% in 2005, 42% in 2006, and 49% in 2007 (from 2003 levels).

Likely Impact of Recommendations: Financing Child Welfare

4. **Reinvestment proposal.** The Urban Institute finds that if *Connecticut* chose to reinvest the state funds it saves if caseloads decline there would be additional federal funds to reinvest in the “front end.”

If caseloads declined by 5%, Connecticut would have an additional \$1.25 million of federal funds to reinvest, if caseloads fell by 10% an additional \$2.5 million of federal funds to reinvest, and if by 20%, \$5 million more federal funds.

V. Critique of Recommendations

Re de-link of IV-E from AFDC standards (CWLA) – Should carefully consider any proposal that involves a severe reduction in federal share given state fiscal problems

Re subsidized guardianship – Universal support.

Re Indexed Safe Children, Strong Families Grant (CWLA & APHSA) - Shouldn't cap admin and training funds and pit funds needed for direct contact with kids and training against funds needed for direct services for kids and families.

V. Critique of Recommendations

Re reinvestment proposal (CWLA) – Transfer opportunity should be constructed in a way that doesn't create disincentive to provide high quality care to children in foster care.

Other (CWLA) – Financing reform must address more than Titles IV-B and E. Must safeguard SSBG, TANF, Medicaid and other funding sources used by states for child welfare purposes.

VI. Current Status

HB 4856, the Child Safety, Adoption and Family Enhancement (Child SAFE) Act, introduced by Rep. Herger (R-CA), Rep.

Johnson (R-CT), Rep. Cantor (R-VA), Rep. DeLay (R-TX) and Lewis (R-KY). Goal: To reduce number of children in foster care.

Incorporates version of Bush Administration's foster care block grant proposal with *some* of the Pew Commission recommendations.

Some of key provisions:

- Rejects key recommendation of Pew Commission and imposes a **cap (or block grant) on Title IV-E foster care maintenance** payments, set at FY 2003 funding levels. If caseloads shoot up, only recourse is for states to rely on the TANF "contingency fund" for additional resources.

VI. Current Status

- **Eliminates the eligibility link to AFDC** in federal foster care and adoption assistance programs, but does so by **reducing federal match** for foster care by 35% and for adoption by 15%

- **Removes the automatic guarantee of Medicaid coverage for children** who are eligible for the first time for federal foster care assistance.

- **Rejects Pew recommendation for federally-supported guardianship** placements for kids in foster care with relatives at least 12 months who have obtained legal guardianship and who have committed to caring for the child permanently. Allow this only by federal waiver.

- **Adopts Pew recommendation that federal IV-E administration and training funds be capped and transferred to a new Safe Child, Strong Families Block grant with IV-B funds.** Allows unused IV-E maintenance dollars to be transferred to this grant. Allows federal funds to be used for *any* services, including time-limited family reunification, family preservation, family support, and 7 categories of child welfare services.

VI. Current Status

- CWLA estimates that funding under IV-E for foster care maintenance under the bill would be \$1.836 billion in FY 05 (as compared to \$2.165 under current law) and \$1.971 billion in FY 08 (as compared to \$2.431 billion under current law). CWLA also estimates that under this bill funding for the SCSF grant would increase by about 3% annually, while administrative and training costs are projected by HHS to increase by 5%/year.
- Cost of the SAFE Act to be offset by cutting TANF high performance bonus and requiring escalating review of SSI determinations for adult SSI recipients to identify incorrect determinations.

VI. Current Status

Other bills introduced would:

- Allow states to use current TANF rules rather than 1996 AFDC rules to determine IV-E eligibility
- Remove all eligibility criteria and set federal matching rate at Medicaid rate
- Create range of new mandatory federal funds devoted to child welfare purposes
- Allow open-ended federal matching funds under IV-E to be used for a variety of new services (e.g., preventive, protective, crisis, services for youth up to age 22, substance abuse treatment for parents, subsidized guardianships)
- Allow states to claim 75% federal reimbursement for short-term training of state licensed or approved child welfare staff.

For More Information:

For Commission report & other background materials: www.pewfostercare.org

For summary of HR 4856 (Child SAFE Act):
www.cwla.org/advocacy/childsafeactsummary.htm

For critique of Child SAFE Act:
www.cwla.org/advocacy/childsafeactconcerns.htm

For reports produced by CT Voices for Children:
www.ctkidslink.org