

# Financing Child Welfare Services Action

## ACTION

- Maintain the basic safety net of Title IV-E entitlement funding for foster care and adoption assistance for children needing help, while updating the eligibility standards for assistance.
- Supply new resources to provide a flexible array of services to prevent child abuse and neglect, support children in foster care, reunite children in foster care with their families, and further support adoptive families.
- Reauthorize the Promoting Safe and Stable Families Program, an important flexible source of funding for an array of services that aims to prevent and remedy the difficulties that bring families to the child welfare system's attention.
- Strengthen, redefine, and preserve access to Title IV-E administrative funds used for activities that advance the well-being of children in the child welfare system.
- Extend federal Title IV-E Foster Care funding to support children in guardianship placements and those children living in tribal nations.
- Implement a series of changes that recognize the need to strengthen and support the child welfare workforce.

## CWLA'S CALL FOR REFORM

The child welfare system, with its thousands of dedicated workers and hundreds of child-serving agencies in every state and community, provides the direct, one-on-one care needed to protect children from abuse and neglect. Yet, the system is struggling to do the impossible without the necessary tools and supports to carry out their vital work. CWLA believes substantial changes are needed at the federal, state, and local levels to get many more children the help they need.

The current federal funding structure fails to adequately support the best outcomes for children and families. In recent years, state and federal policymakers have held discussions and hearings to review the federal and state supports in place to provide services to abused and neglected children, their families, and children who are at risk of abuse and neglect. Broad agreement exists about the problems with the current federal funding structure and the challenges facing children and families and the child welfare system. Differences continue, however, about the best ways to make improvements and whether additional funds are needed.

Maintaining the status quo is not sufficient. CWLA strongly urges Congress to pass legislation that improves outcomes for children and families by addressing the shortcomings in current federal funding patterns. Improvements are essential if states are to be held accountable for meeting the federal goals of safety, permanence, and well-being for all children in the child welfare system. These are the goals Congress mandated, but without appropriate federal support, few states will be able to meet these demands. The goals will not be realized without increased federal funding for specific activities, accompanied by provisions to ensure investments to improve outcomes for children.

CWLA believes the federal government and states must share responsibility for abused and neglected children. Therefore, we are opposed to proposals that would limit, cap, or block grant federal child welfare funding and lock in current inequities among states, seriously eroding federal support for children in crisis.

Instead, we recommend Congress embrace CWLA's vision for children and revive the federal government's commitment to protect and care for abused and neglected children. Congress should implement and sustain policy changes that lead to an improved and well-supported child welfare system capable of protecting children and supporting

# Financing Child Welfare Services Action

families. Key ingredients of this system include a family-centered approach; an ample, stable, and highly professional workforce; available and targeted services to prevent child abuse and neglect, maintain families, and ensure child safety; and permanency and stability for children who must experience foster care. These improvements require a reconfigured and enhanced system of shared financing responsibilities among federal, state, local, and tribal governments.

## CWLA'S VISION FOR CHILD WELFARE

CWLA envisions a future that allows families, communities, organizations, and governments the ability to ensure that all children and youth benefit from the resources needed to grow into healthy, contributing members of society. Child welfare services must be available to families whenever concerns arise about the safety, nurturance, and well-being of children. A network of community-based, family-centered organizations, whose mission is to support and stabilize children, youth, and families with appropriate sensitivity to family culture, will be able to provide these services.

CWLA's ultimate goal is to achieve better outcomes for the children and families who encounter the child welfare system by

- preventing abuse and neglect,
- preventing unnecessary separation of children from their homes,
- minimizing how long children remain in foster care should placement be necessary,
- sustaining permanent placements that are made, and
- ensuring no disproportionate effect on children or families of any culture.

CWLA embraces the principle that families must be at the center of services that prevent and remedy situations leading to child abuse and neglect. The full spectrum of services for children and families must be available, from early intervention programs when it is first determined that a family is at risk, to foster care and other treatment alternatives for those children whose safety and well-being is more significantly threatened. Ensuring high-quality case-work practice in each instance, according to national child welfare standards, requires a professional workforce. Recruiting, hiring, training, and retaining qualified, culturally diverse, culturally competent, effective, and dedicated professionals is essential to this effort.

## SEEKING IMPROVEMENTS IN 2006

Recent government actions to "bring federal spending under control" have threatened CWLA's vision for children, and continue to divert federal support away from meeting

their needs. Early in 2006, Congress chose to cut nearly \$600 million from federal foster care assistance. These choices, unfortunately, fail to make children a priority and further threaten the safety and protection of many.

To support CWLA's vision for the well-being of children, CWLA offers policy recommendations, based on and supported by research, that outline specific legislative changes needed to make progress towards reaching our goals for children and families. These policy recommendations ensure that states have increased flexibility, investment, and accountability to improve child welfare services.

CWLA offers the following guidelines for a reform proposal:

- Supply the new resources necessary to provide a flexible array of services to prevent child abuse and neglect; support children who are in foster care and those children who are either reunited with their families from foster care or transition out of foster care into independent living; and support families who adopt children from the foster care system.
- Preserve and better coordinate access by the child welfare system to necessary Medicaid, rehabilitative, and case management services so that children who are harmed have the chance to heal.
- Strengthen, redefine, and preserve access to Title IV-E administrative funds used for activities related to advancing the well-being of children in the child welfare system.
- Maintain the basic federal safety net of Title IV-E entitlement funding for foster care and adoption assistance for children who need this help. Updating the current Title IV-E financial eligibility standard, currently linked to 1996 standards from the old Aid to Families with Dependent Children (AFDC) program, will result in greater numbers of children becoming eligible for federal foster care and adoption assistance and stop the erosion of federal government support for fewer children in foster care.
- Extend federal Title IV-E funding to support children in guardianship placements.
- Implement a series of changes that will recognize the need to strengthen and build on the child welfare workforce. The foundation of our nation's ability to care for abused and neglected children is a well-trained, well-equipped child welfare workforce.
- Extend access to federal Title IV-E and Title IV-B funds to tribal governments and nations.

# Financing Child Welfare Services Action

## **Increase Services to Promote Safety and Permanence for Children: Title IV-B**

- Child welfare agencies must be able to offer a flexible array of services—including prevention, family support, post-reunification, and post-adoption services—to meet the needs of children and families. Federal Title IV-B funds are the most flexible funds available to provide these services, but the funding is too limited and significantly smaller compared to funding for foster care, adoption assistance, and other human resource programs. The Deficit Reduction Omnibus Budget Reconciliation Act, passed in February 2006, authorizes a one-time, \$40 million increase in funding for the Promoting Safe and Stable Families Program (Title IV-B Subpart 2). Even with this one-time increase, a substantial new development is needed to ensure children are protected.
- Provide a significant increase in guaranteed funding for Title IV-B programs. These new investments must be independent of any changes in federal funding for out-of-home care.

## **Expanding Treatment Services: Medicaid**

A comprehensive strategy to fully address and help children, youth, and families involved in the child welfare system must include medical, therapeutic, and treatment services. Research reveals that up to 80% of children in the child welfare system face emotional or behavioral disorders, developmental delays, or other issues requiring mental health intervention. This is four times the rate that mental illness is present in the general population.

Federal funding through the Title IV-E and IV-B child welfare programs cannot generally be used to provide medical, therapeutic, or treatment services, yet the child welfare system has a mandated obligation to provide needed services for the child welfare population, regardless of federal funding. The primary source of federal support for these services is Medicaid; as currently structured, however, some state Medicaid programs can't meet the needs of this population.

Medicaid must play a greater role in providing needed services to children and youth involved in the child welfare system, and state child welfare systems must play a leading role in how Medicaid services are provided to ensure therapeutic and rehabilitative services are readily available to this population. Children who do receive Medicaid funded targeted case management (TCM) services have been found to have greater access to physicians, prescription drugs, dental care, and rehabilitative services than those children who do not receive TCM services.

Provisions included in the Reconciliation Act are intended to clarify when states may make Medicaid claims related to providing optional targeted case management services to children in foster care. The Act also requires the U.S. Department of Health and Human Services to issue formal regulations to implement this clarification. Since it is unclear how HHS will interpret these clarifications in regulations, there is a potential that TCM services for children in the child welfare system could be reduced and costs to states would increase.

## **Activities Supporting Children in the Child Welfare System: Title IV-E Administration**

Title IV-E Administrative costs include much more than the costs associated with office space and utilities. Title IV-E Administration is the funding for the time caseworkers spend preparing for and attending court hearings related to children in foster care; meeting with families and children to discuss what needs to be done to achieve permanency for the children; helping foster parents cope with the problems that the children in their care are facing; advocating for children in other systems, such as the local schools; and referring children to needed services not provided by the child welfare agency.

States report annual administrative costs in four general subcategories: case planning and management, preplacement services, eligibility determination, and "other." Even with this breakdown, spending allocations can still be unclear since nearly one-third of spending is reported as "other."

- Strengthen, redefine, and preserve access to Title IV-E Administration funds used for activities that support children in the child welfare system.
- Clarify reporting on the use of Title IV-E Administration funds. Create new reporting mechanisms that more clearly indicate how these funds are used to support children in the child welfare system. For Title IV-E Administration reporting purposes, create an administration and activities reporting category. This administration category would include such items as the cost of furniture, equipment, clerical and secretarial support, recruitment and licensure of foster and adoptive parents, rate setting, and a proportional share of related agency overhead, such as human resources. The activities category would report the cost of worker staff time, travel expenses of staff associated with child-specific cases, the cost of supervisory staff associated with child-specific cases, and the cost of recruiting foster and adoptive families for specific children.

# Financing Child Welfare Services Action

## **Expand Federal Support to More Children in Out-of-Home Care and in Need of Adoption: Update Financial Eligibility Link for Title IV-E Foster Care and Adoption Assistance**

All children who have been abused or neglected and who need foster care and adoption assistance should be eligible for federal assistance. Although Congress eliminated the AFDC program in 1996, Congress maintained the Title IV-E income eligibility link with AFDC, setting a goal to make changes later. The outdated income eligibility criteria represent a carryover from when federal foster care funding was part of AFDC.

Each year since 1996, action by Congress to address this has been delayed because of the increased federal cost. Meanwhile, since 1996, fewer and fewer children are eligible for federal foster care and adoption assistance because of the outdated standard, combined with the impact of inflation. Today, only 44% of all children in foster care nationwide receive federal Title IV-E assistance.

- The financial eligibility criteria for federal foster care and adoption assistance must be eliminated. CWLA recognizes, however, that incremental change may be necessary and recommends replacing the AFDC eligibility criteria with criteria from other federal programs, such as Medicaid, Temporary Assistance for Needy Families (TANF), or possibly a poverty rate, as a good first step toward eliminating income eligibility criteria.
- Once the federal eligibility criteria are replaced with an appropriate alternative, the use of other federal funding sources currently used for out-of-home care, such as the Social Services Block Grant, should be restricted. This would allow states to use this funding for other purposes.

## **Expanding Permanency Options: Federal Support for Guardianship Placements Through Title IV-E**

The Adoption and Safe Families Act of 1997 (ASFA) recognizes placement with a relative or a legal guardian as a permanency option for children in foster care. The federal government, however, makes no funds available on a continuing basis to help those relatives care for these children. In the past, some states have received federal funding to support this permanency option through approval of a Title IV-E child welfare waiver. Other states have relied exclusively on state funds to support these children.

- Expand Title IV-E funding to provide support for guardianship placements.

## **Strengthening the Child Welfare Workforce**

Child welfare work is labor intensive. To serve children well, workers need good training, supervision, manageable caseloads, and access to a full array of services for clients. High turnover among workers; lack of experience, training, and supervision; and fundamental workforce issues of safety, high caseloads, inadequate compensation, unsafe working conditions, and low status in the community, impede workers' ability to ensure the safety and protection of children.

- Maintain the federal commitment to provide guaranteed support for training child welfare workers through the Title IV-E training program.
- Expand access to these federal training funds so they can support the training of private agency staff, related child-serving agency workers, and court staff working with any children in the child welfare system. Allow these funds to be used for training on all subjects relevant to achieving positive outcomes for children.
- Provide new federal resources to state and private child welfare agencies to improve the quality of services by increasing workforce capacity.
- Provide federal loan forgiveness to students who become child welfare workers.

## **Expand Access to Federal Child Welfare Supports: Tribal Populations**

Although federal law has established procedures and protections for placing Native American children in out-of-home care, adequate funding to provide these services has not followed. Tribal nations do not have the option of receiving Title IV-E federal foster care and adoption assistance funds directly. Consequently, most Native American children placed in out-of-home and adoptive settings through tribal courts are not eligible for federal foster care maintenance or adoption assistance payments. In a few instances, some tribes have negotiated agreements with states that allow them to access Title IV-E funds.

- Provide Native American tribes with direct access to federal funding for foster care and adoption through the Title IV-E program, and greater access to funding provided by Title IV-B programs.

Additional information and materials about CWLA's call for reform, and a review of existing child welfare financing resources and legislative proposals, are available on CWLA's website at [www.cwla.org/advocacy/financing.htm](http://www.cwla.org/advocacy/financing.htm).

Sources for statistical information are provided in the online version of this fact sheet. See [www.cwla.org/advocacy/2006legagenda.htm](http://www.cwla.org/advocacy/2006legagenda.htm).

## **C W L A   C O N T A C T**

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