



Finance Reform— A Balanced Approach: Executive Summary

For many years the child welfare field has been debating the need for a new system of finance that would ensure eligibility for all children in need while simultaneously spreading funding to address the full range of needed services.

The need for a full array of services for all children has been a key focus for finance reform. CWLA's most recent set of standards, the CWLA National Blueprint for Excellence in Child Welfare highlights a child's right to the services and supports they need to be safe from child abuse and neglect, accomplish key developmental tasks, and develop the coping strategies and protective capacities so they can succeed and flourish. In this context, the child welfare service array ideally includes:

- Community-based family support services and child abuse and neglect prevention programs including home visiting, parenting education and mutual support and related services.
- In-home supports and interventions that can strengthen parental capacity, reduce the risk of child maltreatment, and, thereby, prevent the placement of children in foster care.
- Placement services designed to protect children only when they cannot remain at home safely
- Services to give children a permanent family when reunification is not possible;
- Intervention and supports assuring the developmental, educational, health, and emotional well-being of every child no matter what the placement and family circumstance.

While there is wide child welfare support for this array, legislative discussions of finance reform to achieve these ends have been driven by two broad but conflicting perspectives:

- Funding must not be limited, and must provide everything needed, or
- Funding must be budget neutral and provide an ability to flexibly spend what is already available.

The assumption associated with these two opposing views is a common awareness that federal funding streams are the principal, if not sole, force driving the use of out-of-home care, and that by changing the structure of these funding streams, we change the use of placement and outcomes for children.

CWLA believes that there is a more complex picture that is influenced by state and local political will; federal, state, and private resources; leadership; economic conditions; societal circumstances, as well as case level challenges. As a result changes in federal funding streams to favor one placement over another will not automatically lead to improvement for all children in all fifty states. In effect we are saying that a single approach to systemic change may guide practice, but one size cannot fit all. Likewise, a finance reform proposal should not be measured in terms of how it is implemented by the most innovative and committed states but by how it will be implemented in states that lack the commitment and perhaps the resources.

Budget Neutrality vs. Investing New Resources:

CWLA proposes that reform proposals be framed in a more practical approach. We should not pretend that funding is adequate and should consider what it would take to assure all parts of a true system of care are in place. At the same time we must recognize that even in the best of budget times, child welfare services will be in competition for limited human service funding and there is not yet the political will to invest significantly more into child welfare services.

We do not propose a new open-ended entitlement but we know more is needed to effectively prevent child maltreatment and reduce the need for foster care placements. We must also recognize the need for post-placement supports for children and caregivers when foster care placements are required, especially if we are seeking to successfully reduce residential placements. Post-permanence services must be available for children and families in reunification, kinship care, adoption and transition to adulthood.

If a more comprehensive reform cannot be adopted in one legislative vehicle, then it should not be seen as a negative if we have to enact improvements in stages and over several years as we realize results.

Time Limits: We recognize that proposals that recommend time limits on certain services are based on two elements, the desire to limit the amount of time a child spends in foster care and the need to save federal funding to invest in alternate services and placements. No one would disagree with the desire and goal to make sure no child spends a day more than required to be in foster care. The concern here is that such restrictions may not change practice in those states that need it but will merely sap resources from the state's child welfare system.

Residential Care: Much has been discussed in regard to the use of residential care for children in foster care. CWLA standards continue to affirm that appropriate residential care is an important part of the continuum of care for those children in foster care and for children in other placements (including adoption or kin placements), where other interventions are not appropriate to the child's needs.

We do not believe that national limitations or restrictions will drive best practice. At the same time we do not believe that every placement and length of stay in residential care is appropriate. For instance, there can be general agreement that residential placement for infants and toddlers are not appropriate. Still it must be recognized that in some extreme cases children as young as three may display self-destructive behavior. We believe that any restrictions and investments in residential care should be driven by evidence-based therapies, practices and research.



Prevention: We need to be far more aggressive in preventing child maltreatment when possible, work diligently to strengthen families that are fragile, and find new permanent families as soon as is necessary. We must expand Title IV-B prevention, intervention and support services, extend Home Visitation and Expand Pre-K Programs Including Early Head Start, and strengthen wrap-around services.

Options to move forward in a balanced way:

- For now freeze current funding by adjusting AFDC eligibility link to inflation. This could be done for a short period, two or three years while reforms are phased in or enacted at another date.
- Enact a gradual de-link for other services, for example a phase-in delink for kinship care, this could also be adapted to include additional requirements around licensing and services. While this would not be budget neutral it would restrain costs.
- Consider proposals to spread eligibility to all children while reducing the state match.
- Tie funding eligibility to certain practices or evidenced models, trauma informed care or promising practices that include rigorous evaluation.
- Condition or tie restrictions on the use of residential treatment to an actual increase in the number of certified therapeutic and trauma foster care homes.
- Create a “race to the top” or incentive fund for states and tribes that can safely reduce residential treatment measuring both permanency and therapeutic/treatment foster care.
- Expand the use of post-placement services for children that are reunified.
- Improve preventive interventions by re-writing the Title IV-B block grants.
- Tie the use of IV-B funding to the requirements under CAPTA, allow funding to subsidize IDEA Part C.
- Incentivize state child welfare agencies and state Medicaid programs to coordinate services.