

## EFFECTIVE FEDERAL CHILD WELFARE FUNDING STRATEGIES

In March, 2007, a small but diverse and well respected group of child welfare administrators from across the nation convened to consider child welfare finance reform details, to ensure advocates, policymakers and everyone in the debate consider feasible financing strategies in order to meet our jointly held goals of safe children, stable families and supportive communities.

This group considered needs, opportunities, challenges, fears, and perhaps uniquely, real world agency practice and responsibilities, which must to be considered as successful financing strategies families are crafted, to better protect children and strengthen families.

Title IV-E is the primary source of federal funding for child welfare services.

### FOUR KEY PRINCIPALS

- Flexibility - In addition to paying for out of home care, allow Title IV-E funds to be used flexibly for a range of preventive, reunification, post reunification and post permanency services
- Fairness - Allow all maltreated children to be eligible for Title IV-E support; eliminate the 1996 AFDC eligibility lookback
- Permanency - Allow Title IV-E for permanent Guardianship Subsidies, the permanency alternative to adoption.
- Incentivize Performance – past policy has shown that a modest federal investment to reward desired outcomes pays off. It is time to identify outcome indicators for the Child and Family Service Review Child and Family Wellbeing

### FLEXIBILITY

While strong in its support for the cost of child placement, Title IV-E does not support other critical interventions with families; many of which are far less traumatic for the child, and cost effective for the taxpayer. **Flexibility is needed to provide:**

- up-front, in-home support services for families when safety can be maintained without removal
- aggressive reunification services to restore safe families while the child is in a safe, temporary placement
- post reunification supportive services to maintain the child's safe return
- post permanency support and services after an adoption or permanent guardianship award with relatives or other kin.

After much deliberation, the **Leadership Group moved to a consensus endorsement that true flexibility:**

- must be simple – federal funds should available to serve all maltreated children and their families, using a continuum of preventive, placement, permanency and post permanency related services
- must be framed around the existing federal policy developed as part of the Adoption and Safe Families Act – differing timeframes, or other details should not be inserted in financing changes
- should be based on a projection of anticipated costs using current financing strategies, combined with a automatic inflator, such as the consumer price index, and absent artificial or seemingly arbitrary restrictions
- must require a maintenance of effort provision for state / local government
- will be accompanied by risk and will require a state / local analysis and leadership decision, thus should be an option
- should allow an op out of the flexible funding option, should state circumstances cause a significant spike in child custodies and placement costs

- due to having inequitable levels of historical funding among the states, should hold all states harmless, but allow low claiming states to improve their funding level through demonstrated evidence of need and service provision.

### **FAIRNESS, Protection of All Children**

Currently, Title IV-E eligibility criteria require a child to grow up in a very poor family, according to 1996 welfare standards. Any child that has been maltreated deserves our protection and federal fiscal support.

- Title IV-E should support all children coming to the attention of the child welfare system, not just those qualifying under an outdated 1996 AFDC means test.
- Title IV-E should also support Native American children currently denied federal fiscal support due to their residence on tribal lands.

### **Solutions include:**

- Eliminate the 1996 AFDC Lookback. It is outdated, inequitable, and wastes precious agency resources processing the income eligibility criteria.
- Create mechanisms to ensure the thousands of Native American children currently denied quality services because Tribes cannot access Title IV-E, and are afforded adequate federal fiscal support to ensure their protection.
- Due to having inequitable levels of historical claiming among the states, changes should hold all states harmless, but allow low claiming states to improve their funding levels through demonstrated evidence of need and service provision.

### **PERMANENCY through Guardianship Subsidies**

In recent and current years, Congress has considered Title IV-E guardianship subsidies for permanent relative and kinship families, based on the success of IV-E Waivers, such as in Illinois. Now is the time to act! Additional details are available on a separate Subsidized Guardianship recommendation sheet.

- Guardianship subsidies support one the three ASFA permanency strategies for children in foster care – reunification, relatives, or adoption.
- Research and experience show improved outcomes for children fortunate enough to grow up in the home of a safe relative or kin family.
- All details for Guardianship Subsidies, a permanency alternative to adoption, should be framed within the Adoption and Safe Families Act, and modeled after Title IV-E Adoption Assistance procedures. This will support consistency in policy that has already proven successful in achieving permanency for tens of thousands of children nationwide.

### **INCENTIVIZE Positive Outcomes**

The Adoption and Safe Families Act created the federal Adoption Incentives Program to move more waiting children into permanent homes. This modest investment proved extremely successful, doubling the number of such adoptions within a few short years. The Child and Family Service Review (CFSR) measures important outcomes for the nation's child protection system. Connect incentives to positive CFSR outcomes.

- Encourage innovation in efforts to minimize foster care stay through prevention and diversion services when possible, and more timely and stable reunification efforts when temporary care is needed. These positive outcomes should be rewarded over and above the flexible funding grants.
- Develop child and family wellbeing outcome indicators for the Child and Family Service Review.

- Additionally, reward substantial progress on specific CFSR Program Improvement Plans strategies that were designed to deliberately focus on weak performing outcome areas. Serious investment of state resources, community partnerships and other efforts have been initiated throughout the county. States should be rewarded for substantial progress, not just penalized for failure to meet the high benchmarks that were federally set. The absence of any state to fully meet those benchmarks raises concern over a review process which only includes penalties, and does not recognize or incent improvements.

**Leadership Participants**

David Beukelman, Fiscal Officer

**Kansas Department of Children and Family Services**

Zeinab Chahine, Executive Deputy Commissioner

**New York City Administration for Children's Services**

Marc Cherna, Director

**Alleghany County Department of Human Services (Pittsburgh, PA)**

Cari DeSantis, Cabinet Secretary (also President of APHSA)

**Delaware Department of Services for Children, Youth and Their Families**

William R. Fiss, Interim Administrator

**Wisconsin Department of Health and Family Services**

Jim Hennessey, Assistant Director

**Michigan Department of Human Services**

Bonnie Hommrich & Joe Cumino, Deputy Commissioner for Protection and Permanency & Fiscal Deputy

**Tennessee Department of Children's Services**

Helen Jones-Kelley, Director (Member, Pew Commission on Children in Foster Care)

**Ohio Department of Job and Family Services**

James McCafferty, Director

**Cuyahoga Department of Child and Family Services (Cleveland, OH)**

Trish Ploehn, Director

**Los Angeles Department of Children and Family Services (CA)**

Douglas Robinson & Brenda McPhail, Assistant Commissioners for Finance

**West Virginia Department of Health and Human Resources**

Crystal Ward Allen, Executive Director

Gayle Channing Tenenbaum, Legislative Director

**Public Children Services Association of Ohio**