

Casey Family Programs

Child Welfare Finance Reform Principles



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Casey's mission is clear and outcome-driven: By the year 2020, we will see the number of children and youth in foster care safely reduced by half. To make this vision a reality, the states and the federal government must significantly change the way child welfare is financed so that it facilitates measurable outcomes. To best serve vulnerable children, youth and their families, child welfare systems need to interface with various other human service agencies. It is critical to align federal funding streams to avoid duplication and unnecessary complications in the lives of our most vulnerable citizens.

We recognize that the child welfare system cannot solve all problems. Recent research demonstrates that, although foster care is an important resource, it is not a long-term solution to child maltreatment. Children are safe primarily through the efforts of families and communities. To be successful, efforts should concentrate on strengthening families and communities and not necessarily on expanding services and agencies. A restructuring of the system to better meet the needs of children who are at risk of entering care must provide a better network of care and support in local communities and must not result in a net reduction of resources. Like good child welfare casework, reform should be designed to improve the way the child welfare system functions and to support the reinvestments of savings to maintain and improve.

The following are principles that serve as the foundation for Casey Family Programs' federal child welfare policy recommendations. They should serve as a guide for any policy solutions designed to help states to safely reduce foster care. Federal funding streams should facilitate the movement of children in foster care to permanent families in a safe and timely way

and ensure that children who do experience foster care successfully reach adulthood with positive outcomes in the areas of education, employment and mental health.

There are underlying beliefs about the child welfare system that serve as the foundation of these principles. These include:

- Public child welfare staff and administrators want to do what is best for children who are or are at risk of entering the child welfare system or experiencing out-of-home care.
- State governments, and the federal government, are accountable for the safety, permanency and well-being of children in their states.
- States cannot adequately provide for the safety, permanency and well-being of their children without the assistance of the federal government as well as local governments, collaborations with human service agencies, private providers of services and nonprofit entities, and partnerships with other key community stakeholders.
- In order to help states meet their goals, federal policies must be designed to assist states to build capacity for collaborations and programs that will safely reduce the number of children in care, while at the same time removing any barriers.
- It is not clear that more dollars are necessary. It is clear, however, that existing dollars should be used differently.
- Child welfare financing reform must recognize the connection between federal policy and state financing structures.

Reinvest/Align Resources to Outcomes

Federal child welfare funds should be aligned with desired outcomes. Current federal funds dedicated to child welfare are aligned by service type. For instance, Title IV-E of the Social Security Act guarantees funding for all eligible children, but can be used only to pay for foster care maintenance, administrative costs, and some related training. The following structural change would continue current funding levels and allow for reinvestment in order to gear funds towards the desired outcomes, including the safe reduction of children in foster care and improved outcomes in education, employment and mental health.

- Federal incentives should support a full range of desired outcomes including (1) broad development of differential responses for child protection referrals that present low or moderate risk to children (2) accelerated permanence in safe and appropriate homes, and improved transitions to adulthood, particularly in the areas of education, mental health and employment. The effectiveness of these incentives can be measured by a diminished recurrence of maltreatment and a drop in the number of children reported to the child protection system. With accountability and reinvestment into the child welfare system, it may be possible to improve outcomes with existing federal resources.
- Reinvestment and flexibility are necessary not only at the macro level — but at the micro or case level as well. Child welfare financing should be structured in a way that facilitates a caseworker and supervisor's ability to make decisions that are appropriate for each individual case. Additionally, financing should support manageable workloads that translate into quality service and improved outcomes for children, youth and families.

Equitable Access

- De-link eligibility for child welfare funds from the legacy criteria of the defunct AFDC program. The greatest single source of federal child welfare funds comes from Title IV-E of the Social Security Act. Both open-ended entitlement programs for foster care maintenance payment and adoption assistance subsidies are embedded within this funding source that links eligibility to the parent's eligibility for the obsolete AFDC program as it existed in 1996. This eligibility standard is problematic because it links a child's eligibility for foster care and adoption assistance to a decade-old poverty standard that has not been adjusted for inflation (i.e., no indexing, as has been applied to many subsequent federal laws). Federal support should be linked to meeting a child's needs and not to the income of the family from which the child was removed.
- Tribal Access — Tribal child welfare systems are disadvantaged by the way that federal child welfare funding is provided for child welfare services. Tribes are not allowed to directly receive federal Title IV-E foster care funds, and, as a result, their ability to provide the necessary care and services for vulnerable children and their families is severely limited. Currently funds must be negotiated with the state in which the tribe is located. This pass-through approach is cumbersome, costly to tribes and inconsistently applied across states. American Indian and Alaska Native children in the care of tribal social services agencies should receive direct federal child welfare support by allowing Indian tribes to have direct access to Title IV-E funding.

Ensure and Expand Post-Permanency Services and Supports

- Federal child welfare funds should support a range of permanency options, including reunification, adoption and guardianship. Currently, federal funds support one form of permanency: adoption. The adoption assistance program provides financial supports to families who adopt eligible children from foster care and the adoption incentive program provides financial rewards to states that increase the number of children adopted from foster care over and above an established baseline. Support should also be available for children who exit foster care through reunification or guardianship. These modifications to funding should provide states with incentives to move children out of foster care for a full range of permanency options.
- Federal funds should provide a full array of post-permanency services and supports to families, whether a child exits foster care through reunification, adoption or guardianship, in order to ensure that a child remains safely in their permanent home.

Accountability

- States should be assessed and measured for child outcomes, in addition to being held fiscally responsible for federal funds.
- Accountability should not be overly burdensome and should not translate into more paperwork for the caseworker.
- Penalties, such as those currently levied by the federal government upon states based on reviews, should be reinvested in improved outcomes. The federal government should provide incentives for improved practice.



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