

## **SECTION 11. CHILD PROTECTION, FOSTER CARE, AND ADOPTION ASSISTANCE**

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## BACKGROUND

Child welfare services aim to improve the conditions of children and their families and to improve or provide substitutes for functions that parents have difficulty performing. Child welfare services encompass a broad range of activities, including protection of abused or neglected children, support and preservation of families, care of the homeless and neglected, support for family development, and provision of out-of-home care. Services may help the family cope with problems or they may protect children while the family learns to perform appropriate parenting roles.

It is generally agreed that it is in the best interests of children to live with their families. To this end, experts emphasize both the value of preventive and rehabilitative services and the need to limit the duration of foster care placements. However, if children must be removed, a major principle of professional social work is the provision of permanent living arrangements, either by returning children to their homes in a timely fashion or by moving children into adoption or other permanent arrangements.

Many private, nonprofit and government entities work to provide child welfare services to families in need. The primary responsibility for child welfare services in the government, however, rests with the States. Each State has its own legal and administrative structures and programs that address the needs of children. The Federal Government has also been involved in efforts to improve the welfare of children in specific areas of national concern since the early 1900s. Almost 40 Federal programs were authorized to provide support for such services as of 1994, administered by four different Cabinet agencies and overseen by five House Committees (Robinson & Forman, 1994). The largest of these programs are authorized under titles IV-B and IV-E of the Social Security Act. Additional programs include grants to States, local governments and nongovernmental agencies for prevention and treatment of child abuse and neglect, advocacy centers for victims of sexual abuse, services for abandoned infants and children with AIDS, promotion of adoption, child abuse-related training for judicial personnel, federally administered research and demonstration, Indian child welfare programs, family violence programs, and a number of small programs. Of these programs, a third had funding of less than \$25 million in 1997. In addition, services related to child welfare may be provided at State discretion under the Social Services Block Grant (title XX of the Social Security Act), described in section 10.

This section will focus specifically on Child Welfare, Foster Care and Adoption Assistance Programs authorized under titles IV-B and IV-E of the Social Security Act. Title IV-B authorizes funds to States for a broad range of child welfare services, including family preservation and family support services; title IV-E authorizes the Foster Care, Independent Living, and Adoption Assistance Programs. The IV-B and IV-E programs are intended to operate in consort to help prevent the need for out-of-home placement of children, and in cases where such placement is necessary, to provide protections and permanent placement for the children involved. Funding is provided under the Foster Care Program to assist States with the maintenance costs of low-income (AFDC-eligible)

children in foster care. The Independent Living Program is intended to help States facilitate the transition of older children from foster care to independent living; the Adoption Assistance Program helps States support the adoption of AFDC- or SSI-eligible children with “special needs,” such as minority status, age, membership in a sibling group, or a mental or physical handicap.<sup>1</sup>

### FEDERAL CHILD WELFARE PROGRAMS TODAY

The Social Security Act contains the primary sources of Federal funds available to States for child welfare, foster care, and adoption activities. These funds include both nonentitlement authorizations (for which the amount of funding available is determined through the annual appropriations process) and authorized entitlements (under which the Federal Government has a binding obligation to make payments to any person or unit of government that meets the eligibility criteria established by law). The programs include the Title IV–B Child Welfare Services and Promoting Safe and Stable Families (formerly known as Family Preservation) Programs, the Title IV–E Foster Care Program, the Title IV–E Adoption Assistance Program, the Title IV–E Independent Living Program, and the Title XX Social Services Block Grant Program. Table 11–1 lists these programs, and describes their funding.

Table 11–2 provides data on the level of Federal funds provided to States under titles IV–B and IV–E for fiscal years 1986–96, and HHS projections for fiscal years 1997–2002. Under the Title XX Social Services Block Grant Program, States have discretion over what portion of their allocation they spend on child welfare activities, as well as a range of other activities not directly focused on children.

In addition to the funds allocated to the States or available on an entitlement basis, title IV–B authorizes funds for research and demonstration activities and for direct Federal grants to public and private entities for child welfare staff training. These activities are authorized under section 426 of title IV–B. For fiscal year 1997, \$4 million is appropriated for training and no funding is appropriated for research under section 426.

Welfare reform legislation enacted in 1996 (Public Law 104–193) further authorized and appropriated funds for a national longitudinal study of children at risk for abuse or neglect, and of children who have been identified as victims of abuse or neglect, established under a new section 429A of the Social Security Act. For this study, the welfare reform legislation provided \$6 million for each of fiscal years 1996–2002. Congress subsequently rescinded the appropriation for fiscal years 1996 and 1997, with the understanding that adequate funding was available for the study in the broader appropriation for social services and income maintenance research (Public Law 104–208).

Funds available to States from the Title IV–B Child Welfare Program may be used for services to families and children without re-

<sup>1</sup>Note: Since this chapter was substantially prepared, legislation was enacted that significantly amended child welfare programs under titles IV–B and IV–E of the Social Security Act. References to major changes are included throughout the chapter; however, a more detailed description of the Adoption and Safe Families Act (Public Law 105–89) is included at the end of the chapter.)

gard to family income. Federal matching funds for foster care maintenance payments under title IV–E are provided only in those cases in which the child would have been eligible for AFDC if still in the home. All children determined to have “special needs” related to their being adopted, as defined under title IV–E, are eligible for reimbursement of certain nonrecurring costs of adoption under the Title IV–E Adoption Assistance Program. However, only AFDC- or SSI-eligible “special needs” children qualify for federally matched adoption assistance payments available under title IV–E. Funds available to States for the Title IV–E Independent Living Program may be used for services which facilitate the transition of children from foster care to independent living, regardless of whether they are eligible for AFDC foster care assistance.

TABLE 11–1.—FUNDING ENVIRONMENT OF THE FEDERAL PROGRAMS WHICH SUPPORT FOSTER CARE, CHILD WELFARE, AND ADOPTION SERVICES

Program	Budgetary classification	Federal support of total
Title IV–E Foster Care Program:		
Foster care assistance payments.	Authorized entitlement ..	Open-ended Federal match at Medicaid rate.
Placement services and administrative costs.	Authorized entitlement ..	Open-ended Federal match of 50 percent. <sup>1</sup>
Training expenses .....	Authorized entitlement ..	Open-ended Federal match of 75 percent.
Title IV–E Adoption Assistance Program:		
Adoption assistance payments.	Authorized entitlement ..	Open-ended Federal match at Medicaid rate.
Nonrecurring adoption expenses.	Authorized entitlement ..	Open-ended Federal match of 50 percent. <sup>2</sup>
Placement services and administrative costs.	Authorized entitlement ..	Open-ended Federal match of 50 percent.
Training expenses .....	Authorized entitlement ..	Open-ended Federal match of 75 percent.
Title IV–E Independent Living Program.	Authorized entitlement ..	100 percent Federal funding, with a funding ceiling. <sup>3</sup>
Title IV–B Child Welfare Services Program:		
Child welfare services (subpart 1).	Nonentitlement authorization.	Federal match of 75 percent, total capped at State allotment.
Promoting Safe and Stable Families <sup>5</sup> (subpart 2).	Authorized entitlement ..	Federal match of 75 percent, with a funding ceiling. <sup>4</sup>
Title XX Social Services Block Grant Program.	Authorized entitlement ..	100 percent Federal funding, with a funding ceiling.

<sup>1</sup> Seventy-five percent matching is available from fiscal year 1994 through fiscal year 1997 for certain costs related to data collection.

<sup>2</sup> The Federal Government reimburses 50 percent of up to \$2,000 of expenditures for any one placement.

<sup>3</sup> Beginning for fiscal year 1991, States are required to provide 50 percent matching for any Federal funding claimed that exceeds \$45 million.

<sup>4</sup> Program authorized through fiscal year 1998.

<sup>5</sup> The name of this program was changed from Family Preservation and Family Support in 1997, by Public Law 105–89.

Source: Compiled by House Committee on Ways and Means staff.

TABLE 11-2.—FEDERAL FUNDING FOR CHILD WELFARE, FOSTER CARE, AND ADOPTION ACTIVITIES UNDER TITLES IV-B AND IV-E OF THE SOCIAL SECURITY ACT, 1986-2002, UNDER CURRENT LAW

[In millions of dollars]

Fiscal year	Title IV-B— I child welfare services	Title IV-B-2 Pro- moting Safe and Stable Families <sup>1</sup>		Title IV-E foster care State claims		Title IV-E Independent Living Pro- gram	Title IV-E adoption assistance State claims		Total
		Total <sup>2</sup>	Maintenance payments	Administration/ training <sup>3</sup>	Total <sup>4</sup>		Assistance payments	Administra- tion/training	
1986	\$198	.....	\$605	\$392	\$214	.....	\$55	\$41	\$859
1987	223	.....	793	480	313	.....	74	54	1,134
1988	239	.....	891	548	343	45	97	74	1,273
1989	247	.....	1,153	646	507	45	111	86	1,555
1990	253	.....	1,473	835	638	50	136	105	1,912
1991	274	.....	1,819	1,030	789	60	175	130	2,328
1992	274	.....	2,233	1,204	1,029	70	220	161	2,796
1993	295	.....	2,547	1,365	1,182	70	272	197	3,184
1994	295	\$60	2,607	1,412	1,190	70	325	235	3,356
1995	292	150	3,050	1,594	1,456	70	411	306	3,974
1996	277	225	3,114	1,533	1,581	70	485	361	4,171
1997 (estimate)	292	240	3,243	1,548	1,695	70	571	427	4,416
1998 (estimate)	292	255	3,360	1,660	1,700	70	661	495	4,638
1999 (estimate)	292	( <sup>5</sup> )	3,551	1,781	1,770	70	772	578	4,685
2000 (estimate)	292	( <sup>5</sup> )	3,790	1,912	1,878	70	893	668	5,045
2001 (estimate)	292	( <sup>5</sup> )	4,047	2,043	2,004	70	1,022	765	5,431
2002 (estimate)	292	( <sup>5</sup> )	4,318	2,182	2,136	70	1,162	870	5,842

<sup>1</sup> The name of this program was changed from Family Preservation and Family Support in 1997, by Public Law 105-89.

<sup>2</sup> Total includes administration, SACWIS (State Automated Child Welfare Information System), and training expenditures, as well as maintenance payments, but does not include transfers to the Title IV-B Child Welfare Services Program. Differences in total due to rounding.

<sup>3</sup> Includes regular administration, SACWIS costs, and training.

<sup>4</sup> Total includes administration and training expenditures, and maintenance payments. Differences in total due to rounding.

<sup>5</sup> Not authorized.

Note.—Totals may differ from sum of State amounts because of rounding.

Source: U.S. Department of Health and Human Services.

Table 11-3 provides data on participation under the title IV-B and IV-E programs. Table 11-4 shows the Congressional Budget Office projections for Federal foster care and adoption assistance for 1997-2002. Between 1997 and 2002, the federally funded foster care caseload is projected to increase from 282,000 to 341,000 (21 percent). Total IV-E foster care outlays are expected to increase 45 percent, from \$3,272,000 in 1997 to \$4,742,000 in 2002. Over the same time period, the adoption assistance caseload is projected to increase from 141,000 to 229,000 (62 percent), while total adoption assistance outlays are estimated to increase from \$562 million to \$1,094 million (95 percent).

TABLE 11-3.—PARTICIPATION IN CHILD WELFARE, FOSTER CARE, AND ADOPTION ACTIVITIES UNDER TITLES IV-B AND IV-E OF THE SOCIAL SECURITY ACT, 1983-2001

Fiscal year	Title IV-B-1 child welfare services	Title IV-B-2 Promoting Safe and Stable Families <sup>1</sup>	Title IV-E foster care assistance payments <sup>2</sup>	Title IV-E Independent Living Program <sup>3</sup>	Title IV-E adoption assistance payments <sup>2</sup>
1983 .....	NA	.....	97,370	.....	5,309
1984 .....	NA	.....	102,051	.....	11,581
1985 .....	NA	.....	109,122	.....	16,009
1986 .....	NA	.....	110,586	.....	21,989
1987 .....	NA	.....	118,549	20,182	27,588
1988 .....	NA	.....	132,757	18,931	34,698
1989 .....	NA	.....	156,871	44,191	40,666
1990 .....	NA	.....	167,981	44,365	44,024
1991 .....	NA	.....	202,687	45,284	54,818
1992 .....	NA	.....	222,315	57,360	68,197
1993 .....	NA	.....	232,668	57,918	78,044
1994 .....	NA	NA	244,473	71,081	91,872
1995 .....	NA	NA	260,737	73,137	106,880
1996 .....	NA	NA	266,977	85,261	122,657
1997 (estimated) .....	NA	NA	285,000	NA	131,200
1998 (estimated) .....	NA	NA	296,400	NA	140,400
1999 (estimated) .....	NA	.....	308,300	NA	150,200
2000 (estimated) .....	NA	.....	320,600	NA	160,700
2001 (estimated) .....	NA	.....	333,400	NA	170,300

<sup>1</sup>The name of this program was changed from Family Preservation and Family Support in 1997, by Public Law 105-89.

<sup>2</sup>Average monthly number of recipients.

<sup>3</sup>Estimated.

NA—Not available.

Source: U.S. Department of Health and Human Services.

TABLE 11-4.—CBO BASELINE PROJECTIONS FOR THE FEDERAL FOSTER CARE AND ADOPTION ASSISTANCE PROGRAMS, 1997–2002

[By fiscal year, in millions of dollars]

Program	1997	1998	1999	2000	2001	2002
<b>Foster care:</b>						
Title IV–E caseload (thousands) .....	282	298	311	323	332	341
Average monthly maint. payment (Federal share) .....	\$490	\$509	\$529	\$551	\$573	\$596
Federal outlays (millions):						
Maintenance payments .....	1,632	1,789	1,955	2,121	2,285	2,447
Administrative and child placement services .....	1,490	1,545	1,662	1,805	1,944	2,075
Training .....	149	161	174	188	203	220
<b>Total outlays .....</b>	<b>3,272</b>	<b>3,495</b>	<b>3,791</b>	<b>4,114</b>	<b>4,432</b>	<b>4,742</b>
<b>Adoption assistance:</b>						
Title IV–E caseload (thousands) .....	141	159	177	196	213	229
Average monthly payment .....	\$255	\$265	\$275	\$286	\$298	\$310
Federal outlays (millions):						
Maintenance payments .....	421	494	574	660	747	837
Administrative and child placement services .....	125	143	163	184	204	224
Training .....	17	20	23	26	29	32
<b>Total outlays .....</b>	<b>562</b>	<b>657</b>	<b>759</b>	<b>869</b>	<b>981</b>	<b>1,094</b>
<b>Independent living: Federal outlays .....</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>
<b>Total outlays .....</b>	<b>3,904</b>	<b>4,222</b>	<b>4,621</b>	<b>5,054</b>	<b>5,482</b>	<b>5,905</b>

Note.—Numbers may not add to totals due to rounding.

Source: Congressional Budget Office, March 1997 baseline.

## THE TITLE IV-B CHILD WELFARE SERVICES PROGRAM

*Grants to States for child welfare services*

The Child Welfare Services Program under subpart 1 of title IV-B permanently authorizes 75 percent Federal matching grants to States for services that protect the welfare of children. These services: address problems that may result in neglect, abuse, exploitation or delinquency of children; prevent the unnecessary separation of children from their families and restore children to their families, when possible; place children in adoptive families when appropriate; and assure adequate foster care when children cannot return home or be placed for adoption. There are no Federal income eligibility requirements for the receipt of child welfare services.

Under legislation originally enacted in 1980 (Public Law 96-272), States are limited in the amount of their title IV-B allotments that may be used for child day care, foster care maintenance payments, and adoption assistance payments. Specifically, States may use no more than their portion of the first \$56.6 million in Federal IV-B appropriations for these three activities. The intent of this restriction is to devote as much title IV-B funding as possible to supportive services that could prevent the need for out-of-home placement. In addition, the 1980 legislation required States to implement certain foster care protections for all children in foster care to be eligible to receive their full allotment of Federal title IV-B appropriations. (The foster care protections are described later in this section.)

Between 1977 and 1990, the annual authorization level for the Child Welfare Services Program remained flat at \$266 million. The authorization level was increased to \$325 million under Public Law 101-239 beginning for fiscal year 1990. Appropriations for the program—the amount of money Congress actually made available for spending each year—increased from \$163.6 million in fiscal year 1981 to \$294.6 million in fiscal year 1994. Appropriations have since decreased, to \$292 million in fiscal year 1995, \$277.4 million in fiscal year 1996, and \$292 million in fiscal year 1997 (see table 11-2).

Child welfare services funds are distributed to States on the basis of their under 21 population and per capita income. Because of minimal reporting requirements under the program, there are no reliable National or State-by-State data on the exact number of children served, their characteristics, or the services provided. Table 11-5 details the State-by-State distribution of child welfare services funds for selected fiscal years.



TABLE 11-5.—STATE-BY-STATE ALLOCATIONS FOR TITLE IV-B CHILD WELFARE SERVICES, SELECTED YEARS 1987-97

[In thousands of dollars]

State	Fiscal year							1997 allotments
	1987 actual	1989 actual	1992 actual	1994 actual	1995 actual	1996 actual	1997 allotments	
Alabama .....	\$4,783	\$5,136	\$5,432	\$5,623	\$5,512	\$5,106	\$5,327	
Alaska .....	417	294	614	754	756	725	749	
Arizona .....	3,344	3,797	4,418	5,034	5,036	5,015	5,466	
Arkansas .....	2,838	3,095	3,273	3,424	3,387	3,178	3,359	
California .....	20,445	23,100	27,289	31,732	31,575	31,049	32,760	
Colorado .....	2,772	3,091	3,558	3,866	3,904	3,719	3,935	
Connecticut .....	2,081	2,143	1,942	2,120	2,077	2,052	2,154	
Delaware .....	570	654	717	726	720	713	756	
District of Columbia .....	386	432	431	447	427	345	346	
Florida .....	9,105	10,361	11,773	13,146	13,096	12,781	13,708	
Georgia .....	6,622	7,301	7,737	8,426	8,418	8,032	8,502	
Hawaii .....	656	1,119	1,180	1,204	1,205	1,117	1,179	
Idaho .....	1,304	1,388	1,581	1,703	1,719	1,622	1,736	
Illinois .....	9,932	10,773	11,338	11,773	11,634	11,067	11,684	
Indiana .....	5,572	6,064	6,709	6,952	6,832	6,367	6,697	
Iowa .....	2,861	3,074	3,364	3,475	3,402	3,223	3,358	
Kansas .....	2,150	2,461	2,885	3,068	3,034	2,873	3,011	
Kentucky .....	4,154	4,556	4,883	5,030	4,961	4,624	4,842	
Louisiana .....	5,106	5,657	6,350	6,527	6,412	5,910	6,195	
Maine .....	1,313	1,391	1,443	1,482	1,455	1,378	1,432	
Maryland .....	3,440	3,798	3,924	4,343	4,291	4,156	4,358	
Massachusetts .....	2,714	4,418	4,336	4,708	4,597	4,579	4,792	
Michigan .....	8,888	9,551	10,196	10,885	10,634	10,075	10,487	
Minnesota .....	3,937	4,206	4,753	5,092	5,070	4,785	5,022	

TABLE 11-5.—STATE-BY-STATE ALLOCATIONS FOR TITLE IV-B CHILD WELFARE SERVICES, SELECTED YEARS 1987-97—Continued  
 [In thousands of dollars]

State	Fiscal year							1997 allotments
	1987 actual	1988 actual	1992 actual	1994 actual	1995 actual	1996 actual	1997	
Mississippi .....	3,519	3,923	4,177	4,293	4,245	3,949	4,146	
Missouri .....	4,958	5,235	5,798	6,146	6,072	5,727	5,998	
Montana .....	978	1,049	1,136	1,207	1,220	1,158	1,203	
Nebraska .....	1,641	1,744	1,996	2,071	2,032	1,879	1,968	
Nevada .....	775	964	1,170	1,401	1,430	1,379	1,516	
New Hampshire .....	950	1,024	1,028	1,087	1,074	1,096	1,152	
New Jersey .....	5,424	5,465	4,936	5,224	5,193	5,368	5,669	
New Mexico .....	1,642	2,072	2,291	2,510	2,526	2,418	2,541	
New York .....	13,529	14,373	14,490	15,452	15,231	14,148	14,808	
North Carolina .....	6,432	7,189	7,771	8,112	8,086	7,728	8,229	
North Dakota .....	750	849	942	945	929	858	891	
Ohio .....	10,402	10,429	12,283	12,878	12,748	11,853	12,386	
Oklahoma .....	3,332	3,735	4,144	4,406	4,374	4,133	4,310	
Oregon .....	2,586	2,850	3,283	3,556	3,555	3,321	3,531	
Pennsylvania .....	10,038	11,236	11,905	12,148	11,949	11,076	11,583	
Rhode Island .....	888	953	1,025	1,054	1,032	984	1,012	
South Carolina .....	4,015	4,468	4,747	4,948	4,867	4,544	4,696	
South Dakota .....	853	938	1,038	1,075	1,077	991	1,029	
Tennessee .....	5,001	5,598	5,933	6,210	6,166	5,792	6,100	
Texas .....	16,243	18,958	21,845	23,795	23,796	22,401	23,783	
Utah .....	2,555	2,891	3,196	3,474	3,481	3,284	3,469	
Vermont .....	632	583	713	715	699	674	703	
Virginia .....	4,907	5,463	5,891	6,373	6,323	6,114	6,408	
Washington .....	3,774	4,382	5,169	5,699	5,741	5,231	5,512	

West Virginia .....	2,226	2,397	2,454	2,486	2,417	2,189	2,251
Wisconsin .....	4,672	5,077	5,639	6,022	5,950	5,574	5,854
Wyoming .....	101	382	703	724	719	638	661
American Samoa .....	NA	163	175	193	190	183	188
Guam .....	304	342	376	351	346	329	340
Northern Marianas .....	110	118	124	142	140	136	139
Puerto Rico .....	3,671	3,674	7,094	8,105	7,951	7,480	7,787
Virgin Islands .....	202	295	311	280	276	263	271
<b>Total .....</b>	<b>222,500</b>	<b>246,679</b>	<b>273,911</b>	<b>294,624</b>	<b>291,989</b>	<b>277,389</b>	<b>291,989</b>

NA—Not applicable; jurisdiction not eligible under statute.

Note: Totals may differ from sum of State amounts due to rounding.

Source: U.S. Department of Health and Human Services.

*Grants to States for promoting safe and stable families*

Grants to States for family preservation and family support services were originally authorized as a capped entitlement under subpart 2 of title IV-B, beginning in fiscal year 1994. States already had the flexibility to expend their child welfare services funds available under subpart 1 of title IV-B for family support and preservation activities, but few States used a significant share of such funds for these two categories of services. Entitlement funding was authorized for 5 years at the following ceiling levels: \$60 million in fiscal year 1994; \$150 million in fiscal year 1995; \$225 million in fiscal year 1996; \$240 million in fiscal year 1997; and either \$255 million in fiscal year 1998 or the fiscal year 1997 level adjusted for inflation, whichever is greater. The Adoption and Safe Families Act (Public Law 105-89), enacted in November 1997, reauthorized and changed the name of this program to Promoting Safe and Stable Families. Entitlement ceilings are now set at the following levels: \$275 million for fiscal year 1999, \$295 million for fiscal year 2000, and \$305 million for fiscal year 2001.

From these ceiling amounts, \$2 million in fiscal year 1994 and \$6 million in each subsequent fiscal year are reserved for use by the Secretary of HHS to fund research, training, technical assistance and evaluation of family preservation and support activities. In addition, \$5 million in fiscal year 1995 and \$10 million in each subsequent fiscal year are reserved for a grant program for State courts (described below). Finally, 1 percent of the family preservation and family support entitlement is reserved for allotment to Indian tribes. Table 11-6 shows State allotments of family preservation and family support entitlement funds in fiscal years 1995-97, and estimated State allotments for fiscal year 1998.

After these set-asides are made, remaining entitlement funds are allocated among States according to their relative shares of children receiving food stamps, subject to a 25-percent non-Federal match. States must submit a plan to HHS that provides a detailed account of how the money will be used. Prior to the enactment of Public Law 105-89, at least 90 percent of the funds had to be used for two categories of services: family preservation services and community-based family support services. Public Law 105-89 added two additional categories: time-limited family reunification services, and adoption promotion and support services. No more than 10 percent of funds can be used for administration.

The Federal statute does not specify a percentage or minimum amount of funds that must be used for any single category of service. However, in program guidance to States issued on January 18, 1994, HHS stated that allocations of less than 25 percent to either type of service will require a strong rationale. HHS subsequently restated this position in proposed regulations issued on October 4, 1994, and final regulations, issued on November 18, 1996. However, these regulations were developed before the Adoption and Safe Families Act established two additional categories of service for this program.

Family preservation services are intended for children and families, including extended and adoptive families, that are at risk or in crisis. Services include: programs to help reunite children with their biological families, if appropriate, or to place them for adop-

tion or another permanent arrangement; programs to prevent placement of children in foster care, including intensive family preservation services; programs to provide follow-up services to families after a child has been returned from foster care; respite care to provide temporary relief for parents and other care givers (including foster parents); and services to improve parenting skills.

TABLE 11-6.—TITLE IV-B PROMOTING SAFE AND STABLE FAMILIES: <sup>1</sup> STATE-BY-STATE ALLOCATIONS

State	Fiscal year 1995 grant awards	Fiscal year 1996 grant awards	Fiscal year 1997 allotments	Estimated fiscal year 1998 allotments
Alabama .....	\$2,880,911	\$4,167,863	\$4,298,428	\$4,586,793
Alaska .....	186,726	300,567	343,874	366,943
Arizona .....	2,414,096	3,767,107	4,126,491	4,403,321
Arkansas .....	1,387,105	2,023,818	2,106,230	2,247,529
California .....	16,631,924	25,989,033	29,852,578	31,855,278
Colorado .....	1,480,468	2,184,121	2,256,675	2,408,066
Connecticut .....	1,067,004	1,643,100	1,805,340	1,926,453
Delaware .....	253,413	400,756	451,335	481,613
District of Columbia	466,814	701,323	752,225	802,689
Florida .....	6,281,986	10,479,771	11,691,723	12,476,077
Georgia .....	3,734,514	5,891,114	6,297,197	6,719,652
Hawaii .....	349,853	681,285	773,717	825,623
Idaho .....	373,451	581,096	623,272	665,085
Illinois .....	6,015,235	8,716,445	8,682,824	9,265,322
Indiana .....	2,254,046	3,566,729	3,890,077	4,151,048
Iowa .....	1,026,991	1,462,760	1,504,450	1,605,378
Kansas .....	893,616	1,342,533	1,396,989	1,490,708
Kentucky .....	2,600,822	3,706,994	3,696,648	3,944,642
Louisiana .....	4,534,767	6,392,059	6,447,642	6,880,190
Maine .....	586,852	901,701	924,162	986,160
Maryland .....	1,827,244	2,765,217	3,030,392	3,233,689
Massachusetts .....	2,307,396	3,426,464	3,632,171	3,875,840
Michigan .....	5,535,083	7,694,517	7,995,076	8,531,435
Minnesota .....	1,573,831	2,384,499	2,600,549	2,775,010
Mississippi .....	2,774,210	3,947,447	4,019,030	4,288,651
Missouri .....	2,760,873	4,187,901	4,470,365	4,770,265
Montana .....	320,101	480,907	515,811	550,415
Nebraska .....	560,177	841,588	924,162	986,160
Nevada .....	386,789	681,285	752,225	802,689
New Hampshire .....	226,738	380,718	429,843	458,679
New Jersey .....	2,720,860	3,927,410	4,212,459	4,495,057
New Mexico .....	1,093,679	1,723,251	1,934,292	2,064,057
New York .....	9,709,736	14,046,501	15,237,926	16,260,181
North Carolina .....	2,787,548	4,408,317	4,814,239	5,137,208
North Dakota .....	240,076	340,643	343,874	366,943
Ohio .....	6,682,112	9,437,806	9,499,525	10,136,813
Oklahoma .....	1,667,194	2,524,763	2,750,994	2,935,548
Oregon .....	1,227,055	1,903,591	2,041,753	2,178,727
Pennsylvania .....	5,668,459	8,175,424	8,489,395	9,058,916
Rhode Island .....	453,477	701,323	752,225	802,689
South Carolina .....	1,933,945	2,905,482	3,116,360	3,325,425

TABLE 11-6.—TITLE IV-B PROMOTING SAFE AND STABLE FAMILIES: <sup>1</sup> STATE-BY-STATE ALLOCATIONS—Continued

State	Fiscal year 1995 grant awards	Fiscal year 1996 grant awards	Fiscal year 1997 allotments	Estimated fiscal year 1998 allotments
South Dakota .....	306,764	440,832	429,843	458,679
Tennessee .....	3,187,674	4,929,300	5,287,066	5,641,755
Texas .....	12,910,748	19,617,010	21,169,757	22,589,956
Utah .....	706,890	1,062,004	1,096,099	1,169,632
Vermont .....	253,413	380,718	429,843	458,679
Virginia .....	2,227,371	3,486,578	3,933,061	4,196,916
Washington .....	2,254,046	3,306,238	3,481,726	3,715,302
West Virginia .....	1,373,768	2,364,461	2,493,088	2,660,340
Wisconsin .....	1,973,957	2,745,179	2,836,962	3,027,283
Wyoming .....	186,726	260,491	279,398	298,142
American Samoa .....	122,095	154,717	159,031	165,105
Guam .....	219,181	264,143	274,029	287,948
Northern Mariana .....	96,047	119,418	121,935	125,478
Puerto Rico .....	3,498,785	5,618,957	5,901,525	6,299,348
Virgin Islands .....	188,397	214,725	222,094	232,470
Subtotal .....	137,383,039	206,750,000	221,600,000	236,450,000
Set-asides:				
Indians (1 per- cent) .....	1,498,773	2,250,000	2,400,000	2,550,000
Research & Eval .....	6,000,000	6,000,000	6,000,000	6,000,000
Courts .....	5,000,000	10,000,000	10,000,000	10,000,000
Subtotal .....	12,498,773	18,250,000	18,400,000	18,550,000
Total .....	<sup>2</sup> 150,000,000	225,000,000	240,000,000	255,000,000

<sup>1</sup>The name of this program was changed from Family Preservation and Family Support in 1997, by Public Law 105-89.

<sup>2</sup>Includes \$118,188 in lapsed funds.

Source: U.S. Department of Health and Human Services.

Family support services are intended to reach families which are not yet in crisis and to prevent child abuse or neglect from occurring. Family support services are generally community-based activities designed to promote the well-being of children and families, to increase the strength and stability of families (including adoptive, foster and extended families), to increase parents' confidence and competence, to provide children with a stable and supportive family environment, and to enhance child development. Examples include parenting skills training, respite care to relieve parents and other care givers, structured activities involving parents and children to strengthen their relationships, drop-in centers for families, information and referral services, and early developmental screening for children.

In regulations proposed on October 4, 1994, and made final on November 18, 1996, HHS set forth a series of child and family services "principles" that are intended to guide State implementa-

tion of the program. According to HHS, these principles emphasize the paramount importance of safety for all family members, including victims of child abuse and neglect and victims of domestic violence and their dependents. In the preamble to its proposed regulations, HHS states that family preservation “does NOT mean that the family must stay together or ‘be preserved’ under all circumstances.” The principles also are intended to support a family-focused approach while allowing for individual needs, and a service delivery approach that stresses flexibility, accessibility, coordination, and respect for cultural and community strengths.

The Secretary of HHS is required to evaluate Family Preservation and Family Support Programs. Evaluations are currently underway. Interim reports were expected in 1997, and final reports in 1999. In the meantime, the General Accounting Office (GAO) has released two reports on implementation of the Family Preservation and Family Support Program. In June 1995, GAO reported that States were on schedule in their implementation of the program, and that HHS was an active partner with the States, providing ongoing consultation and technical assistance during the initial comprehensive planning process (U.S. General Accounting Office, 1995). GAO identified two related areas in which States anticipated difficulty: (1) development of appropriate baseline information to guide them in setting goals, making decisions, and tracking progress; and (2) conducting comprehensive evaluations to measure program success. GAO recommended that HHS provide additional assistance to States in these areas. In February 1997, GAO reported that States were using the new funds to increase the availability of services for families, by establishing new programs and expanding existing services (U.S. General Accounting Office, 1997). Over a 2-year period, States used 56 percent of their Federal funds for family support activities, and 44 percent for family preservation services. States were tracking program participants and monitoring progress, and at least 11 States were planning formal evaluations. GAO reported that early results from 10 States indicated some success in preventing child removals and continued maltreatment, and that the collaborative planning process required by the law was having a positive impact on the service delivery system.

As stated above, a portion of the entitlement funds is reserved for a grant program to the highest State courts to assess and improve certain child welfare proceedings. The court set-aside equals \$5 million in fiscal year 1995 and \$10 million in each of fiscal years 1996–98. A 25 percent non-Federal match is required in each of the last 3 fiscal years.

Courts use their grant funds to assess their procedures and effectiveness in determinations regarding foster care placement, termination of parental rights, and recognition of adoptions. Courts also can use these grant funds to implement changes found necessary as a result of the assessments. According to HHS, 48 States and the District of Columbia chose to implement this program, beginning in fiscal year 1995. Idaho, Pennsylvania, and Wyoming are not participating in the program.

## THE TITLE IV-E FOSTER CARE PROGRAM

The Foster Care Program under title IV-E is a permanently authorized entitlement program. The program provides open-ended matching funds to States for the maintenance payments made for AFDC-eligible children in foster care family homes, private for-profit or nonprofit child care facilities, or public child care institutions housing up to 25 people. Welfare reform legislation enacted in the 104th Congress (Public Law 104-193) repealed the AFDC Program and replaced it with a block grant to States called Temporary Assistance For Needy Families (TANF). All States participating in TANF must certify that they will operate a Foster Care and Adoption Assistance Program under title IV-E. Under Public Law 104-193, foster children will be eligible for title IV-E subsidies if their families would have been eligible for AFDC, as in effect on June 1, 1995. Technical corrections enacted in 1997 changed this date to July 16, 1996 (Public Law 105-33).

The Federal matching rate for foster care maintenance payments for a given State is that State's Medicaid matching rate, which averages about 57 percent nationally and can range from 50 to 83 percent. States may claim open-ended Federal matching at a rate of 50 percent for their child placement services and administrative costs. States also may claim open-ended Federal matching at a rate of 75 percent to train personnel employed by the State or by local agencies administering the program and to train foster and adoptive parents. During fiscal years 1994-97, States also were able to receive Federal matching at the 75 percent rate for eligible costs related to automated child welfare information systems.

States are required to provide foster care maintenance payments to AFDC-eligible children removed from the home of a relative if the child received or would have been eligible for AFDC prior to removal from the home and if the following apply: (1) the removal and foster care placement were based on a voluntary placement agreement signed by the child's parents or guardians or a judicial determination that remaining in the home would be contrary to the child's welfare; (2) reasonable efforts were made to eliminate the need for removal or to return the child to his home (some exceptions to this requirement were enacted in 1997, described later in this chapter); and (3) care and placement of the child are the responsibility of specified public agencies. Children in the Title IV-E Foster Care Program are also eligible for Medicaid.

Maintenance payments under the Title IV-E Foster Care Program are intended to cover the costs of food, shelter, clothing, daily supervision, school supplies, general incidentals, liability insurance for the child, and reasonable travel to the child's home for visits.

*Foster care expenditures and participation rates*

The average estimated monthly number of children in title IV-E foster care almost tripled between 1983 and 1996, from 97,370 in fiscal year 1983 to 266,977 in fiscal year 1996 (see table 11-3). More detailed data on foster children and their characteristics are described later in this section.

State claims for child placement services and administrative costs for the Title IV-E Foster Care Program have increased con-



siderably since 1981. Current HHS regulations give the following examples of allowable child placement services and administrative costs for the Foster Care Program: referral to services, preparation for and participation in judicial determinations, placement of the child, development of the case plan, case reviews, case management and supervision, recruitment and licensing of foster homes and institutions, rate setting, and a proportionate share of agency overhead. As discussed later, many of these activities are required by the Federal Government as foster care “protections.”

Table 11-7 provides a State breakdown of foster care expenditures in fiscal year 1996 for maintenance payments, child placement and administration, data collection, and training expenditures. Note that California, New York and Illinois account for 48 percent of the estimated fiscal year 1996 expenditures. A more detailed discussion of growth in child placement services and administrative costs is presented below.

#### *Foster care payment rates*

Table 11-8 shows each State’s “basic” monthly foster care payment rates for children ages 2, 9, and 16, as reported in an annual survey conducted by the American Public Welfare Association (APWA). States are allowed to set the payments at any level; thus, the rates vary widely. The basic monthly foster care rates shown in the table are those paid for family foster care, and differ from rates paid to institutions or for group or congregate care.

APWA cautions that the family foster care rates shown in the table are only generally comparable due to variations among States regarding the items that are covered under the basic rate, additional services that are provided by supplements, and the States’ administrative structures. Table 11-8 indicates whether the basic rate includes each of the following three items: room and board (r); supervision (s); and clothing (c). APWA notes that 32 States include other items in their basic rates, such as child care, respite care, transportation, personal allowance, school supplies, recreational and community activities, and incidentals. Forty-three States and counties in 10 States supplement their basic rates, for items such as education, child care, respite care, level of need, clothing, transportation, health and medical care (other than Medicaid or State-funded medical assistance), and special emotional, behavioral, medical, or psychological needs. According to the APWA survey, the national average “basic” monthly foster care maintenance payment in 1996 was \$356 for 2-year-olds, \$373 for 9-year-olds, and \$431 for 16-year-olds.

TABLE 11-7.—FEDERAL FOSTER CARE EXPENDITURES UNDER TITLE IV-E, FISCAL YEAR 1996  
 [Estimate, dollars in millions]

State	Maintenance payments	Child placement services and administration	State Automated Child Welfare Information System (SACWIS)	Training	Total	Child placement services and administration as percent of total
Alabama	\$1.44	\$2.93	\$0.10	\$0.76	\$5.23	56.02
Alaska	2.11	4.43	1.40	0.05	7.99	55.44
Arizona	18.15	15.19	8.01	1.62	42.97	35.35
Arkansas	6.93	7.53	3.92	6.92	25.30	29.76
California	326.31	296.06	36.73	34.21	693.31	42.70
Colorado	7.31	14.20	0.35	(1.51)	20.35	69.78
Connecticut	20.81	35.38	6.52	3.43	66.14	53.49
Delaware	1.12	3.16	2.68	0.44	7.40	42.70
District of Columbia	8.51	11.77	1.72	0.07	22.07	53.33
Florida	23.98	46.53	6.83	1.16	78.50	59.27
Georgia	14.20	7.75	0.73	1.85	24.53	31.59
Hawaii	3.95	6.72	0.00	1.10	11.77	57.09
Idaho	0.81	3.02	2.64	0.24	6.71	45.01
Illinois	136.09	97.51	1.25	3.48	238.33	40.91
Indiana	33.54	10.51	6.35	0.44	50.84	20.67
Iowa	10.08	4.57	1.62	0.69	16.96	26.95
Kansas	9.14	10.14	1.19	3.43	23.90	42.43
Kentucky	21.86	17.72	6.13	5.87	51.58	34.35
Louisiana	21.56	13.03	0.00	2.09	36.68	35.52
Maine	15.11	1.56	0.57	1.54	18.78	8.31
Maryland	31.10	34.49	0.04	5.41	71.04	48.55
Massachusetts	42.07	37.58	15.83	0.93	96.41	38.98
Michigan	53.00	37.46	5.91	(0.82)	95.55	39.20
Minnesota	23.30	10.60	5.56	5.09	44.55	23.79

Mississippi .....	2.98	4.85	0.92	0.31	9.06	53.53
Missouri .....	22.39	15.72	1.74	6.12	45.97	34.20
Montana .....	3.85	1.20	1.27	0.98	7.30	16.44
Nebraska .....	7.17	6.81	2.68	3.34	20.00	34.05
Nevada .....	1.82	1.10	2.10	0.13	5.15	21.36
New Hampshire .....	3.14	4.36	2.26	0.48	10.24	42.58
New Jersey .....	18.57	11.43	7.20	0.13	37.33	30.62
New Mexico .....	3.75	2.33	2.87	3.27	12.22	19.07
New York .....	276.41	264.27	13.11	12.48	566.27	46.67
North Carolina .....	27.61	7.71	0.00	2.11	37.43	20.60
North Dakota .....	2.98	4.19	0.40	0.55	8.12	51.60
Ohio .....	74.59	53.35	0.00	7.62	135.56	39.36
Oklahoma .....	8.72	5.64	7.09	2.70	24.15	23.35
Oregon .....	10.70	12.16	1.19	0.75	24.80	49.03
Pennsylvania .....	108.53	34.11	0.01	6.96	149.61	22.80
Rhode Island .....	3.95	3.63	1.56	0.34	9.48	38.29
South Carolina .....	7.06	4.63	5.02	2.07	18.78	24.65
South Dakota .....	0.92	1.16	0.84	0.12	3.04	38.16
Tennessee .....	11.72	6.66	0.01	1.15	19.54	34.08
Texas .....	49.44	12.29	12.46	3.02	77.21	15.92
Utah .....	4.42	5.69	1.99	1.11	13.21	43.07
Vermont .....	6.19	1.54	0.01	0.50	8.24	18.69
Virginia .....	9.60	21.91	0.00	3.12	34.63	63.27
Washington .....	7.88	7.33	7.90	0.48	23.59	31.07
West Virginia .....	4.73	1.52	1.75	0.47	8.47	17.95
Wisconsin .....	20.26	24.19	0.18	1.34	45.97	52.62
Wyoming .....	0.75	0.33	0.83	0.01	1.92	17.19
<b>Total .....</b>	<b>1,532.62</b>	<b>1,249.94</b>	<b>191.48</b>	<b>140.16</b>	<b>3,114.21</b>	<b>40.14</b>

Note.—Totals may differ from sum of State amounts due to rounding.

Source: U.S. Department of Health and Human Services.

TABLE 11-8.—FOSTER CARE BASIC MONTHLY MAINTENANCE RATES FOR CHILDREN AGES 2, 9, AND 16, SELECTED YEARS 1987-96

State	Age 2			Age 9			Age 16			
	1987	1991	1994	1987	1991	1994	1987	1991	1994	1996
	Alabama	168	181	205	188	202	229	198	213	241
Alaska <sup>1</sup>	428	561	588	478	499	523	565	592	621	621rsc
Arizona	223	247	297	223	247	286	282	305	365	471rsc
Arkansas	175	195	300	190	210	325	220	240	375	475rsc
California	294	345	345	340	400	400	412	484	484	484rsc
Colorado	235	296	319	266	296	319	318	352	379	430rc
Connecticut	268	386	567	302	424	586	350	478	637	637rsc
Delaware	264	301	342	266	304	342	342	391	440	450rsc
District of Columbia <sup>1</sup>	304	304	431	304	304	431	317	317	519	526rsc
Florida	233	296	296	233	296	296	293	372	372	372rc
Georgia <sup>1</sup>	300	300	300	300	300	300	300	300	300	325r
Hawaii	194	529	529	233	529	529	301	529	529	529rs
Idaho	138	198	228	165	205	250	204	278	338	358r
Illinois	233	268	322	259	299	358	282	325	390	415rc
Indiana	226	281	405	245	330	462	280	398	518	518rsc
Iowa <sup>1</sup>	159	198	328	201	243	342	285	300	405	460rsc
Kansas <sup>1</sup>	187	304	205	245	304	277	280	386	351	386rsc
Kentucky	248	265	263	263	288	285	300	333	330	368rsc
Louisiana	199	283	298	232	316	331	265	349	364	364rc
Maine <sup>1</sup>	244	296	296	250	304	304	291	353	353	389r
Maryland	285	535	535	285	535	535	303	550	550	550rsc
Massachusetts	362	410	410	362	410	410	433	486	486	493rs
Michigan <sup>1</sup>	315	332	383	315	332	383	395	416	454	433rsc
Minnesota <sup>1</sup>	285	341	377	285	341	377	375	442	487	531rsc
Mississippi	130	145	175	150	165	205	160	175	250	300rc

Missouri .....	174	209	212	216rs	212	255	259	264rs	232	281	286	292rs
Montana 1 .....	283	307	330	345rs	283	307	330	345rs	354	384	416	435rs
Nebraska .....	210	222	326	326rsc	210	291	394	393rsc	210	351	461	463rsc
Nevada .....	275	281	281	304rs	275	281	281	304rs	330	337	337	365rs
New Hampshire .....	200	200	314	314rs	251	251	342	342rs	354	354	404	404rs
New Jersey .....	203	244	272	288rs	215	259	288	339rs	253	305	340	361rs
New Mexico .....	236	258	308	308rsc	247	270	341	341rsc	259	281	367	367rsc
New York .....	312	353	367	367rs	375	424	441	441rs	434	490	510	510rs
New York City .....	342	386	401	401rs	403	455	473	473rs	465	526	547	547rs
North Carolina .....	215	265	315	315rsc	215	265	365	365rsc	215	265	415	415rsc
North Dakota .....	240	260	265	308rsc	287	312	318	349rsc	345	416	424	456rsc
Ohio .....	240	289	413	544rsc	270	328	413	544rsc	300	366	413	544rsc
Oklahoma .....	300	300	300	300rsc	360	360	360	360rsc	420	420	420	420rsc
Oregon .....	200	285	315	315rsc	234	295	327	327rsc	316	363	404	404rsc
Pennsylvania .....	558	303	315	312rc	558	319	368	375rc	558	377	473	482rc
Rhode Island .....	223	274	279	NA	223	274	279	NA	275	335	341	NA
South Carolina .....	138	182	212	212rsc	158	209	239	239rsc	208	275	305	305rsc
South Dakota .....	188	237	259	353rsc	230	291	317	353rsc	276	349	382	424rsc
Tennessee .....	139	255	336	336rsc	190	226	262	262rs	224	267	385	385rs
Texas 1 .....	243	420	476	482rsc	243	420	476	482rsc	274	420	476	482rsc
Utah 1 .....	198	300	300	319rsc	198	300	300	319rsc	225	300	300	319rsc
Vermont .....	210	371	416	416rsc	249	371	416	416rsc	268	447	504	504rsc
Virginia .....	193	246	256	262rc	244	288	300	307rc	309	365	379	388rc
Washington .....	184	270	292	304rsc	227	332	359	374rsc	268	392	425	442rsc
West Virginia .....	161	161	161	400rsc	202	202	202	400rsc	242	242	242	400rsc
Wisconsin .....	163	231	276	282rsc	224	257	301	307rsc	284	324	361	365rsc
Wyoming .....	300	400	400	400rsc	300	400	400	400rsc	330	400	400	400rsc

TABLE 11-8.—FOSTER CARE BASIC MONTHLY MAINTENANCE RATES FOR CHILDREN AGES 2, 9, AND 16, SELECTED YEARS 1987-96—Continued

State	Age 2			Age 9			Age 16					
	1987	1991	1994	1996	1987	1991	1994	1996	1987	1991	1994	1996
Average monthly rates .....	239	294	329	356	263	314	350	373	307	365	407	431

<sup>1</sup> Indicates States that provided daily rates for 1996, which were converted to monthly rates using the following formula: [daily rate] × 365 ÷ 12. Monthly rates for States providing daily rates for 1994 were computed using the following formula: [daily rate] × 30. Due to the formula change, 1996 rates for these States cannot be compared with previous years. Figures are rounded to the nearest dollar.

NA—Not available.

Note.—Most States and/or counties supplement these basic rates with additional payments. To facilitate data comparability across States, 1996 figures are coded for major items covered in the basic rate. Key: r = room and board, s = supervision, c = clothing.

Source: American Public Welfare Association.

The 1980 reform legislation stipulated that title IV–E foster care payments could be made for children in public institutions, whereas previously under title IV–A payments were limited to children in private nonprofit institutions or foster family homes. To qualify for Federal payments, these public institutions may not accommodate more than 25 children. Facilities operated primarily for the detention of delinquents, including forestry camps and training schools, are ineligible for Federal funds. Legislation enacted in 1996 (Public Law 104–193) also allows participation of for-profit institutions. It is generally agreed that the costs associated with institutional care are substantially higher than the cost of family foster care. For example, the Child Welfare League of America in 1994 estimated that the annual cost of supporting a child in family foster care was \$4,800, compared to an estimated annual cost of \$36,500 for a child in group care (Time, 1994).

*Exclusion of foster children from AFDC assistance units*

The Deficit Reduction Act of 1984 (Public Law 98–369) required that certain blood-related, adoptive parents or siblings be included in the family unit if the family applied for income assistance under the AFDC Program. Because there was no statutory exclusion for foster care recipients, AFDC operating policy required that their income be included with the family's when the family's eligibility was determined. However, Public Law 99–514, enacted in 1986, stated that a foster child who was receiving IV–E maintenance payments would not be considered a family member during the time the family received AFDC, and that the child's income in the form of maintenance payments, and other income and resources, would be excluded from the family's as well.

The Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508) repealed the 1986 provision and added a new section 409 to title IV–A stipulating that foster children receiving maintenance payments under title IV–E or under State or local programs would not be considered family members for purposes of AFDC. Similarly, the law specified that children receiving adoption assistance payments under either title IV–E or State or local law were not considered family members for AFDC purposes, unless the family would lose AFDC benefits as a result.

Welfare reform legislation enacted in 1996 (Public Law 104–193) repealed the AFDC Program, including the provision described above. The law establishes a block grant to States for Temporary Assistance for Needy Families, and allows States to determine for themselves how to define assistance units, eligibility, and treatment of income for welfare purposes.

THE TITLE IV–E ADOPTION ASSISTANCE PROGRAM

The Title IV–E Adoption Assistance Program is an open-ended entitlement program required of States that participate in TANF. Like the IV–E Foster Care Program, the IV–E Adoption Assistance Program funds three distinct types of activities: maintenance payments for qualified children who are adopted, administrative payments for expenses associated with placing children in adoption, and training of professional staff and parents involved in adoptions.

Under the Adoption Assistance Program, which is permanently authorized, States develop adoption assistance agreements with parents who adopt eligible children with special needs. Federal matching funds are provided to States that, under these agreements, provide adoption assistance payments to parents who adopt AFDC- or SSI-eligible children with special needs. Although AFDC was repealed by welfare reform legislation in 1996 (Public Law 104-193), that law also established that special needs adoptive children will be eligible for title IV-E subsidies if their original families would have been eligible for AFDC, as it was in effect on June 1, 1995. Technical corrections enacted in 1997 subsequently changed this date to July 16, 1996 (Public Law 105-33). In addition, the program authorizes Federal matching funds for States that reimburse the nonrecurring adoption expenses of adoptive parents of special needs children (regardless of AFDC or SSI eligibility).

#### *Definition of special needs*

A special needs child is defined in the statute as a child with respect to whom the State determines there is a specific condition or situation, such as age, membership in a minority or sibling group, or a mental, emotional, or physical handicap, which prevents placement without special assistance. Before a child can be considered to be a child with special needs, the State must determine that the child cannot or should not be returned to the biological family, and that reasonable efforts have been made to place the child without providing adoption assistance. States have discretion in defining special needs eligibility criteria and individually determining whether a child is eligible. For example, some States add religion or not being able to place the child without subsidy to the definition of special needs.

#### *Adoption assistance agreements and payments*

An adoption assistance agreement is a written agreement between the adoptive parents, the State IV-E agency, and other relevant agencies (such as a private adoption agency) specifying the nature and amount of assistance to be given. Under the adoption assistance agreement, States may make monthly adoption assistance payments for AFDC- and SSI-eligible children with special needs who are adopted.

The amount of adoption assistance payments to be made is based on the circumstances of the adopting parents and the needs of the child. No means test can be used to determine eligibility of parents for the program; however, States do consider the adoptive parents' income in determining the amount of the payment. Payments may be adjusted periodically if circumstances change, with the concurrence of the adopting parents. However, the payments may not exceed the amount the family would have received on behalf of the child under foster care. Adoption assistance payments may continue until the child is age 18, or, at State option, age 21 if the child is mentally or physically handicapped. Payments are discontinued if the State determines that the parents are no longer legally responsible for the support of the child. Federally subsidized payments may start as soon as an agreement is signed and the



child has been placed in an adoptive home. Parents who have been receiving adoption assistance payments must keep the State or local agency informed of circumstances that would make them ineligible for payments, or eligible for payments in a different amount.

The Federal matching rate for the adoption assistance payments is based on each State's Medicaid matching rate. States may also claim open-ended Federal matching at the rate of 50 percent for the costs of administering the program, and for training both staff and adoptive parents at the rate of 75 percent.

Not all families of adopted IV-E eligible children with special needs actually receive adoption assistance payments. The adoptive parents' circumstances may be such that an adoption subsidy is not needed or wanted. Adopted AFDC- or SSI-eligible children with special needs are also eligible for Medicaid if an adoption assistance agreement is in effect, regardless of whether adoption assistance payments are being made.

States also have the option under the Medicaid Program to provide Medicaid coverage for other special needs children (those not eligible for AFDC or SSI) who are adopted under a State-funded adoption subsidy program. All States but six currently take this option. Pursuant to the 1985 budget reconciliation legislation, a child for whom an adoption assistance agreement is in effect is eligible for Medicaid from the State in which the child resides regardless of whether the State is the one with which the adoptive parents have an adoption assistance agreement. (The Adoption and Safe Families Act, enacted in November 1997, contains additional requirements regarding health insurance coverage for special needs adopted children who are not eligible for title IV-E adoption assistance. See discussion at the end of this chapter about legislation in the 105th Congress for details.)

The structure of adoption subsidy programs varies across States. Some States offer basic maintenance payments and also allow additional payments for certain activities (such as family counseling) or for certain groups of children (such as children with severe handicaps). Other States offer one level of payment to everyone with no special allowances. Some States allow parents to request changes in payment levels on a regular basis if circumstances change for a child; others allow very little change once the adoption agreement is signed. Some States start payments as soon as placement is made; others not until the adoption is finalized.

Table 11-9 indicates, by State, the minimum and maximum basic monthly payment rates for adoption assistance, and the minimum and maximum special payment rates. The "criteria" columns highlight the main criteria used by States for determining when a family would receive a higher payment rate, such as the child's level (or severity) of special needs or age.

Not all children who receive adoption subsidies from States are eligible for Federal IV-E funds. Data from the American Public Welfare Association (APWA) for 1994 indicate that almost two-thirds of children receiving adoption assistance nationwide were eligible for title IV-E (Oppenheim, 1995). The non-IV-E children's adoption subsidies are paid solely by the State in which their adoption agreement was signed.

TABLE 11-9.—ADOPTION ASSISTANCE MONTHLY PAYMENT RATES, BY STATE, AS OF SEPTEMBER 1996

State	Basic rate	Basic rate criteria	Special rate	Special rate criteria
Alabama	\$205-\$241	age/foster rates	negotiable	level of special needs
Alaska <sup>1</sup>	\$587.94-\$831.57	age	case-by-case	level of special needs
Arizona	\$350-\$406	age	\$458-\$710	level of special needs
Arkansas	\$300-\$375	age	maximum foster care rate	level of special needs/age
California	\$345-\$484	age	\$1,500 maximum	county by county
Colorado	\$293-\$352	age	\$371-\$509	medically fragile
Connecticut	\$567-\$637	age	\$1,000-\$1,200	foster rates
Delaware	\$342-\$440	age	\$464-\$562	level of special needs/age
District of Columbia <sup>1</sup>	\$437.08-\$526.20	age	\$512.21-\$874.46	level of special needs/age
Florida	\$296-\$372	age	\$314-\$407	level of special needs/age
Georgia	\$239.68	75 percent of foster rate	\$15-\$40	75 percent of foster rate
Hawaii	\$529	age	\$464-\$598	level of special needs/age
Idaho	\$228-\$358	age	\$453-\$529	special foster rates
Illinois	\$290-\$365	age	by county	75 percent of foster rate
Indiana	by county	75 percent of foster rate	\$525.59-\$910.05	level of special needs/age
Iowa	\$375.33-\$459.89	age	\$786 maximum	level of special needs
Kansas	\$386	age	\$395-\$464	age
Kentucky	\$304-\$373	age	\$521-\$552.70	foster rate/age
Louisiana	\$281.04-\$294.73	age	\$1,130-\$1,140	level of special needs/age
Maine	\$371-\$429	age	none	level of special needs/age
Maryland	\$650	age	negotiable	level of special needs/age
Massachusetts	\$410-\$486	age	\$535.08-\$1,001.49	foster rates/age
Michigan	\$383-\$454	age	\$397-\$837	level of special needs/age
Minnesota	\$247-\$337	age	none	level of special needs/age
Mississippi	\$225-\$300	age	\$614-\$1,368.72	level of special needs/age
Missouri <sup>2</sup>	\$212-\$286	age	\$326-\$576	foster rate minus \$10
Montana <sup>3</sup>	\$222-\$351	foster rate minus \$10	none	level of special needs/age
Nebraska	\$222-\$351	age	none	level of special needs/age
Nevada <sup>3</sup>	\$472-\$606	age	\$320-\$1,280	level of special needs/age
New Hampshire	\$280-\$350	age	none	level of special needs/age
New Jersey	\$280-\$350	age	\$320-\$1,280	level of special needs/age

New Mexico	\$308-\$367	age	\$487-\$545	level of special needs/age
New York	\$457-\$600	age/city v. upstate	\$984-\$1,455	level of special needs/age
North Carolina	\$315-\$415	age	\$800-\$1,600	HIV status
North Dakota	\$295-\$437	age	\$345-\$587 and above	level of special needs
Ohio <sup>4</sup>	\$250 minimum; maximum is county determined.		county determined	
Oklahoma	\$300-\$420	age	\$350-\$645	level of special needs/age
Oregon	\$315-\$404	age	negotiated	
Pennsylvania	county determined		county determined	
Rhode Island	\$252-\$308	age	case-by-case	
South Carolina	\$266-\$393	age	none	
South Dakota	\$266-\$393	age	none	
Tennessee	\$335-\$417	age	\$512-\$683	level of special needs/age
Texas	\$475		none	
Utah	\$310		\$465-\$775	level of special needs
Vermont <sup>5</sup>	\$494-\$600	age	\$704-\$810-\$1,300	level of special needs/age
Virginia	\$262-\$388	age	none	
Washington	\$289.67-\$422.89	foster rate	\$730 maximum	level of special needs
West Virginia	\$400		\$2,000 maximum	level of special needs
Wisconsin	\$282-\$365		negotiated, county determined	
Wyoming	\$399			

<sup>1</sup> Alaska and the District of Columbia have daily rates. Monthly rates were calculated by multiplying the daily rate by 30.416.

<sup>2</sup> Missouri has a "career parent" rate of \$45 per day.

<sup>3</sup> Nevada and Montana's are for 1995.

<sup>4</sup> The State rate for adoption assistance is \$250 per month. Some of the larger county agencies pay higher rates by providing the non-Federal portion of the monthly payment.

<sup>5</sup> Vermont has three maximum rates: two "extraordinary care" maximums based on age and a maximum "therapeutic" rate of \$1,300.

Source: North American Council on Adoptable Children.

*Nonrecurring adoption costs*

The Adoption Assistance Program also authorizes Federal matching funds for States to pay the one-time adoption expenses of parents of special needs children (regardless of AFDC or SSI eligibility). In order to be eligible, the child must be a child with special needs, as defined in section 473(c) of the Social Security Act and described above.

Through the program, parents may receive reimbursement of up to \$2,000 per child for these nonrecurring adoption expenses, and States may claim 50 percent Federal matching for these reimbursements. Qualified adoption expenses are defined as reasonable and necessary adoption fees, court costs, attorney fees, and other expenses that are directly related to the adoption of a child with special needs. States may vary in the maximum amount they allow parents to receive under this provision (see table 11-10 for State-by-State data on maximum reimbursement rates).

All 50 States have implemented the program; the District of Columbia has not. However, the average reimbursements have not equaled the \$2,000 Federal cap, with the average payment being \$966 in 1996. According to the Association of Administrators of the Interstate Compact on Adoption and Medical Assistance (AAICAMA), for which the American Public Welfare Association serves as the secretariat, in a number of States the larger amounts of nonrecurring adoption costs are being paid for costs incurred in the adoption of special needs children from foreign countries and private agencies. Parents adopting children from the public child welfare agencies are not claiming as many expenses because many costs incurred in the adoption of these children are already covered under the States' adoption programs.

*Adoption assistance expenditures*

The number of children receiving adoption assistance payments and the Federal expenditures for these payments have increased significantly since the program began. In fiscal year 1981, only six States participated in the program, with payments being made for an average of 165 children per month. In fiscal year 1996, 50 States plus the District of Columbia participated, and 122,657 children (see table 11-11) were served.

Federal expenditures for adoption assistance payments have increased from less than \$400,000 in fiscal year 1981 to \$427 million in fiscal year 1996, and are expected to reach \$495 million in fiscal year 1997.

HHS data indicate that expenditures for child placement services and administration for the Adoption Assistance Program have also increased significantly in recent years. In fiscal year 1981, claims totaled \$100,000; in fiscal year 1996 they totaled \$124 million and are expected to be \$144 million in fiscal year 1997.

TABLE 11-10.—STATE REIMBURSEMENT OF NONRECURRING ADOPTION COSTS, 1991, 1992, AND 1996

State	Has your State implemented the reimbursement program?	Maximum payment	Estimated average payment as of May 1991	Estimated average payment as of April 1992	Estimated average payment as of April 1996	Major reimbursement cost(s)
Alabama	Yes	\$1,000	\$350	\$412	\$1,000	Legal fees, travel, preplacement visits.
Alaska	Yes	2,000	1,200	829	<sup>1</sup> NA	Legal fees, travel, home studies.
Arizona	Yes	2,000	2,000	1,596	2,000	Legal fees, agency fees, travel, home studies.
Arkansas	Yes	1,500	100	500	200	Court filing, fingerprint checks.
California	Yes	500	400	400	500	Agency fees.
Colorado	Yes	800	250	250	800	Legal fees.
Connecticut	Yes	750	90	90	424	Legal fee.
Delaware	Yes	2,000	300	300	NA	Agency fees.
District of Columbia	No					
Florida	Yes	1,000	400	400	1,000	Attorney fees.
Georgia	Yes	700	400	400	400	Legal fees.
Hawaii	Yes	2,000	NA	NA	NA	
Idaho	Yes	2,000	NA	350	<sup>2</sup> 550	Agency fees, attorney fees, travel.
					2,000	
					average = 1,275	
Illinois	Yes	1,500	NA	NA	NA	Legal fees, home studies.
Indiana	Yes	1,500	635	NA	700	Legal fees, agency fees.
Iowa	Yes	1,000	700	700	300	Legal fees.
Kansas	Yes	2,000	NA	NA	700	Legal fees, home studies, travel.
Kentucky	Yes	1,000	378	378	476	Legal fees, agency fees.
Louisiana	Yes	1,000	400	600	600	Legal fees.
Maine	Yes	<sup>3</sup> 2,000	NA	.....	NA	Legal fees, travel.
Maryland	Yes	2,000	NA	2,000	2,000	Legal fees, travel, home studies by private agencies. <sup>4</sup>

TABLE 11-10.—STATE REIMBURSEMENT OF NONRECURRING ADOPTION COSTS, 1991, 1992, AND 1996—Continued

State	Has your State implemented the reimbursement program?	Maximum payment	Estimated average payment as of May 1991	Estimated average payment as of April 1992	Estimated average payment as of April 1996	Major reimbursement cost(s)
Massachusetts	Yes	400	400	.....	400	Legal fees, home studies.
Michigan	Yes	2,000	.....	.....	170	Court fees, birth certificate cost.
Minnesota	Yes	2,000	2,000	2,000	1,750	Legal fees, agency fees.
Mississippi	Yes	1,000	500	500	550	Legal fees.
Missouri	Yes	2,000	NA	5 45	625—legal 910—other average = 1,535	Legal fees, agency fees.
Montana	Yes	2,000	1,000	1,000	200	Legal fees, home studies, private agency fees.
Nebraska	Yes	1,500	NA	NA	1,500	Legal fees, private agency fees, travel.
Nevada	Yes	250	250	250	NA	Legal fees, travel, home studies.
New Hampshire	Yes	2,000	2,000	2,000	1,556	Legal costs, agency fees, travel.
New Jersey	Yes	2,000	NA	850	NA	Home studies, legal fees.
New Mexico	Yes	2,000	500	500	NA	Legal fees, travel.
New York	Yes	2,000	500	500	600	Legal fees.
North Carolina	Yes	2,000	NA	176	NA	Legal fees.
North Dakota	Yes	2,000	350	540	NA	Legal fees.
Ohio	Yes	2,000	761	672	2,000	Legal fees, travel.
Oklahoma	Yes	2,000	2,000	350	6 domestic—275 tribal, foreign—2,000 private average = 1,138	Legal fees, agency fees.
Oregon	Yes	2,000	300	450	NA	Legal fees.
Pennsylvania	Yes	2,000	NA	700	811	Legal fees, agency fees.
Rhode Island	Yes	1,000	NA	902	1,000	Legal fees, home studies, preadoption supervision.

South Carolina .....	Yes	1,500	750	750	1,500	Legal fees.
South Dakota .....	Yes	1,500	650	650	440	Legal fees.
Texas .....	Yes	1,500	NA	NA	875	Legal fees, agency fees.
Utah .....	Yes	2,000	327	327	650	Legal fees, home studies, travel.
Vermont .....	Yes	2,000	1,500	1,500	72,000	Legal fees, home studies, agency placement fees.
Virginia .....	Yes	2,000	280	396	884	Legal fees.
Washington .....	Yes	1,500	655	780	636	Legal fees.
West Virginia .....	Yes	2,000	.....	.....	1,400	Legal fees, private agency home studies.
Wisconsin .....	Yes	2,000	655	780	468	Legal fees home studies.
Wyoming .....	Yes	2,000	350	350	NA	Legal fees.
Average .....		1,651	682	664	8,966	

<sup>1</sup> Alaska: Indicated that the maximum amount was being paid primarily for the adoption of special needs children from foreign countries.  
<sup>2</sup> Idaho: For domestic adoptions, the average payment is \$500; For foreign (China & Haiti) adoptions, the average payment is \$2,000. This differential is due to the fact that most expenses are paid for by the public agency when a child is adopted from the public agency.  
<sup>3</sup> Maine: The program was not implemented until 1996.  
<sup>4</sup> Maryland: Bills submitted are often over \$5,000, many of which are for children adopted from foreign countries.  
<sup>5</sup> Missouri: The low cost of this number is due to the fact that at the time the State was able to secure a lot of pro bono legal representation.  
<sup>6</sup> Oklahoma: The average payment for children adopted from the Department of Human Services is \$275; For special needs children adopted from foreign countries, private agencies, and tribal adoptions, the average payment is \$2,000.  
<sup>7</sup> Vermont: Most payments made for nonrecurring adoption costs are for children adopted from foreign countries; nonrecurring adoption costs are paid for the adoption of special needs children being adopted from foreign countries. There are few, if any, costs for adopting children from the public agency.  
<sup>8</sup> This number accounts for the total average payment of nonrecurring adoption costs in 36 States.  
 NA—Not available.

Source: Special survey conducted in spring 1996 by the American Public Welfare Association.

TABLE 11-11.—ADOPTION ASSISTANCE STATE CLAIMS, FISCAL YEARS 1991-96, AND AVERAGE NUMBER OF CHILDREN RECEIVING ADOPTION ASSISTANCE, FISCAL YEAR 1996

[In thousands of dollars]

State	Fiscal year						1996 Average monthly number of children
	1991 Claims	1992 Claims	1993 Claims	1994 Claims	1995 Claims	1996 Claims	
Alabama .....	\$1,054	\$1,070	\$1,195	\$1,830	\$1,866	1,786	282
Alaska .....	360	590	839	1,070	1,286	1,562	448
Arizona .....	1,338	1,660	3,117	3,960	5,522	6,856	1,403
Arkansas .....	582	670	1,241	1,960	1,541	2,387	458
California .....	27,747	30,230	36,623	43,590	48,235	52,281	15,087
Colorado .....	1,177	1,120	1,961	3,230	3,315	4,361	1,551
Connecticut .....	1,529	2,640	3,652	6,310	7,028	6,661	1,163
Delaware .....	330	380	413	430	536	556	198
District of Columbia .....	(191)	820	1,269	1,970	1,846	1,987	342
Florida .....	5,357	7,980	8,257	10,580	16,824	19,612	5,233
Georgia .....	1,341	2,070	3,146	3,320	4,365	4,864	1,653
Hawaii .....	47	160	243	480	606	980	108
Idaho .....	330	360	570	580	753	982	269
Illinois .....	4,376	6,300	7,558	13,060	16,802	19,362	6,697
Indiana .....	2,540	4,020	5,711	6,710	7,338	8,692	2,302
Iowa .....	2,878	2,750	2,923	3,870	4,976	6,591	1,207
Kansas .....	725	880	1,576	2,240	2,740	3,180	1,609
Kentucky .....	2,692	2,930	3,052	3,320	3,539	3,835	902



Louisiana .....	2,746	5,830	7,656	9,320	11,043	12,180	1,551
Maine .....	1,229	2,300	2,646	2,960	2,794	3,669	598
Maryland .....	1,219	1,680	2,385	2,880	3,633	4,491	1,322
Massachusetts .....	5,010	6,230	7,134	8,380	9,604	11,147	3,395
Michigan <sup>1</sup> .....	14,202	17,540	21,868	26,840	31,917	36,550	9,469
Minnesota .....	1,462	1,710	4,003	4,620	5,224	5,861	1,326
Mississippi .....	398	410	410	390	667	795	267
Missouri .....	2,470	5,450	4,674	5,190	6,743	6,270	2,480
Montana .....	603	530	631	760	905	1,330	274
Nebraska .....	767	1,000	1,179	1,560	1,771	2,062	696
Nevada .....	204	290	333	460	669	870	240
New Hampshire .....	438	620	600	740	842	834	336
New Jersey <sup>1</sup> .....	4,157	5,000	6,009	6,700	8,869	8,074	2,286
New Mexico .....	1,609	1,810	1,798	1,890	2,438	2,722	804
New York <sup>1</sup> .....	39,200	44,400	57,520	72,590	89,816	101,975	24,508
North Carolina .....	836	1,090	1,748	2,550	4,228	5,257	1,765
North Dakota .....	250	350	466	500	461	554	132
Ohio .....	14,167	18,860	22,964	30,300	35,007	56,331	9,056
Oklahoma .....	1,161	1,630	1,960	2,240	2,950	4,030	770
Oregon .....	1,547	2,370	2,804	3,300	4,020	4,936	2,529
Pennsylvania .....	4,263	5,440	6,820	8,090	10,273	12,385	2,760
Rhode Island .....	3,353	3,610	4,399	4,610	4,194	3,101	737
South Carolina .....	1,766	2,070	2,235	2,910	3,915	4,454	925
South Dakota .....	492	540	555	630	649	666	270
Tennessee .....	2,010	2,100	3,573	3,240	3,620	5,771	1,262
Texas .....	5,233	6,750	9,142	14,520	17,160	17,308	4,682
Utah .....	447	660	748	1,240	1,158	2,021	465

TABLE 11-11.—ADOPTION ASSISTANCE STATE CLAIMS, FISCAL YEARS 1991-96, AND AVERAGE NUMBER OF CHILDREN RECEIVING ADOPTION ASSISTANCE, FISCAL YEAR 1996—Continued

[In thousands of dollars]

State	Fiscal year						1996 Average monthly number of children
	1991 Claims	1992 Claims	1993 Claims	1994 Claims	1995 Claims	1996 Claims	
Vermont .....	1,248	1,740	2,009	1,860	1,947	2,080	458
Virginia .....	1,655	1,970	2,291	2,590	2,997	4,568	1,341
Washington .....	2,055	4,000	1,987	3,940	3,013	4,441	2,880
West Virginia .....	230	260	285	440	492	542	115
Wisconsin .....	4,565	5,290	6,171	7,730	9,056	10,339	2,030
Wyoming .....	79	110	60	60	23	51	16
<b>Total .....</b>	<b>175,283</b>	<b>220,230</b>	<b>272,409</b>	<b>344,540</b>	<b>411,216</b>	<b>484,196</b>	<b>122,657</b>

<sup>1</sup> Fourth quarter data is estimated.

Note.—Totals may differ from sum of State amounts because of rounding.

Source: U.S. Department of Health and Human Services.

## THE TITLE IV-E INDEPENDENT LIVING PROGRAM

In 1986, title IV-E was amended by Public Law 99-272 (Consolidated Omnibus Budget Reconciliation Act of 1985) to include section 477, which established the Independent Living Program to assist youth who would eventually be emancipated from the foster care system. Several surveys conducted during the mid-1980s showed that a significant number of homeless shelter users had been recently discharged from foster care, prompting Congress to establish a program to help youngsters in foster care establish their independence.

An annual entitlement amount of \$45 million was established for 1987 and 1988 to provide States with the resources to create and implement independent living services. These services are designed to assist IV-E-eligible children age 16 and over make a successful transition from foster care to independent adult living when they become ineligible for foster care maintenance payments at age 18. In 1988, the program was expanded under Public Law 100-647, which permitted States to provide independent living services to all youth in foster care aged 16 to 18 (not just title IV-E-eligible youth); States could also provide follow-up services to youth up to 6 months after their emancipation from substitute care. Under Public Law 101-508, States have the option of serving individuals up to age 21 in the Independent Living Program. Funds are allocated on the basis of each State's share of children receiving IV-E foster care in 1984.

Public Law 101-239 increased the amount of Federal entitlement funds available to the States for the Independent Living Program to \$50 million for fiscal year 1990, \$60 million for fiscal year 1991, and \$70 million for fiscal year 1992. Beginning in fiscal year 1991, States are required to provide 50 percent matching for any Federal funding claimed that exceeds the original \$45 million funding level. In 1993, Congress permanently extended the authority for independent living under Public Law 103-66. Table 11-12 shows State allotments under the Independent Living Program in fiscal year 1996.

TABLE 11-12.—TITLE IV-E INDEPENDENT LIVING FEDERAL AWARDS, FISCAL YEAR 1996

[In thousands of dollars]

State	Total awards
Alabama .....	\$1,044
Alaska .....	13
Arizona .....	272
Arkansas .....	350
California .....	12,551
Colorado .....	830
Connecticut .....	759
Delaware .....	204
District of Columbia .....	927
Florida .....	993
Georgia .....	1,105
Hawaii .....	18

TABLE 11-12.—TITLE IV-E INDEPENDENT LIVING FEDERAL AWARDS, FISCAL YEAR  
1996—Continued

[In thousands of dollars]

State	Total awards
Idaho .....	108
Illinois .....	2,833
Indiana .....	1,020
Iowa .....	452
Kansas .....	721
Kentucky .....	792
Louisiana .....	1,358
Maine .....	569
Maryland .....	1,245
Massachusetts .....	639
Michigan .....	4,195
Minnesota .....	1,148
Mississippi .....	517
Missouri .....	1,302
Montana .....	244
Nebraska .....	438
Nevada .....	154
New Hampshire .....	322
New Jersey .....	2,311
New Mexico .....	208
New York .....	11,650
North Carolina .....	1,051
North Dakota .....	193
Ohio .....	2,877
Oklahoma .....	624
Oregon .....	936
Pennsylvania .....	4,664
Rhode Island .....	317
South Carolina .....	583
South Dakota .....	193
Tennessee .....	782
Texas .....	1,852
Utah .....	203
Vermont .....	297
Virginia .....	1,362
Washington .....	830
West Virginia .....	335
Wisconsin .....	1,563
Wyoming .....	45
<b>Total</b> .....	<b>70,000</b>

Source: U.S. Department of Health and Human Services.

Section 477 of title IV-E instructed HHS to carry out a study of the program's effectiveness. Under contract with HHS, Westat, Inc. completed the first phase of the study in 1989 (Cook, 1990) and the second phase in 1992 (Cook, 1992). The first phase is a purely descriptive assessment of the needs of youth emancipated from foster

care between January 1, 1987 and July 31, 1988, States' development of Independent Living Programs to serve these youth, and the proportion of youth served.

The first report found that independent living services offered by the States generally fell into the following categories: basic skills training (including health promotion, housekeeping, money management, decisionmaking, and food and nutrition management); education initiatives (including private tutoring, and GED and college preparation); and employment initiatives (including job training and placement, and personal presentation and social skills). In addition, 14 States held teen conferences designed to bring these foster care youth together to provide them with supportive contacts, teach them independent living skills, focus on self-esteem building, and help prepare them for their impending emancipation from foster care.

The report concluded that emancipated youth were a troubled population. In the study population, two-thirds of 18-year-olds did not complete high school or a GED and 61 percent had no job experience. In addition, 38 percent had been diagnosed as emotionally disturbed, 17 percent had a drug abuse problem, 9 percent had a health problem, and 17 percent of the females were pregnant. The group also lacked placement stability. During the time they were in foster care, 58 percent experienced at least three living arrangements and approximately 30 percent had been in substitute care for an average of 9 years.

Of the total 34,600 youth emancipated from foster care during the study period, 31 percent received services through their State's formalized Independent Living Program, 29 percent received non-formalized (but related) services, and 40 percent received no independent living services at all.

The second phase of the Westat report, released in 1992, followed up on youths who had been emancipated from foster care during the period from January 1987 to July 1988. Interviews conducted with these youths about their experiences after leaving foster care revealed several notable results. First, many of the skills encouraged by the Independent Living Program were positively related to good outcomes once the adolescents left foster care. These skills included money management, consumer education, and job training. Westat also found that 2½ to 4 years after leaving foster care, many of the youths were encountering problems adjusting to life as an adult. Only about half had completed high school, a little less than half had jobs and only about 40 percent had had a job for at least 1 year, 60 percent of the females had given birth, 25 percent of the youth had been homeless for at least one night, and fewer than 1 in 5 were completely self-supporting.

## **PROTECTIONS FOR CHILDREN IN FOSTER CARE**

### **PROTECTIONS LINKED TO TITLE IV-B CHILD WELFARE SERVICES FUNDING**

To encourage State use of IV-B funds to help keep families together and prevent the placement of children in substitute care, the 1980 legislation required that if the title IV-B appropriation for any year exceeds the Federal appropriation in 1979 (\$56.5 mil-

lion), States may not use any funds in excess of their portion of the \$56.5 million for foster care maintenance payments, adoption assistance, or work-related child care. Appropriations for title IV-B have consistently exceeded this amount.

Further, under the 1980 legislation as originally enacted, States were not eligible for all of their Federal IV-B funds unless the following protections had been implemented: (1) a one-time inventory of children in foster care more than 6 months to determine the appropriateness of and necessity for the current foster care placement, whether the child should be returned to his parents or freed for adoption, and the services necessary to achieve this placement goal; (2) a statewide information system from which the status, demographic location, and placement goals of every child in care for the preceding 12 months could be determined; (3) a case review system to assure procedural safeguards for each child in foster care, including a 6-month court or administrative review and an 18-month dispositional hearing to assure placement in a setting that is the least restrictive (most familylike) setting available, in close proximity to the original home, and in the best interest of the child; and (4) a reunification program to return children to their original homes.

These provisions were contained in section 427 of the act. Effective for fiscal years beginning after April 1, 1996, however, these protections are required of States as a component of their State plans, under section 422 of the act. This change was enacted under the Omnibus Budget Reconciliation Act of 1993 (Public Law 103-66). In addition, the Adoption and Safe Families Act (Public Law 105-89) made significant changes in the case review system, including dispositional hearings (renamed permanency hearings) at 12 months after placement and requiring States to initiate procedures to terminate parental rights after a child has been in foster care for a certain period of time. (See discussion at the end of this chapter on legislation in the 105th Congress for more details.)

In addition to the protections specified above, States were required to implement a preplacement preventive service program if the title IV-B appropriation amount was at least \$325 million for 2 consecutive years. The amount appropriated for title IV-B was never sufficient to trigger this provision. However, effective April 1, 1996, States are required to implement preplacement preventive services as a component of their State plans. In addition, under Public Law 103-66, States are required to review their policies and procedures related to abandoned children and to implement any changes necessary to enable permanent placement decisions to be made expeditiously for such children.

#### MANDATORY PROTECTIONS FOR FOSTER CHILDREN FUNDED UNDER TITLE IV-E

The 1980 legislation strengthened the State plan requirements under title IV-E to emphasize protections for foster children originating from families eligible for AFDC at the time of placement. By law, for children receiving payments under the title IV-E State plan, States must establish specific goals as to the maximum number of children in care more than 24 months, and a description of the steps the State will take to meet these goals. In addition, State

IV–E plans must include the same case review provisions for IV–E-eligible children as are required for all foster children under the title IV–B protections (described above). The case review must be conducted every 6 months and include:

1. A written document describing the child’s placement and its appropriateness;
2. A plan, if necessary, for compliance with requirements made by judicial determination;
3. A plan of services to be provided to improve family conditions and facilitate the reunification of the child with her family, or—if reunification is not possible—to provide for a permanent placement and to serve the needs of the child during the time she is placed in foster care; and case plans showing that reasonable efforts have been made prior to placement to prevent the need for placement or to return the child home if removed.

As a result of Public Law 101–239, foster children’s case records must include their health and education records. The names and addresses of the child’s health and educational providers must be recorded as well as the child’s grade level performance, school record, and assurances that the child’s placement takes into account the proximity of the school in which the child was enrolled at the time of placement. In addition, a record of the child’s immunizations, medical problems, required medications, and other relevant information must be included.

The 1980 law provided sanctions for noncompliance with these State plan requirements and mandated an independent audit of States’ title IV–E programs (including adoption assistance) and an administrative review (see below).

#### REASONABLE EFFORTS REQUIREMENT

The 1980 legislation required that “reasonable efforts” must be made to prevent the placement of a child in foster care, and to reunify a foster child with his parents. The Adoption and Safe Families Act (Public Law 105–89), enacted in November 1997, established exceptions to this requirement, such as in cases of murder or extreme child abuse, when States will not be required to make efforts to reunify a foster child with his parents. (See the discussion at the end of this chapter about legislation in the 105th Congress for more details of the new provisions.) The Social Security Act specifies the “reasonable efforts” requirement in two separate provisions. First, in order for a State to be eligible for title IV–E funding, its plan must specify that reasonable efforts will be made prior to the placement of a child in foster care to prevent the need for foster care or to help the child return home (sec. 471 (a)(15)). Second, every IV–E-eligible child placed in foster care must have a judicial determination that reasonable efforts were made to prevent out-of-home placement in that particular case (sec. 472(a)(1)).

The term “reasonable efforts” is not defined in the law, nor has it been defined by HHS in Federal regulations. For States to comply with the plan requirement on reasonable efforts, HHS regulations have required State plans to include a description of the services offered and provided to prevent removal of children from their homes and to reunify the family. The regulations further provide an illustrative list of the types of preplacement preventive and re-

unification services that may be offered. This list includes: 24-hour emergency caretaker and homemaker services, day care, crisis counseling, emergency shelters, access to available emergency financial assistance, respite care, home-based family services, self-help groups, services to unmarried parents, provision of or arrangement for mental health, drug and alcohol abuse counseling, vocational counseling or vocational rehabilitation, and postadoption services. The actual services to be provided in specific cases depends on State, and in some cases, individual judicial interpretations of the Federal law. Research conducted by the American Bar Association in the mid-1980s (Ratterman, Dodson & Hardin, 1987) and anecdotal reports since then indicate that the interpretation of reasonable efforts varies widely among States.

As a result of the lack of definition of "reasonable efforts," Federal courts have become a source of direction for defining reasonable efforts in individual cases. Nationwide, foster children, parents, and advocacy groups have brought suits against State and local child welfare systems challenging their failure, in whole or in part, to make reasonable efforts to preserve or reunify families. In deciding these cases, courts are defining what State actions would fulfill the reasonable efforts criterion. Federal courts have also become involved in the overall child welfare system, although this has traditionally been an area of exclusive State jurisdiction.

On March 25, 1992, the U.S. Supreme Court decided in *Suter v. Artist M.*, an Illinois case, that the reasonable efforts requirement of Public Law 96-272 does not confer a private right on the child beneficiaries of the act. The plaintiffs, abused and neglected children in State custody, brought suit under the act and under 42 U.S.C. 1983 alleging that the State social services agency failed to: (1) make "reasonable efforts" to prevent the removal of children from their homes; (2) make "reasonable efforts" to reunify children who were removed from their homes with their families; (3) notify appropriate agencies when a child was mistreated while placed in another home; and (4) develop case plans to assure proper services were provided to children while in placement. State officials questioned the appropriateness of involvement by the Federal judiciary in the resolution of child welfare disputes and in the operation of child welfare systems.

Both the district court and the Seventh Circuit Court of Appeals held that the "reasonable efforts" requirements conferred enforceable rights on the child beneficiaries which were sufficiently specific to be enforceable in an implied cause of action directly under Public Law 96-272 or in an action brought under 42 U.S.C. 1983. The Supreme Court reversed, and construed the "reasonable efforts" requirement to impose only a generalized duty on the State, to be enforced not by the child beneficiaries, but by the Secretary of Health and Human Services in monitoring and enforcing compliance with State plan requirements. The Court found that Public Law 96-272 does not create any rights, privileges, or immunities within the meaning of section 1983, and fails to provide the "unambiguous notice" that is necessary before States receiving Federal grants can be subjected to suit.

As a result of the Court's decision in *Suter*, Congress enacted legislation in 1994 (Public Law 103-432) adding a new section 1130A



to the Social Security Act. The provision establishes that, in any action brought to enforce a provision of the Social Security Act, the provision is not to be deemed unenforceable because of its inclusion in a section of the act requiring a State plan. Congress explicitly stated in section 1130A that it does not intend to limit or expand any grounds for determining the availability of private actions to enforce State plan requirements. The provision also is not intended to alter the Court's decision in *Suter* that the reasonable efforts requirement in Public Law 96-272 is not enforceable in a private right of action.

In response to a congressional request, HHS in 1994 directed two of its child welfare resource centers to gather information and make recommendations regarding implementation of the reasonable efforts requirement. The National Resource Center for Legal and Court Issues (part of the American Bar Association's Center on Children and the Law) and the National Child Welfare Resource Center for Organizational Improvement (University of Southern Maine) convened an interdisciplinary advisory panel on April 21, 1995, and released a summary of the panel's discussion. Among the panel's findings and recommendations:

1. Despite its varied implementation, the reasonable efforts requirement in Public Law 96-272 has had a positive impact overall for children and families. The reasonable efforts concept is most effective in communities with strong Family Preservation Programs. However, reasonable efforts are appropriate only when consistent with the child's health and safety, and activities must be assessed on a case-by-case basis.
2. Reasonable efforts requirements in Federal law should be continued and actively enforced. However, in some cases, it is appropriate not to offer family preservation or reunification services, and the Federal Government should clarify to States when such inaction is proper. Further, child welfare workers need training in making these decisions.
3. The Federal Government should support and guide States as they identify and incorporate services into their State plans, but there was little support among the panel for a federally mandated set of core services.
4. Judicial oversight of reasonable efforts is effective and should be continued, including as a component of determining eligibility for Federal reimbursement. However, judges need proper training and should be assigned to regular child welfare case-loads. Likewise, agency personnel need training in adequately educating the court with regard to specific cases. In the case of a judicial determination that reasonable efforts have not been made, there should be a short grace period for appropriate efforts to be made before Federal financial assistance is denied.
5. Reasonable efforts determinations should be made at every critical step in a case, from removal from home through the case review, rather than on a one-time basis.

#### STATE COMPLIANCE WITH SECTION 427 CHILD PROTECTIONS

As described earlier, section 427 of title IV-B, as originally enacted, specified the child protections that had to be in place in

order for a State to receive its allotment of certain appropriated title IV–B funds. Effective for fiscal years beginning after April 1, 1996, however, these protections are required of States as part of their title IV–B plan, under section 422(b)(9) of the Social Security Act (table 11–13).

TABLE 11–13.—SECTIONS 427 [422] AND 475 REQUIRED PROTECTIONS FOR FOSTER CHILDREN

Requirement	Description
Inventory, sec. 427(a)(1) ..... [422(b)(9)(A)]	Includes all children in foster care under State responsibility for 6 months preceding the inventory; State determines appropriateness of and necessity for current foster placement; Whether a child can or should be returned to parents or be freed for adoption; Services necessary to facilitate either the return of a child or the child's placement for adoption or legal guardianship.
Statewide information system, sec. 427(a)(2)(A). [422(b)(9)(B)(i)]	Includes status, demographic characteristics, location, and placement goals of foster children in care the preceding 12 months.
Service program, sec. 427(a)(2)(C). [422(b)(9)(B)(iii)]	To help children where appropriate, return to families or be placed for adoption or legal guardianship.
Case plan, sec. 427(a)(2)(B) [422(b)(9)(B)(ii)] and sec. 475(1) (A) and (C) and 475(5)(A).	A written document that includes: a plan to achieve placement in the least restrictive (most familylike) setting available; a plan for placement in close proximity to the parents home consistent with the best interest and special needs of the child, including additional protections for children placed out of their home State (sec. 475(5)(A)); a description of type of home or institution in which a child is to be placed; a discussion of appropriateness of placement; a statement of how the responsible agency plans to carry out the voluntary placement agreement or judicial determination made in accordance with sec. 472(a)(1); a plan for ensuring that the child will receive proper care; a plan for providing services to the parents, child, and foster parents to improve conditions in the parents home and facilitate the return of the child home or permanent placement; a plan for services to address the needs of a child while in foster care;

TABLE 11-13.—SECTIONS 427 [422] AND 475 REQUIRED PROTECTIONS FOR FOSTER CHILDREN—Continued

Requirement	Description
	<p>a discussion of appropriateness of services provided:</p> <ul style="list-style-type: none"> <li>where appropriate for a child 16 or over, a description of programs and services to prepare for transition to independent living;</li> <li>to the extent available and accessible the health and educational records of the child.</li> </ul>
<p>Case reviews, sec. 427(a)(2)(B). [422(b)(9)(B)(ii)]</p>	<p>Status of each child is reviewed periodically but not less frequently than once every 6 months by a court or administrative review to determine:</p> <ul style="list-style-type: none"> <li>continuing necessity for and appropriateness of placement;</li> <li>extent of compliance with case plan;</li> <li>extent of progress made toward alleviating or “mitigating” causes of foster placement;</li> <li>likely date child may be returned home or placed for adoption or provided legal guardianship.</li> </ul> <p>Administrative review means:</p> <ul style="list-style-type: none"> <li>open to participation of the parents;</li> <li>conducted by panel or appropriate persons, at least one of whom is not responsible for the case management of, or the delivery of services to, the child or parents (sec. 475(6)).</li> </ul>
<p>Dispositional hearing, sec. 427(a)(2)(B) and sec. 475(5)(C). [422(b)(9)(B)(ii)]</p>	<p>To be held:</p> <ul style="list-style-type: none"> <li>in family or juvenile court or other court of competent jurisdiction or by administrative body approved by the court;</li> <li>no later than 18 months<sup>2</sup> after the original placement (and not less frequently than every 12 months thereafter);</li> <li>to determine future status of the child (return to parent, continue foster care for special period on permanent or long-term basis, placement for adoption);</li> <li>to determine transition services needed for a child 16 or older.</li> </ul>
<p>Procedural safeguards, sec. 427(a)(2)(B) and sec. 475(5)(C). [422(b)(9)(B)(ii)]</p>	<p>Applied to:</p> <ul style="list-style-type: none"> <li>parental rights pertaining to removal of child from parent’s home;</li> <li>a change in child’s placement;</li> <li>any determination of parents’ visitation privileges.</li> </ul>

<sup>1</sup>The sections enclosed in brackets were effective October 1, 1996 as mandated in Public Law 103-432; section 427 is repealed.

<sup>2</sup>Public Law 105-89 changed this requirement to 12 months and renamed the hearing “permanency” hearing.

In 1980, following the enactment of Public Law 96-272, HHS identified a total of 18 child protections required by section 427 of title IV-B. In what came to be known as "427 reviews," the caseload of each State receiving incentive funds was examined to determine compliance with these child protections. The HHS reviews required the following:

- A. That the case plan for each child include a:
  1. Description of the type of home or institution in which the child is to be placed;
  2. Discussion of the appropriateness of the placement;
  3. Plan to achieve placement in the least restrictive (most familylike) setting;
  4. Plan for placement in close proximity to the parents' home, consistent with the best interest and special needs of the child;
  5. Statement of how the responsible agency plans to carry out the voluntary placement agreement or judicial determination;
  6. Plan for ensuring that the child will receive proper care;
  7. Plan for providing services to the parents, child, and foster parents to improve conditions in the parents' home and facilitate the return of the child to the home, or into a permanent placement;
  8. Plan for services to address the needs of the child while in foster care;
  9. Discussion of the appropriateness of services provided;
- B. That the status of each child in foster care be reviewed periodically but no less frequently than every 6 months by a court or administrative review to determine the:
  10. Continuing necessity for and appropriateness of placement;
  11. Extent of compliance with the case plan;
  12. Extent of progress made toward alleviating or "mitigating" the causes of foster placement;
  13. Likely date the child may be returned home or placed for adoption or provided legal guardianship;
- C. That all administrative reviews must:
  14. Be open to participation by parents;
  15. Be conducted by a panel of appropriate persons, at least one of whom is not responsible for the case management of, or the delivery of services to, the child or parents;
- D. That procedural safeguards that pertain to parental rights are followed when:
  16. The child is removed from the parents' home;
  17. A change is made in the child's placement;
  18. Any determination of the parents' visitation privileges is made.

Table 11-13 identifies child protections in section 427, the new section 422(b)(9), and section 475 of the Social Security Act.

Under the old section 427, Federal review of a State's foster care system consisted of two phases: (1) the administrative review, and (2) the survey of case records. The process was initiated when a State "self-certified" after determining that it was in compliance with the 18 protections outlined above. An administrative review was then conducted to determine if all policy and procedural sys-

tems necessary to implement the child protections were in place on a statewide basis.

If the State had fully implemented these administrative components, the review process proceeded to the case record survey stage. Three separate case record surveys were conducted in each State (an initial, subsequent, and triennial review) by a team composed of Federal and State personnel. Each of these reviews demanded a higher level of compliance, and a State had to pass the preceding review before moving to the next one. If a State was found out of compliance, HHS issued a disallowance against the State's allotment of incentive funds for the coming fiscal year. States could appeal the disallowance to the HHS Departmental Appeals Board.

According to HHS, virtually all funding disallowances occurred as a result of States not holding periodic reviews and dispositional hearings within the timeframe specified in the statute. Between 1981 and 1991, about \$21 million in disallowances were issued against 18 States and the District of Columbia.

#### FEDERAL FINANCIAL REVIEW PROCEDURES UNDER TITLE IV-E

In addition to the child protection reviews described above to assure compliance with section 427, HHS reviewed expenditures made under the Title IV-E Foster Care and Adoption Assistance Programs. The title IV-E statute requires, as a component of State plans, that States arrange for independent audits of their activities under both titles IV-B and IV-E at least once every 3 years. In addition, section 471(b) allows the Secretary of HHS to withhold or reduce payments to States upon finding that a State plan no longer complies with State plan requirements, or, in the State's administration of the plan, there is substantial failure to comply with its provisions. The Secretary must first provide reasonable notice and opportunity for a hearing.

In practice, the Secretary has disallowed expenditures for Federal reimbursement under title IV-E as a result of several review procedures, including audits conducted pursuant to section 471(a)(13). Disallowances may result from audits conducted by the HHS inspector general, regional office reviews of quarterly expenditure reports submitted by States as part of the claims reimbursement process, or Federal financial reviews. During fiscal year 1996, \$128 million in disallowances were issued against 7 States, compared with \$275 million in disallowances against 5 States in fiscal year 1995, and \$222 million in disallowances against 4 States in fiscal year 1994. Although the actions were taken in the years specified, the disallowed expenditures may have occurred in a prior year.

#### NEW CONFORMITY REVIEW SYSTEM UNDER PUBLIC LAW 103-432

In 1994, Congress enacted legislation (Public Law 103-432) adding a new section 1123 to the Social Security Act. This section establishes a child welfare conformity review system to replace the various title IV-B and IV-E review methods described above. This legislation also changes the enforcement mechanism for the child protection requirements originally contained in section 427. As mentioned earlier, States were required to comply with section 427

child protections in order to qualify for their full allotment of title IV-B funds. Effective for fiscal years beginning after April 1, 1996, however, this incentive funding mechanism is eliminated and States are instead required to comply with the child protections as a component of their State plans, under a new section 422(b)(9).

HHS is currently pilot-testing the new conformity review system. As of October 1997, a notice of proposed rulemaking was under review within HHS. In the interim, reviews are no longer being conducted under the old systems described above and disallowances are not being made. The new system is intended to be more comprehensive and streamlined, and to provide technical assistance in addition to financial penalties to help States comply with Federal requirements.

Specifically, Public Law 103-432 requires the new review system to determine whether State programs conducted under titles IV-B and IV-E are in substantial conformity with State plan requirements contained in Federal law, implementing regulations, and approved State plans. The system will provide for an initial review of each State program, a timely subsequent review of any program found to be out of substantial conformity, and less frequent reviews for States that are in substantial conformity. Federal regulations must specify the requirements subject to review and the criteria that will be used to measure conformity. The regulations also must specify a method for determining the amount of any Federal matching funds to be withheld due to a State's failure to substantially conform. States will be given an opportunity to develop and implement a corrective action plan, subject to Federal approval, and financial penalties may be suspended and ultimately rescinded if a State successfully completes the corrective action plan. States must be notified within 10 days after any determination that they are not in conformity, and may appeal the determination to the Departmental Appeals Board. Decisions of the Appeals Board may be subject to judicial review.

### **RECENT TRENDS AFFECTING CHILD WELFARE POPULATIONS AND PROGRAMS**

Data on social problems that are a common focus of child welfare services—such as incidence and causes of child abuse and neglect and trends in foster care caseloads—are sometimes used to show the need for both child protection and preventive services for families. Although these data do not represent the absolute number of children or families in need of services, they are often used to suggest trends in the need for services.

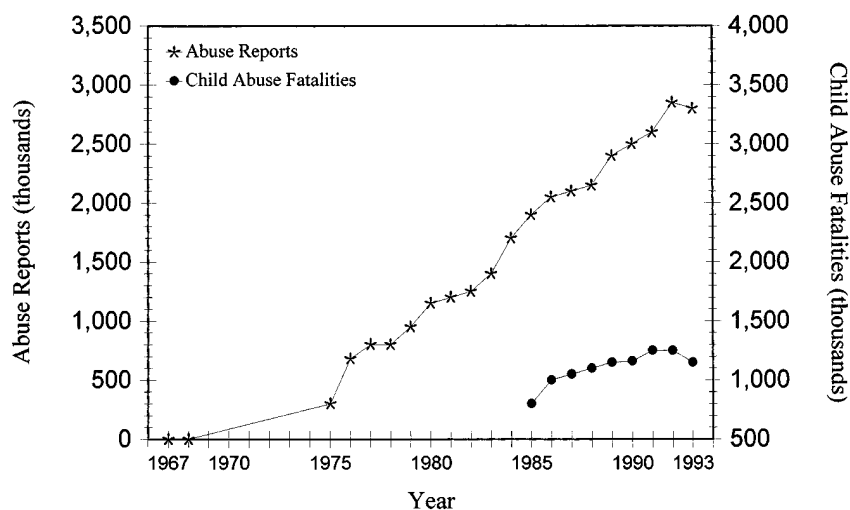
#### **CHILD ABUSE AND NEGLECT**

Between 1963 and 1967, every State and the District of Columbia enacted some form of child abuse and neglect reporting law. The model reporting law disseminated by the U.S. Children's Bureau facilitated the States' rapid adoption of these laws; after 1974 reporting laws were modified to conform to the standards established by the Child Abuse Prevention and Treatment Act of 1974 (CAPTA).

*Reporting of abuse and neglect*

The trend in child abuse and neglect reporting, in terms of numbers of reports and rates, has been one of steady growth with more than a fourfold increase in reporting between 1976 and 1996, although the rate of growth has slowed in the 1990s. In 1976, there were 669,000 child abuse and neglect reports received by the 50 States and the District of Columbia, for a rate of 10 per 1,000 children. By 1996, there were 3,126,000 children reported for maltreatment, for a rate of 47 per 1,000 children (see chart 11-1).

**CHART 11-1. REPORTS OF CHILD ABUSE AND NEGLECT AND CHILD FATALITIES, SELECTED YEARS**



Source: McCurdy and Daro (1993).

Increased reporting does not necessarily mean that there has been a corresponding increase in child abuse and neglect. As noted below, not all reports are substantiated. Increased reporting may be as much an indicator of how many cases of suspected abuse come to professional attention as an indicator of the true extent of child maltreatment. Public awareness campaigns, increased training of professionals, and increases in child protective service staff may result in more cases of child maltreatment coming to professional attention. On the other hand, researchers and professionals agree that even with more than 3 million reports, not all maltreated children are reported.

*Substantiated cases*

In 1996, 31 percent of the children reported were either substantiated or indicated as abused and neglected.<sup>2</sup> The remaining reports were either unsubstantiated, no finding was made, there was an unknown disposition, or some other disposition of the report was made. There has been a decline in the rate of substantiation of child maltreatment reports from 65 percent in 1976 to 31 percent in 1996 (McCurdy & Daro, 1993; Wang & Daro, 1997).

*Types of maltreatment*

In 1996, of the child victims for whom maltreatment was substantiated or indicated and for whom there were data on the type of maltreatment, 60 percent experienced neglect, 23 percent experienced physical abuse, 9 percent sexual abuse, 4 percent emotional abuse, and 5 percent other forms of maltreatment.

## CHILD ABUSE FATALITIES

The U.S. Advisory Board on Child Abuse and Neglect (1995) estimated that 2,000 children under the age of 18 are killed by parents or caretakers each year. The Board suggests that this is a low estimate. Philip McClain and his colleagues (1993) report that abuse and neglect kills 5.4 to 11.6 children per 100,000 children under 4 years of age (see chart 11-1).

## SUBSTANCE ABUSE

There is widespread belief that a significant portion of the increase in child abuse and neglect and foster care placements resulted from the introduction of crack cocaine during the mid-1980s. The availability of crack has been linked to the abuse of children of all ages. According to a 1990 publication by the House Committee on Ways and Means, New York City officials blame the introduction of crack for the threefold increase in that city's child abuse and neglect cases involving parental substance abuse between 1986 and 1988. Perhaps the biggest impact that crack has had on the child welfare system is the large increases in very young infants entering the foster care system at birth as a result of prenatal drug use, drug toxicity at birth, or abandonment at the time of birth in the hospital (boarder babies). Drug-exposed infants also often enter substitute care shortly after they are born as a result of a diagnosed failure to thrive or of parental abuse and neglect.

The National Association for Perinatal Addiction Research and Education estimated in 1988 that 11 percent of all pregnant women use illegal drugs. A 1990 General Accounting Office (GAO) study reported that the actual number of drug-exposed infants born each year is unknown, although the study noted that the two most widely cited estimates are 100,000 and 375,000. An HHS Office of the Inspector General (OIG) 1989 survey of 12 cities found that 30 to 50 percent of drug-exposed infants enter foster care. New York City reported a 268 percent increase between 1986 and 1989 in referrals

<sup>2</sup>Substantiated means that the allegation of maltreatment or risk of maltreatment is supported or founded on the basis of State law. Indicated means that maltreatment cannot be substantiated, but there is reason to believe that the child was maltreated or at risk of maltreatment (U.S. Department of Health and Human Services, 1996).



of drug-exposed infants to the child welfare system (Office of the Inspector General, 1990a).

More recently, the National Pregnancy and Health Survey, sponsored by the National Institute on Drug Abuse, surveyed a nationally representative sample of 2,613 women who delivered babies between October, 1992 and August, 1993. These survey results were used to estimate the drug, alcohol, and cigarette use of the approximately 4 million women who gave birth in the United States during 1992. The survey estimated that 221,000 or 5.5 percent of the women used some illicit drug during pregnancy. At some time during their pregnancy, 119,000 women, or 2.9 percent, reported using marijuana; 45,000 women, or 1.1 percent, used cocaine, and 34,800, or 0.9 percent, used crack. The survey also estimated that 757,000 women, or 18.8 percent, used alcohol and 820,000, or 20.4 percent, smoked cigarettes at some time during their pregnancy (National Institute on Drug Abuse, 1995).

Data from a five State foster care archive show how increasing numbers of drug-exposed infants are stretching State child welfare systems to their limits (Goerge, Wulczyn, & Harden, n.d.). Data for California, Illinois, Michigan, New York, and Texas indicate that the most striking change in the characteristics of children entering foster care in the mid to late 1980s was the increase in the number of infants who were admitted into care.

Researchers conducting the five State study divided the period from 1983 to 1992 into 3 periods: 1983–86 (the period before admissions began to surge); 1987–89 (the period of most rapid growth); and 1990–92 (when caseloads in several States began to decline). Between 1983 and 1986, about 16 percent of first admissions into foster care were of children younger than 1 year of age. By contrast, between 1987 and 1989 children under the age of 1 represented almost 23 percent of first admissions. Fortunately, the rate increased only slightly to 24 percent from 1990 to 1992.

Looking at individual States, researchers found that the proportion of infants entering foster care nearly doubled in New York, from 16 percent of first admissions in 1983–86 to 28 percent in 1990–92. Infants entering foster care in Illinois increased as a percentage of first admissions from 16 percent in 1983–86 to 28 percent in 1990–92, and in Michigan, from 17 percent to 20 percent during the same time periods.

This rise in infant admissions is likely to result in larger foster care caseloads in the future, regardless of whether overall admissions begin to decline. Researchers in the five State data archive found that infants who are placed in foster care tend to remain in care longer than children placed at older ages. Data for each of the five States indicated that duration of care generally decreased with age of placement.

Not only do younger children spend the longest time in foster care, but many children discharged from foster care eventually reenter care. During 1989, 15 percent of New York's admissions into foster care was comprised of children reentering care. A 1988 Illinois study by Mark Testa and Robert Goerge found that nearly 40 percent of the earliest cohorts of foster children that are reunified with their parents eventually reenter substitute care.

In a 1994 report, GAO reported that most of the young children who entered foster care in 1991 were prenatally exposed to drugs, and that 58 percent of young foster children had serious health-related problems, compared to 46 percent in 1986 (U.S. General Accounting Office, 1994). Young foster children at high risk for problems resulting from prenatal drug exposure increased from 29 percent in 1986 to 62 percent in 1991. Cocaine was the most prevalent drug that children were exposed to in both years. Documented prenatal cocaine exposure rose from 17 percent in 1986 to 55 percent in 1991.

#### TRENDS IN FOSTER CARE CASELOADS

The incidence of all children in the United States who are in foster care has increased from 3.9 per 1,000 in 1962 to an estimated 6.9 per 1,000 in 1996. The incidence of children in foster care increased slowly during the 1960s, climbed sharply in the 1970s, and then decreased until 1982. In fact, the incidence of children in foster care in 1982 was 3.9 per 1,000—exactly the same as twenty years earlier. However, since 1982, the incidence has risen steadily each year. In just 2 years between 1987 and 1989, the incidence rose from 4.5 per 1,000 to 5.7 per 1,000. The incidence has continued to rise to an estimated 6.9 per 1,000 on 1996, the most recent year for which data are available on the total number of children in foster care.

The number of children in federally assisted foster care has grown significantly in the years since funding first became available under AFDC in the early 1960s. The number grew from 1962 to 1976, then decreased from 1976 to 1983. Since 1983, the number of foster care children funded under title IV-E has increased steadily. In 1980, when title IV-E was first enacted, 33 percent of the total foster care population was funded under title IV-E. By 1996, this proportion increased to an estimated 53 percent (see table 11-14).

TABLE 11-14.—U.S. FOSTER CARE AND IV-E FOSTER CARE POPULATION, TOTAL AFDC CHILDREN, AND U.S. POPULATION AGES 0-18, 1962-2001

Year	U.S. foster care population (end of fiscal year) <sup>1</sup>	IV-E foster care children (average monthly number) <sup>2</sup>	Total AFDC children (average monthly number) <sup>3 6</sup>	U.S. foster children per 1,000 in U.S. population ages 0-18 <sup>4</sup>
1962 .....	272,000	989	2,781,000	3.9
1963 .....	276,000	2,308	2,921,000	3.9
1964 .....	287,000	4,081	3,075,000	4.0
1965 .....	300,000	5,623	3,243,000	4.1
1966 .....	309,400	7,385	3,369,000	4.2
1967 .....	309,600	8,030	3,558,000	4.2
1968 .....	316,200	8,500	4,013,000	4.3
1969 .....	320,000	16,750	4,591,000	4.3
1970 .....	326,000	34,450	5,494,000	4.4
1971 .....	330,400	57,075	6,963,000	4.5
1972 .....	319,800	71,118	7,698,000	4.4

TABLE 11-14.—U.S. FOSTER CARE AND IV-E FOSTER CARE POPULATION, TOTAL AFDC CHILDREN, AND U.S. POPULATION AGES 0-18, 1962-2001—Continued

Year	U.S. foster care population (end of fiscal year) <sup>1</sup>	IV-E foster care children (average monthly number) <sup>2</sup>	Total AFDC children (average monthly number) <sup>3 6</sup>	U.S. foster children per 1,000 in U.S. population ages 0-18 <sup>4</sup>
1973 .....	NA	84,097	7,965,000	NA
1974 .....	NA	90,000	7,824,000	NA
1975 .....	NA	106,869	7,928,000	NA
1976 .....	NA	114,962	8,156,000	NA
1977 .....	NA	110,494	7,818,000	NA
1978 .....	NA	106,504	7,475,000	NA
1979 .....	NA	103,771	7,193,000	NA
1980 .....	302,000	100,272	7,320,000	4.4
1981 .....	274,000	104,851	7,615,000	4.1
1982 .....	<sup>5</sup> 262,000	97,309	6,975,000	3.9
1983 .....	<sup>5</sup> 269,000	93,360	7,051,000	4.0
1984 .....	<sup>5</sup> 276,000	102,051	7,153,000	4.1
1985 .....	<sup>5</sup> 276,000	109,122	7,165,000	4.1
1986 .....	<sup>5</sup> 280,000	110,749	7,294,000	4.2
1987 .....	<sup>5</sup> 300,000	118,549	7,381,000	4.5
1988 .....	<sup>5</sup> 340,000	132,757	7,326,000	5.0
1989 .....	<sup>5</sup> 383,000	156,871	7,370,000	5.6
1990 .....	<sup>5</sup> 400,000	167,981	7,755,000	5.9
1991 .....	<sup>5</sup> 414,000	202,726	8,515,000	6.0
1992 .....	<sup>5</sup> 427,000	224,507	9,225,000	6.1
1993 .....	<sup>5</sup> 445,000	231,048	9,539,000	6.3
1994 .....	<sup>5</sup> 468,000	244,473	9,590,000	6.6
1995 .....	<sup>5</sup> 483,000	260,737	9,275,000	6.7
1996 (estimate) .....	<sup>5</sup> 502,000	266,977	8,673,000	6.9
1997 (estimate) .....	NA	285,000	NA	NA
1998 (estimate) .....	NA	296,400	NA	NA
1999 (estimate) .....	NA	308,300	NA	NA
2000 (estimate) .....	NA	320,600	NA	NA
2001 (estimate) .....	NA	333,400	NA	NA

<sup>1</sup>Data from Child Welfare Research Notes #8 (July 1984), published by Administration for Children, Youth, and Families at HHS. This note cites as sources of data for the foster care population: annual reports from 1962 to 1972 of the Children's Bureau and the National Center for Social Statistics, Social and Rehabilitation Services; National Study of Social Services to Children and their Families, published by ACYF in 1978, for 1977 data; and the Office of Civil Rights, HHS, report, "1980 Children and Youth Referral Survey: Public Welfare and Social Service Agencies" for 1980 data.

<sup>2</sup>Incomplete data based on voluntary reporting to the Department of Health, Education and Welfare, prior to 1975.

<sup>3</sup>Includes foster children 1971-81.

<sup>4</sup>Based on data from U.S. Census Bureau, Population Division, unpublished data (1962-80); U.S. Bureau of the Census, Current Population Reports, Series 1095 (1980-89), PPL-41 (1990-95), and 1130 (1996-2001).

<sup>5</sup>American Public Welfare Association.

<sup>6</sup>Effective in 1997, AFDC is repealed and replaced with a block grant to States.

NA—Not available.

Source: Compiled by staff of the House Committee on Ways and Means.

More detailed information is available on these trends from a number of State data systems. Currently, some of the most interesting data are from the multistate data archive mentioned above, in which California, Illinois, Michigan, New York and Texas are participating. According to the most recent report from the archive, a total of 208,011 children were in foster care in these 5 States as of December 31, 1993 (of which California and New York accounted for 70 percent) (Goerge, Wulczyn, & Harden, n.d.). The five State figure represented almost half of the nation's total number of foster children, as estimated by the American Public Welfare Association's voluntary data collection system.

All five States saw tremendous growth in their foster care populations during the period from 1983 to 1993. In fact, in every State except Michigan, the number of children in care had doubled during this period. Specific growth rates were: California, 154 percent; Illinois, 158 percent; Michigan, 67 percent; New York, 120 percent; and Texas, 123 percent. The most intense growth in the five States combined was between the years 1987-89, when the caseload grew by almost 40 percent. However, since then the growth rate in foster care caseloads has returned to the lower levels observed prior to 1987, except in Illinois and Texas. In Illinois, the foster care population grew by an additional 65 percent during the period from 1990 to 1993.

When researchers separated the primary urban area in each of the five States from the balance of the State, they determined that 75 percent of the caseload growth between 1983 and 1992 occurred in urban areas. New York City and Chicago were responsible for virtually all of the foster care caseload growth in New York State and Illinois. Both of these urban areas experienced a tripling of their foster care populations during the time period. Since 1990, the growth rate in New York City has slowed, but there has not been a similar decline in the Cook County growth rate.

Total caseload size is a function of both the number of children entering care (admissions) and the number of children leaving care (discharges). When examining admissions and discharges, researchers in the five State data archive found somewhat different patterns in each of the States. For example, the number of Illinois' admissions had been stable during the period from 1983 to 1986, but increased by 42 percent from 1987 to 1993. Throughout this entire period, the number of children discharged in Illinois stayed constant; therefore, the number of discharges did not offset the increase in admissions, resulting in overall growth in the total caseload.

In New York, both admissions and discharges grew from 1983 to 1985, but discharges somewhat outnumbered admissions so that overall caseload size declined slightly during that period. However, from 1985 to 1987, discharges decreased by almost 10 percent while admissions grew by 38 percent, resulting in significant caseload growth. Admissions grew by an additional 29 percent from 1987 to 1989. During this period, discharges also grew but only by 17 percent so that the overall caseload continued to increase. Since 1989, the number of admissions in New York has declined and discharges have grown, so that by 1993, the total size of the foster care population declined.

Texas and Michigan experienced growth in both their number of admissions and discharges during the decade from 1983 to 1993. However, admissions exceeded discharges in both States during most of the period, resulting in overall growth. Michigan saw a slight decrease in its caseload in 1992 and 1993. In California, admissions declined in 1990 and 1991 and have since increased, along with the overall caseload.

Researchers in the five State data archive also examined the length of time children stayed in foster care and found that, for children placed between 1988 and 1993, the median duration was almost 3 years (34.8 months) in Illinois, 2 years in New York, 1½ years in California, 1 year in Michigan, and almost 9 months in Texas. However, certain groups are more likely to stay in care longer. Specifically, children from urban areas in four of the five States had significantly longer durations and black children in four of the five States stayed longer than all other racial or ethnic groups. Further, children placed as infants generally stayed in care longer than older children.

#### INCREASE IN "KINSHIP" CARE

In recent years, States appear to have increased their use of "kinship" foster care in which foster children are placed with their own relatives. Little reliable national data are available to document this trend, but some State reporting systems and national surveys support the conclusion that kinship care is growing.

In its annual survey of State foster care reimbursement rates, the American Public Welfare Association (APWA) asked a series of questions about kinship care in late 1992. While many States could not distinguish relative placements from other foster care placements, at least 26 States indicated that they had experienced an increase in their use of kinship care during the previous 3 years.

Children placed with relatives grew from 18 percent to 31 percent of the total foster care caseload during the period from 1986 through 1990 in 25 States that supplied information to the Inspector General of HHS (Office of Inspector General, 1992). This percentage increase is especially notable because it occurred during a period of rapid overall caseload growth. Kinship care is growing most rapidly in urban areas; for example, almost half of New York City's foster care population is children in kinship care. It appears that most of the recent growth in foster care in some parts of the country may actually have been growth in kinship care.

State policies and practices governing the implementation of Federal programs vary widely. Particularly with regard to kinship families, these differences in State policies have a direct impact on family income and Federal costs. For example, eligibility for federally subsidized foster care payments is limited to licensed foster care providers. However, some States routinely license relatives as foster care providers, making them eligible for Federal foster care subsidies, while other States do not usually license relatives, leaving them eligible only for welfare payments, which are usually lower than foster care subsidies.

Recent studies on children in kinship care suggest that children placed with relatives are similar in many respects to children in traditional foster care (Berrick, Barth & Needell, 1992; Dubowitz,

Feigelman & Zuravin, 1993). One difference found in both studies was racial composition; children in kinship care were more likely to be black than foster children living with nonrelatives. Further, children placed with relatives tend to remain in care longer than children placed in nonrelative foster care.

HHS released a report on kinship care in June 1997 that had been prepared by the Urban Institute and Chapin Hall Center for Children at the University of Chicago (U.S. Department of Health and Human Services, 1997). The report confirmed that the kinship care population is growing nationwide, but not among all groups. Researchers found no evidence of any increase in kinship care among white non-Hispanic children in recent years, and said that all of the observed growth had occurred among white Hispanic and nonwhite children. African-American children are the most likely to live in kinship care settings. Kinship care also is more prevalent in the South, among nonurban children, and for older children.

The report also found that two-thirds of kinship care givers are grandparents, about half are married, and more than 85 percent of single kinship care givers are female. Kinship care givers are generally older than parents who live with their own children, are less educated, and are more likely to be unemployed, poor, and to receive government benefits.

In California, Illinois, New York and Missouri, informal kinship care is far more common than formal foster care placements with relatives. Less than 16 percent of kinship children in the four States combined were in formal kinship care placements. Younger children were more likely than older children to be in formal kinship care.

#### FAMILY PRESERVATION PROGRAMS

In response to the rising foster care caseloads of the late 1980s, States have shown great interest in family preservation services, which are intended to prevent the need to remove children from families where child abuse or neglect has been identified. In particular, interest has developed in recent years in "intensive" family preservation services, which differ from traditional services in several important ways. First, the services are intensive. That means that caseworkers provide services to families as many as three to five times each week. The services are available at any time of day or week. Caseworkers have much smaller caseloads than traditional child welfare caseworkers, often only 2 or 3 families as compared with as many as 60 families. Intensive family preservation services are provided for a limited period of time, usually between 6 and as many as 30 weeks. They are designed to identify and work with family strengths so that, for example, if a family had a strong network of relatives, caseworkers would use this network to help with family stressors or crises.

The initial evaluations of intensive family preservation services were generally enthusiastic. The programs were claimed to have reduced placement of children, while at the same time assuring the children's safety. Foundation program officers and program administrators claimed that families receiving intensive family preservation services had low rates of placement and "100 percent safety records" (Barthel, 1991; Forsythe, 1992). However, there were

major methodological and design limitations of these early evaluations. The vast majority of evaluations either employed no control or comparison group, or used a comparison group that was not an appropriate match for the group receiving treatment. Moreover, there were questions raised about whether "placement avoidance" was the appropriate outcome measure for the evaluations. Peter Rossi cautioned that placement avoidance was not the proper outcome variable, since it was itself the treatment. In his 1992 review, Rossi concluded that the evaluation studies did not convincingly demonstrate that intensive family preservation services reduced placement rates or reduced child welfare costs (Rossi, 1992).

There have been at least 46 evaluations of Intensive Family Preservation Programs, of one form or another (Heneghan, Horwitz & Leventhal, 1996; Lindsey, 1994). Of these 46 evaluations and of 802 published articles on intensive family preservation, only 10 studies actually evaluated an Intensive Family Preservation Program, included outcome data in the report, and used a control group. In California, New Jersey, and Illinois, the studies had large samples and randomized control groups, thus allowing for a rigorous evaluation. In all three studies, there were either small or insignificant differences between the group receiving intensive family preservation services and the group receiving traditional casework services. Even in terms of placement avoidance, there were no differences between the two groups, thus suggesting that earlier claims that Intensive Family Preservation Programs were successful in reducing placement obtained those results because of the low overall rate of placement in child welfare agencies. These results also point to how difficult it is for caseworkers to accurately classify a family as at high risk of being placed, since 80–90 percent of the children in the control groups were not placed.

In 1993, Congress authorized Federal funding for family preservation and family support services under a new subpart 2 of title IV-B of the Social Security Act, and directed HHS to evaluate these activities. This evaluation, conducted by Westat, the Chapin Hall Center for Children, and James Bell Associates, will examine a range of family preservation and family reunification activities at a number of sites across the country. The study is scheduled for completion in 1999, and will use a randomized trial design with a variety of outcome measures, including placement, cost, and family functioning. As part of this national evaluation, the contractors prepared a literature review of existing research on Family Preservation and Family Reunification Programs, which found little solid evidence that programs designed to prevent child removal have actually achieved this goal (U.S. Department of Health and Human Services, 1995). Nonexperimental studies have produced misleading results, and the few controlled studies that have been conducted have produced mixed findings. The research also indicated that family preservation services have very modest effects on child and family functioning, although the contractors suggested that it would be unrealistic to expect dramatic results in this area, given the scope of problems facing child welfare clients and the short-term nature of family preservation services.

## NATIONAL DATA ON FOSTER CARE AND ADOPTION ASSISTANCE

The primary source of national data on foster care, until recently, has been the Voluntary Cooperative Information System (VCIS) conducted by the American Public Welfare Association (APWA). This voluntary survey was begun by APWA with support from HHS in 1982. Detailed VCIS data are available for fiscal years 1982–90 (Tatara, 1993). In addition, data are available from the VCIS on the total numbers of children in care through fiscal year 1995 and rough estimates are available for 1996.

For fiscal year 1990, 41 States and Puerto Rico responded to the voluntary survey. However, not all States and jurisdictions were able to respond to every question in the survey; therefore, the data are incomplete for many items, and, according to APWA, should be considered “rough” national estimates. It also should be noted that definitions of some terms varied and that reporting periods were not identical among States.

The VCIS contains information on all children in substitute care under the management and responsibility of the State child welfare agency, including: foster family care (relative and nonrelative), group homes, residential child care facilities, emergency shelter care, supervised independent living, nonfinalized adoptive placements, and any other arrangement considered 24-hour substitute care by the State agency. No distinctions are made among these different forms of substitute care. Finalized adoptions are not included in the VCIS data.

As a result of Federal legislation enacted in 1986, States now are required to participate in a mandatory data collection system known as the Adoption and Foster Care Analysis and Reporting System (AFCARS). Once fully operational, AFCARS will replace the VCIS. Currently, limited data are available from AFCARS from fewer than half the States. All States must be in compliance with AFCARS by October 1997 or they will face financial penalties. AFCARS requires States to collect and submit to HHS key information on all children in foster care, and on adoptions when the State child welfare agency was involved in the placement or financial support of the adopted child. The legislative history and development of this data collection system are described later in this section.

*Number of children in substitute care*

The following table shows the number of children in substitute care, by year, based on VCIS data collected by APWA. These numbers indicate dramatic increases starting in the second half of the 1980s, from 270,000 children at the end of 1985 to 483,000 children by the end of 1995 (see table 11–15). This trend is also illustrated in chart 11–2. APWA has further calculated 502,000 as a rough national estimate for the number of children in foster care at the end of 1996. In addition to the number of children reported as being in care on the first and last days of the fiscal year, the numbers of children who entered and left care during the year and a cumulative total number of children served throughout the year also were estimated by APWA, as shown below.

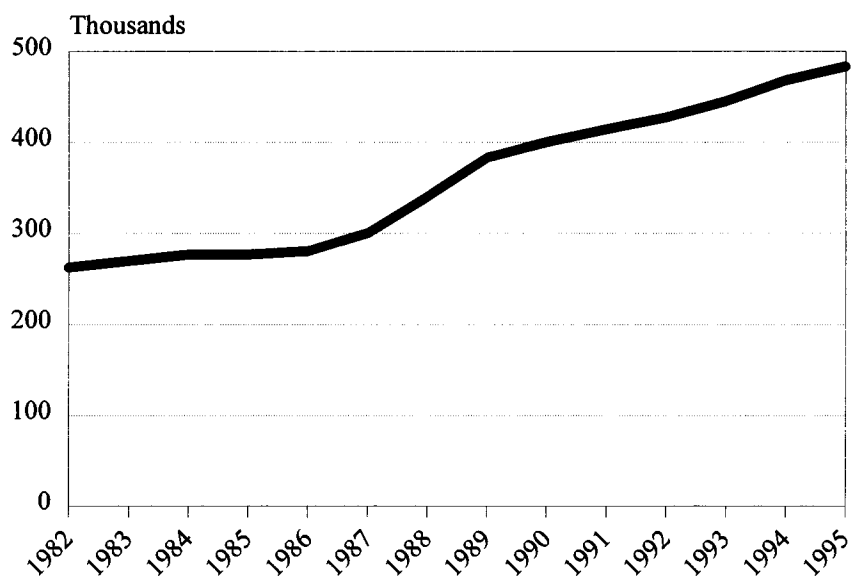


TABLE 11-15.—NUMBER AND MOVEMENT OF SUBSTITUTE CARE CHILDREN, 1982-95

Year	Start of year	Entered care	Total served	Left care	End of year
1982	273,000	161,000	434,000	172,000	262,000
1983	263,000	184,000	447,000	178,000	269,000
1984	272,000	184,000	456,000	180,000	276,000
1985	270,000	190,000	460,000	184,000	276,000
1986	273,000	183,000	456,000	176,000	280,000
1987	280,000	222,000	502,000	202,000	300,000
1988	312,000	199,000	511,000	171,000	340,000
1989	347,000	222,000	565,000	182,000	383,000
1990	379,000	238,000	617,000	217,000	400,000
1991	400,000	224,000	624,000	210,000	414,000
1992	414,000	238,000	652,000	225,000	427,000
1993	427,000	230,000	657,000	212,000	445,000
1994	444,000	254,000	698,000	230,000	468,000
1995	455,000	255,000	710,000	227,000	483,000

Source: American Public Welfare Association.

CHART 11-2. CHILDREN IN SUBSTITUTE CARE, END OF YEAR



Source: American Public Welfare Association.

Under AFCARS, States are required to submit data reports twice yearly. Data from the fourth reporting period (April 1, 1996, through September 30, 1996), are included in some of the following tables. For this reporting period, a total of 38 States submitted foster care data; however, the reports of up to 22 States were excluded from each table, because of data quality issues or requests from the States not to have their data included. A total of 33 States submit-

ted adoption data; the reports of up to 17 States were excluded from each adoption table. HHS cautions that many States extracted their data from old information systems or new systems that were still under development, and that differing State policies may also affect the way information is categorized and reported. In addition, data on children exiting care are particularly sensitive to undercounts because of delays associated with entering information into the data collection systems. The complete set of tables for the fourth reporting period and previous periods are available at the following web site: <http://www.acf.dhhs.gov/programs/cb/stats>.

Table 11-16 shows the number of foster children by State, including the percent male and female, for the jurisdictions that submitted data under AFCARS that met HHS' selection criteria.

TABLE 11-16.—CHILDREN IN FOSTER CARE AS OF SEPTEMBER 30, 1996 BY STATE AND GENDER

State	Number	In percent	
		Males	Females
Alaska .....	1,310	60	40
Arkansas .....	1,745	50	50
California .....	102,963	51	49
Idaho .....	937	48	52
Illinois .....	53,493	50	50
Louisiana .....	6,016	49	51
Maine .....	2,546	47	53
Massachusetts .....	14,617	51	49
Mississippi .....	2,901	48	52
New Jersey .....	7,591	53	47
North Carolina .....	11,468	51	49
Oklahoma .....	4,118	50	50
Puerto Rico .....	1,659	51	49
Rhode Island .....	3,099	57	43
South Carolina .....	6,492	49	51
Utah .....	2,034	51	49
Vermont .....	1,782	55	45
Washington .....	10,313	51	49
Total .....	235,084	51	49

Source: U.S. Department of Health and Human Services

Table 11-17 lists the average monthly number of children in foster care who received Federal funding under title IV-E for the years 1986, 1990, 1994, and 1996. These figures are lower than VCIS and AFCARS estimates of the total number of children in foster care because they do not include the substantial number of children who were not eligible for Federal funding (primarily because they were not from AFDC-eligible homes).

TABLE 11-17.—TITLE IV-E FOSTER CARE AVERAGE MONTHLY NUMBER OF CHILDREN,  
SELECTED FISCAL YEARS 1986-96

State	Fiscal year				Percent change	
	1986	1990	1994	1996	1990-96	1986-96
Alabama .....	1,450	965	957	977	1	- 33
Alaska .....	8	347	271	291	- 16	3,538
Arizona .....	481	866	2,697	3,181	268	561
Arkansas .....	434	323	773	995	208	129
California .....	23,901	40,286	52,646	61,805	53	159
Colorado .....	1,440	2,011	2,274	2,709	35	88
Connecticut .....	1,104	2,006	1,971	3,667	83	232
Delaware .....	289	125	221	334	168	16
District of Columbia .....	928	593	1,248	1,405	137	51
Florida .....	1,374	3,454	4,070	6,147	78	347
Georgia .....	1,893	2,647	3,426	3,945	49	108
Hawaii .....	46	41	530	1,017	2,365	2,111
Idaho .....	435	138	280	334	142	- 23
Illinois .....	4,378	9,340	16,808	25,225	170	476
Indiana .....	1,310	1,822	3,123	4,766	162	264
Iowa .....	940	1,189	1,547	1,881	58	100
Kansas .....	1,076	1,113	1,326	1,060	- 5	- 1
Kentucky .....	1,613	1,536	1,928	2,603	69	61
Louisiana .....	2,274	2,618	2,792	3,034	16	33
Maine .....	655	774	1,126	1,399	81	114
Maryland .....	1,511	803	3,553	3,861	381	156
Massachusetts .....	1,018	3,695	12,223	9,335	153	817
Michigan .....	6,823	8,218	8,244	8,897	8	30
Minnesota .....	1,574	2,100	3,063	3,696	76	135
Mississippi .....	627	723	836	917	27	46
Missouri .....	2,114	2,410	4,421	4,826	100	128
Montana .....	281	364	615	730	101	160
Nebraska .....	799	1,036	1,170	1,458	41	82
Nevada .....	222	462	696	657	42	196
New Hampshire .....	249	414	532	577	39	132
New Jersey .....	3,840	2,816	3,715	4,749	69	24
New Mexico .....	601	729	719	764	5	27
New York .....	17,188	31,036	51,310	44,082	42	156
North Carolina .....	1,411	3,561	3,550	4,437	25	214
North Dakota .....	256	308	528	478	55	87
Ohio .....	4,166	5,164	6,358	7,017	36	68
Oklahoma .....	885	894	1,447	1,658	86	87
Oregon .....	1,313	2,218	2,155	2,752	24	110
Pennsylvania .....	7,058	8,823	14,346	13,763	56	95
Rhode Island .....	434	433	670	846	95	95
South Carolina .....	946	1,209	1,364	1,726	43	82
South Dakota .....	302	219	196	200	- 9	- 34
Tennessee .....	1,031	1,876	5,150	2,233	19	117
Texas .....	2,917	3,595	5,461	6,034	68	107
Utah .....	283	385	515	751	95	165
Vermont .....	500	860	907	1,054	23	111
Virginia .....	1,795	1,878	2,335	2,842	51	58
Washington .....	983	2,751	1,989	1,997	- 27	103

TABLE 11-17.—TITLE IV-E FOSTER CARE AVERAGE MONTHLY NUMBER OF CHILDREN, SELECTED FISCAL YEARS 1986-96—Continued

State	Fiscal year				Percent change	
	1986	1990	1994	1996	1990-96	1986-96
West Virginia .....	759	1,166	1,515	3,095	165	308
Wisconsin .....	2,620	5,562	4,780	4,640	-17	77
Wyoming .....	53	85	96	130	52	145
Totals .....	110,586	167,981	244,473	266,977		

Source: U.S. Department of Health and Human Services.

#### CHARACTERISTICS OF CHILDREN IN SUBSTITUTE CARE

Much of the demographic data collected on children in substitute care through the VCIS reflect three different groupings: children entering care during the study period (i.e., fiscal year 1990), all children remaining in care at the end of the period, and children who left care during the period. AFCARS data reported below reflect children in foster care as of September 30, 1996.

#### Age

Table 11-18 shows the age breakdown of children entering care, in care, and leaving care during fiscal year 1990. APWA's analysis of these data with comparable information from previous years shows gradual increases in the percentages of younger children entering foster care from fiscal year 1982 through fiscal year 1990.

TABLE 11-18.—AGES OF CHILDREN ENTERING, IN, AND LEAVING SUBSTITUTE CARE, FISCAL YEAR 1990

[In percent]

Age range	Entering	In care	Leaving
Under 1 year .....	16.1	4.9	5.2
1-5 years .....	26.1	31.1	26.5
6-12 years .....	26.2	32.3	25.6
13-18 years .....	31.1	29.7	39.3
19 years and older .....	0.4	1.7	3.2
Age unknown .....	0.1	0.3	0.02
Median age (years) .....	7.8	8.6	10.3
Number of States reporting .....	22	23	23

Source: American Public Welfare Association.

Table 11-19 shows the age breakdown in 1996 in the 18 jurisdictions that submitted useable data to HHS under the new AFCARS system.

TABLE 11-19.—CHILDREN IN FOSTER CARE AS OF SEPTEMBER 30, 1996, BY SELECTED STATE AND AGE

State	Number	Age distribution						Mean years	Median years
		In percent							
		Under 1 year	1-5 years	6-10 years	11-15 years	16-18 years	19 years and older		
Alaska .....	1,311	4	20	18	30	28	.....	11.20	13.29
Arkansas .....	1,744	3	24	23	31	18	1	10.34	10.94
California .....	102,902	4	29	28	26	13	.....	9.27	8.99
Idaho .....	934	3	29	27	28	12	1	9.32	9.12
Illinois .....	53,392	4	32	28	22	11	3	9.03	8.33
Louisiana .....	6,016	3	27	28	30	12	.....	9.50	9.57
Maine .....	2,545	2	22	27	30	17	2	10.53	10.64
Massachusetts .....	14,671	3	25	25	30	17	1	10.14	10.36
Mississippi .....	2,880	3	28	28	27	12	2	9.63	9.38
New Jersey .....	7,584	7	32	22	24	14	1	8.84	8.22
North Carolina .....	11,384	4	29	26	27	13	1	9.38	9.08
Oklahoma .....	4,115	4	31	29	25	10	.....	8.73	8.28
Puerto Rico .....	1,653	6	32	30	24	7	1	8.28	7.92
Rhode Island .....	3,081	5	24	18	24	25	5	10.93	11.86
South Carolina .....	6,473	4	27	24	27	16	1	9.76	9.91
Utah .....	2,035	4	21	23	33	18	1	10.56	11.43
Vermont .....	1,471	1	13	17	37	30	3	12.71	14.39
Washington .....	10,273	5	32	25	24	12	1	8.94	8.38
Total .....	234,464	4	29	27	26	13	1	9.51	9.2

Source: U.S. Department of Health and Human Services

*Race/ethnicity*

Black children are significantly overrepresented in the foster care population. Table 11-20 indicates the racial composition of children who entered substitute care during fiscal year 1990, who were in care at the end of fiscal year 1990, and who left substitute care during fiscal year 1990. These data indicate that white children made up almost half of the children who entered and left foster care in 1990, while black children comprised less than third of these children. However, among children who remained in care at the end of 1990, black children slightly outnumbered white children. APWA has additional data from 38 States on the racial composition of children who remained in foster care at the end of 1995, (see table 11-21; Tatara, 1997). These data indicate that the proportion of white children in foster care has decreased, and that African-American and Hispanic children now comprise more than half of the children in care.

TABLE 11-20.—RACE/ETHNICITY OF CHILDREN ENTERING, IN, AND LEAVING CARE,  
FISCAL YEAR 1990

[In percent]

Race/ethnicity	Entering	In care	Leaving
White .....	47.2	39.3	49.9
Black .....	30.8	40.4	29.4
Hispanic .....	13.7	11.8	12.8
Other .....	4.6	4.3	4.7
Unknown .....	3.7	4.2	3.2
Number of States reporting .....	23	31	25

Note.—According to the Census Bureau, in 1990 whites were 75.6 percent of the population, blacks were 11.8 percent, and Hispanics were 9.0 percent.

Source: American Public Welfare Association.

TABLE 11-21.—RACE/ETHNICITY OF CHILDREN IN CARE, FISCAL YEAR 1995

Race/ethnicity	Percent
African-American .....	45.1
White .....	36.5
Hispanic .....	11.3
Unknown .....	2.3
Other .....	2.2
American Indian/Alaskan Native .....	1.6
Asian/Pacific Islander .....	1.0

Source: American Public Welfare Association.

Table 11-22 shows the racial composition of foster children in care at the end of 1994 in the 18 jurisdictions that submitted data to HHS under AFCARS.

#### *Disability/health status*

Based on reports from 16 States, APWA found that 13 percent of children in substitute care at the end of fiscal year 1990 had one or more disabling conditions.

TABLE 11-22.—CHILDREN IN FOSTER CARE AS OF SEPTEMBER 30, 1996, BY STATE AND RACE/ETHNICITY, IN PERCENT

State	Number	Non-Hispanic					Unable to de- termine	Total
		Hispanic	White	Black	Asian/PI	A/AN		
Alaska .....	1,311	3	47	11	1	43	3	100
Arkansas .....	1,745	1	59	39	.....	.....	1	100
California .....	103,009	26	35	35	2	1	.....	100
Idaho .....	937	.....	88	2	.....	3	8	100
Illinois .....	53,493	4	17	78	.....	.....	1	100
Louisiana .....	6,016	1	32	67	.....	.....	1	100
Maine .....	2,546	1	95	2	.....	2	.....	100
Massachusetts .....	14,368	20	52	24	1	.....	3	100
Mississippi .....	2,968	1	38	56	1	.....	3	100
New Jersey .....	7,591	10	23	65	.....	.....	2	100
North Carolina .....	11,468	.....	43	54	.....	2	1	100
Oklahoma .....	4,098	2	54	26	.....	16	2	100
Puerto Rico .....	1,659	100	.....	.....	.....	.....	.....	100
Rhode Island .....	3,099	13	54	24	2	1	6	100
South Carolina .....	6,492	.....	36	62	.....	.....	2	100
Utah .....	2,035	12	75	4	.....	6	2	100
Vermont .....	1,782	1	96	2	1	.....	.....	100
Washington .....	10,321	6	62	17	2	13	.....	100
<b>Total</b> .....	<b>234,938</b>	<b>15</b>	<b>35</b>	<b>46</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>100</b>

Source: U.S. Department of Health and Human Services.

## REASONS FOR PLACEMENT IN SUBSTITUTE CARE

For fiscal year 1990, the VCIS data report the reasons children were placed in substitute care in 19 States. The majority of children—71.1 percent—were placed in substitute care either for their protection or because their parent was unable or unavailable to care for them (table 11–23).

TABLE 11–23.—REASONS CHILDREN ENTERED SUBSTITUTE CARE, FISCAL YEAR 1990

	Percent
Protective service .....	50.2
Parent condition or absence .....	20.9
Status offense/delinquent .....	11.3
Relinquishment of parental rights .....	0.8
Handicap of child .....	1.9
Other .....	12.5
Unknown .....	2.4

Source: American Public Welfare Association.

## PERMANENCY GOALS

Table 11–24 indicates the permanency planning goals for substitute care children in fiscal year 1990, according to reports from 26 States. As the table shows, family reunification was the permanency goal for more than half the children in care.

TABLE 11–24.—PERMANENCY PLANNING GOALS FOR CHILDREN IN CARE, FISCAL YEAR 1990

	Percent
Family reunification .....	60.1
Long-term foster care .....	12.0
Adoption .....	15.1
Independent living .....	5.2
Guardianship .....	3.1
Care and protection in substitute care .....	2.2
Unknown .....	2.3

Source: American Public Welfare Association.

Comparing the data in table 11–24 with earlier years shows a significant increase in family reunification as a permanency goal. Family reunification was the goal for 39.2 percent of children in fiscal year 1982, according to VCIS data, compared with 60.1 percent of substitute care children in fiscal year 1990.

Table 11–25 indicates permanency planning goals for children in foster care as of September 30, 1996, in States submitting data included in AFCARS. In these States, family reunification was the goal for 54 percent of the children. However, unlike VCIS, AFCARS shows “live with relatives” separately from family reunification, and this was the goal for another 6 percent of the children.



TABLE 11-25.—MOST RECENT PERMANENCY GOAL FOR CHILDREN IN CARE ON SEPTEMBER 30, 1996

[In percent; 283,679 total cases]

State	Reunify	Live with relatives	Adoption	Long-term foster care	Emancipation	Guardianship	Not yet established
Alaska <sup>1</sup>	88	2	4	1	1	3	1
Arizona <sup>2</sup>	59	8	19	9	5		
Arkansas	75	3	9	6	7		
California <sup>3</sup>	62	.....	8	21	1	8	
Florida <sup>4</sup>	69	2	18	9	2		
Georgia <sup>5</sup>	61	5	17	11	4	1	1
Illinois <sup>6</sup>	27	21	27	.....	10	15	
Louisiana	55	6	17	17	4		
Maine	55	.....	21	7	18		
Massachusetts <sup>7</sup>	44	.....	29	11	7	5	3
Mississippi	42	29	20	5	4	1	
New Jersey	52	9	29	8	3		
North Carolina	41	11	20	14	3	.....	11
Oklahoma <sup>8</sup>	56	4	18	16	6		
Puerto Rico	53	13	15	13	4	1	1
South Dakota	60	.....	11	9	1	3	16
Tennessee <sup>9</sup>	67	1	6	4	3	.....	20
Utah	61	.....	20	15	4		
Vermont	20	3	12	13	11	1	40
Washington	61	3	15	6	1	5	10
<b>Total</b>	<b>54</b>	<b>6</b>	<b>16</b>	<b>12</b>	<b>4</b>	<b>6</b>	<b>2</b>

<sup>1</sup> Data may include juvenile justice children not defined by the AFCARS population. Data were extracted from an outdated (legacy) information system which is being replaced. Therefore, one should exercise caution in using the data.

<sup>2</sup> Arizona is currently reviewing its data extraction methodology for probable changes.

<sup>3</sup> California has estimated that 5 percent of their AFCARS population are juvenile justice children on supervised probation.

<sup>4</sup> Florida extracted case records based on actual dates in care. Florida's placement records for children in "relative" home settings are selected based on the child's living arrangement at the date of extraction since history is not available; these values could vary from those during the reporting period. Florida's code for custody on a permanent basis to a foster parent is coded as long-term foster care; relative and nonrelative care (short term) and guardianship cannot be distinguished from reunification.

<sup>5</sup> Georgia went online with a new information system 2 months into the AFCARS reporting period (April 1, 1996 through September 30, 1996) the period from which the table's data are based. Georgia's AFCARS submission for the period includes 2 months of data from their "old" reporting system and 4 months of data from their "new" system. Due to the mix of data, "old and new" and the learning process experienced by county staff in utilizing their new system, one should exercise caution in using the data. Subsequent submissions (all from the "new" system) are expected to more accurately reflect activity in Georgia's child welfare system.

<sup>6</sup> The lack of any responses to the case plan goal "long-term foster care" and "case plan goal not yet established" is due to technical difficulties which Illinois is currently rectifying.

<sup>7</sup> Massachusetts indicated that their AFCARS population does not include any children in the juvenile justice system. Massachusetts extracted case records based on actual dates in care.

<sup>8</sup> Oklahoma indicated that its higher than expected number of missing cases is due to its information system and is instituting additional quality assurance features to rectify the problem.

<sup>9</sup> Tennessee extracted case records based on actual dates in care.

Source: U.S. Department of Health and Human Services.

## LIVING ARRANGEMENTS OF CHILDREN IN SUBSTITUTE CARE

The VCIS data for fiscal year 1990 contain information on the living arrangements of substitute care children in 28 States. Table 11-26 shows that the majority of substitute care children were living in foster family homes, although a significant percentage were living in either group homes, residential treatment centers, or emergency shelters. Table 11-27 shows current living arrangements for children who were in foster care as of September 30, 1996, in those States whose data were included in AFCARS. Unlike VCIS, AFCARS distinguishes between foster placements with relatives and those with nonrelatives. According to these data, more than a third (37 percent) of foster children in these States were actually living with relatives, while 42 percent were in foster homes with nonrelatives.

TABLE 11-26.—LIVING ARRANGEMENTS OF CHILDREN IN CARE, FISCAL YEAR 1990

	Percent
Foster family homes .....	74.5
Nonfinalized adoptions .....	2.7
Group homes/residential treatment/emergency shelters .....	16.4
Independent living .....	0.5
Other .....	5.6
Unknown .....	0.3

Source: American Public Welfare Association.

## NUMBER AND DURATION OF PLACEMENTS WHILE IN FOSTER CARE

The VCIS collected data on the number of placements during the preceding 3 years experienced by children in care at the end of fiscal year 1990. More than half the children in care at the end of fiscal year 1990 had experienced more than one placement, according to data from 15 States (table 11-28).

A comparison of these data with data from previous years suggests a trend toward more multiple placements between fiscal years 1982 and 1990. Specifically, a total of 43.1 percent of children in care at the end of fiscal year 1982 had been in more than one placement, compared with 57.2 percent at the end of 1990.

Table 11-29 indicates the length of time in continuous care experienced by children who remained in care at the end of 1990. A comparison with 1982 data on length of stay for children remaining in care at the end of the year indicates that the percentage of children in care for 5 or more years had decreased from 18.2 to 10.2 percent, and the percentage of children in care 6 months or less was somewhat less in 1990 than it was in 1982 (21.7 percent). Table 11-30 shows length of stay data for children in foster care on September 30, 1996, in those States whose data were included in the AFCARS reports. These data suggest that the percentage of children in care for 5 or more years has increased since 1990. As the table shows, 18 percent of children in foster care in the States listed had been in care for 5 years or longer.

TABLE 11-27.—CURRENT LIVING ARRANGEMENT OF CHILDREN IN CARE ON SEPTEMBER 30, 1996

[In percent; 283,679 total cases]

State	Preadopt home	Foster (relative)	Foster (nonrelative)	Group home	Institution	Indep. living	Runaway	Trial home visit
Alaska <sup>1</sup>	1	14	31	8	16	.....	2	28
Arizona <sup>2</sup>	14	21	43	8	15	.....	1	1
Arkansas	3	12	64	8	9	1	1	1
California <sup>3</sup>	.....	43	35	21	1	.....	.....	.....
Florida <sup>4</sup>	5	50	37	6	1	1	1	1
Georgia <sup>5</sup>	4	24	59	5	5	.....	1	2
Illinois <sup>6</sup>	1	52	33	1	7	2	2	4
Louisiana <sup>7</sup>	.....	13	70	5	7	.....	1	4
Maine	3	5	62	1	19	4	1	1
Massachusetts <sup>8</sup>	6	16	48	12	1	1	3	13
Mississippi	2	24	48	18	5	.....	.....	4
New Jersey	2	2	72	10	12	2	.....	.....
North Carolina	6	19	50	6	9	.....	5	5
Oklahoma	1	9	77	4	7	.....	1	1
Puerto Rico	1	36	50	1	7	1	.....	2
South Dakota	.....	18	69	.....	13	.....	.....	.....
Tennessee <sup>9</sup>	.....	18	56	.....	.....	.....	.....	26
Utah	4	2	59	24	2	2	2	5
Vermont	3	16	47	13	5	11	.....	5
Washington <sup>10</sup>	1	24	66	6	2	.....	1	.....
Total	2	37	42	11	4	1	1	2

<sup>1</sup>Data may include juvenile justice children not defined by the AFCARS population. Data were extracted from an outdated (legacy) information system which is being replaced. Therefore, one should exercise caution in using the data.

<sup>2</sup>Arizona is currently reviewing its data extraction methodology for probable changes.

- <sup>3</sup> California has estimated that 5 percent of their AFCARS population are juvenile justice children on supervised probation.
- <sup>4</sup> Florida extracted case records based on actual dates in care. Florida's placement records for children in "relative" home settings are selected based on the child's living arrangement at the date of extraction since history is not available; these values could vary from those during the reporting period. Relatives licensed as foster or shelter parents cannot be distinguished, therefore all family home settings are coded as nonrelative. Trial home visits are not captured by the State's information system. Delinquency, alcohol, drug abuse and mental health residential programs are coded as institutions because the majority would meet that definition although a few would qualify as group homes; hospitals are coded as institutions.
- <sup>5</sup> The missing cases (1,865) are due to a logistics issue in that counties are not required to enter data about placement type if they are legally responsible for the child but the child is not placed in their county. This practice has been eliminated and the county legally responsible for the child enters placement data. Georgia went online with a new information system 2 months into the AFCARS reporting period (April 1, 1996 through September 30, 1996) the period from which the table's data are based. Georgia's AFCARS submission for the period includes 2 months of data from their "old" reporting system and 4 months of data from their "new" system. Due to the mix of data, "old and new" and the learning process experienced by county staff in utilizing their new system, one should exercise caution in using the data. Subsequent submissions (all from the "new" system) are expected to more accurately reflect activity in Georgia's child welfare system.
- <sup>6</sup> Illinois utilizes relative care as a first choice for child's living arrangement when applicable. Illinois "supervised independent living" includes college/university scholarship students and a very small number of youths in the military.
- <sup>7</sup> Louisiana indicated that the percentages for preadopted and family foster home (relative) appears too low and is reevaluating the coding and definitions used in their information system to resolve the problem.
- <sup>8</sup> Family foster homes (relative) include blood relatives and "kinship" relationships; persons significantly attached to a child's family with the same intensity as a blood relative. Massachusetts indicated that their AFCARS population does not include any children in the juvenile justice system. Massachusetts extracted case records based on actual dates in care. The Department of Social Services (DSSD) area offices are licensed by the State of Massachusetts "Office for Children" to qualify foster homes. The qualifications of a foster home requires the same standards as the licensing of a foster home—a home study and background records check. DSS plans to revise this process into a biannual foster home license and annual foster home reevaluation in 1998.
- <sup>9</sup> Tennessee extracted case records based on actual dates in care.
- <sup>10</sup> Of the children identified as being in institutional care settings (17 percent), it is estimated that more than 95 percent of them are in CRC (crisis residential centers) of which the majority are group and family foster home type settings and generally the duration of stay is 5 days or less.

Source: U.S. Department of Health and Human Services.

TABLE 11-28.—NUMBER OF PLACEMENTS DURING PREVIOUS 3 YEARS FOR CHILDREN IN CARE AT END OF FISCAL YEAR 1990 <sup>1</sup>

	Percent
1 placement .....	42.6
2 placements .....	27.5
3-5 placements .....	23.6
6 or more placements .....	6.1
Unknown .....	0.2

<sup>1</sup> Includes current placement.

Source: American Public Welfare Association.

TABLE 11-29.—LENGTH OF TIME IN CONTINUOUS CARE, FISCAL YEAR 1990

[In percent]

	Children in care
0-6 months .....	17.8
6-12 months .....	14.8
1-2 years .....	23.9
2-3 years .....	15.8
3-5 years .....	16.9
5 years or more .....	10.2
Unknown .....	0.6
Median (years) .....	1.7
Number of States .....	22

Source: American Public Welfare Association.

#### OUTCOMES FOR CHILDREN LEAVING CARE

Data are available from the VCIS from 24 States on the outcomes for children who left care in 1990. Table 11-31 indicates that two-thirds of children were reunified with their families. A comparison of these data with earlier years indicates that family reunification significantly increased from 49.7 percent in fiscal year 1982 to 66.6 percent in fiscal year 1990. Adoption, on the other hand, decreased as an outcome for children leaving care from 10.4 percent in fiscal year 1982 to 7.7 percent in fiscal year 1990.

Unlike VCIS, AFCARS distinguishes between family reunification and placement with relatives as an outcome for children upon discharge from foster care. Table 11-32 shows outcomes for children who left foster care during the period from April 1, 1996, through September 30, 1996, and indicates that 63 percent of the children who left care in the listed States were reunited with their families, while another 9 percent left to live with relatives. At the same time, 11 percent of children who left foster care during that period were adopted.

TABLE 11-30.—LENGTH OF STAY OF CHILDREN IN FOSTER CARE ON SEPTEMBER 30, 1996

[In percent; 288,726 total cases]

State	Less than 1 month	1-5 months	6-11 months	12-17 months	18-23 months	24-29 months	30-35 months	3-4 years	More than 5 years	Mean months	Median months
Alaska <sup>1</sup> .....	9	28	18	14	9	7	3	7	5	17.45	10.09
Arizona <sup>2</sup> .....	6	24	12	12	11	8	5	12	10	24.24	15.64
Arkansas .....	7	25	17	9	9	8	6	12	7	20.83	12.58
California <sup>3</sup> .....	2	13	13	11	9	7	6	16	25	39.86	26.64
Florida <sup>4</sup> .....	3	18	18	13	10	8	6	14	10	24.80	16.53
Georgia <sup>5</sup> .....	3	16	16	12	9	8	6	15	15	31.17	20.01
Idaho .....	6	19	15	13	10	8	6	13	9	23.75	16.03
Illinois .....	1	8	8	9	10	10	9	23	21	40.17	31.84
Louisiana .....	3	15	14	10	9	8	6	15	19	35.61	22.98
Maine .....	2	12	13	12	10	8	7	20	16	33.25	24.11
Massachusetts <sup>6</sup> .....	4	16	13	12	10	8	6	16	15	29.81	20.34
Mississippi .....	3	16	11	12	10	7	5	18	18	35.37	23.06
New Jersey .....	4	17	13	12	11	8	6	13	15	30.61	19.68
North Carolina .....	5	27	17	13	8	7	5	11	8	20.98	12.55
Oklahoma .....	6	21	17	13	9	7	4	13	10	25.23	14.59
Puerto Rico .....	6	42	5	2	2	5	2	14	20	31.24	6.80
South Carolina .....	2	12	13	12	10	10	6	17	18	34.80	24.49
South Dakota .....	8	42	17	11	5	4	3	7	3	13.43	5.98
Tennessee <sup>7</sup> .....	4	18	19	14	9	8	6	13	10	25.18	15.64
Utah .....	5	24	20	16	10	8	4	9	4	17.63	12.39

TABLE 11-30.—LENGTH OF STAY OF CHILDREN IN FOSTER CARE ON SEPTEMBER 30, 1996—Continued

[In percent; 288,726 total cases]

State	Less than 1 month	1-5 months	6-11 months	12-17 months	18-23 months	24-29 months	30-35 months	3-4 years	More than 5 years	Mean months	Median months
Vermont .....	3	12	12	9	8	7	6	13	30	51.20	29.37
Washington .....	4	16	14	14	11	8	7	14	12	28.21	18.83
Total .....	3	15	13	11	9	8	6	16	18	34.25	23.20

<sup>1</sup> Data may include juvenile justice children not defined by the AFCARS population. Data were extracted from an outdated (legacy) information system which is being replaced. Therefore, one should exercise caution in using the data.

<sup>2</sup> Arizona is currently reviewing its data extraction methodology for probable changes.

<sup>3</sup> California has estimated that 5 percent of their AFCARS population are juvenile justice children on supervised probation.

<sup>4</sup> Florida extracted case records based on actual dates in care. Florida's placement records for children in "relative" home settings are selected based on the child's living arrangement at the date of extraction since history is not available; these values could vary from those during the reporting period.

<sup>5</sup> The percentages of children in care in the "3-4 years" and "5 years +" (30 percent) is skewed due to the fact that prior to the addition of an edit check for this element there were many records that did not have a date of original placement. The edit check necessary to address this problem has been added to the information system. Georgia went online with a new information system 2 months into the AFCARS reporting period (April 1, 1996 through September 30, 1996) the period from which the table's data are based. Georgia's AFCARS submission for the period includes 2 months of data from their "old" reporting system and 4 months of data from their "new" system. Due to the mix of data, "old and new" and the learning process experienced by county staff in utilizing their new system, one should exercise caution in using the data. Subsequent submissions (all from the "new" system) are expected to more accurately reflect activity in Georgia's child welfare system.

<sup>6</sup> Massachusetts indicated that their AFCARS population does not include any children in the juvenile justice system. Massachusetts extracted case records based on actual dates in care.

<sup>7</sup> Tennessee extracted case records based on actual dates in care.

Source: U.S. Department of Health and Human Services.



TABLE 11-31.—OUTCOMES FOR CHILDREN WHO LEFT CARE, FISCAL YEAR 1990

	Percent
Reunified .....	66.6
Adopted .....	7.7
Reached age of majority/emancipated .....	6.5
Other <sup>1</sup> .....	15.7
Unknown .....	3.5

<sup>1</sup> "Other" includes such reasons as running away, marriage, incarceration, death, discharge to another agency, or legal guardianship established.

Source: American Public Welfare Association.

When evaluating data on outcomes for children leaving care, it should be remembered that a portion of the children will likely return to substitute care at some point. For example, 15 percent of children entering care in fiscal year 1990 were reentrants, according to VCIS.

#### CHARACTERISTICS OF CHILDREN IN ADOPTIVE CARE

As with foster care, national data on the characteristics of children for whom adoption assistance payments are made are sketchy. Thus far, the only available data has been from the VCIS reports. Once AFCARS is fully operational, data on adoptive children will become available from this source as well. Some limited data are available from AFCARS now.

VCIS collects information on adoptions related to substitute care children only. VCIS divides children in adoptive care into those with finalized adoptions, those awaiting adoptive placement, and those residing in nonfinalized adoptive homes. Children in the latter two categories are included in VCIS' definition of substitute care. VCIS collects data on the age, race/ethnicity, special needs status, and relation to adoptive parents of these children. The numbers below represent national estimates calculated on data received from reporting States. Not all of the children described below were adopted with subsidies. AFCARS collects data on adoptions where the public child welfare agency was involved.

As shown in table 11-33, VCIS reported that 17,000 children had their adoption finalized in fiscal year 1990, and another 18,000 were placed in nonfinalized adoptive homes. In addition, 20,000 were still in substitute care and awaiting adoptive placement at the end of fiscal year 1990. Of the adoptions that were finalized in fiscal year 1990, the two largest age groups of children were between 1 and 5 years of age (49.7 percent) and between 6 and 12 years of age (37.4 percent). About half of these children (50.8 percent) were white, while 29.2 percent were black. Two-thirds had one or more special needs.

TABLE 11-32.—OUTCOMES FOR CHILDREN WHO LEFT CARE APRIL 1, 1996 THROUGH SEPTEMBER 30, 1996  
 [In percent; 41,966 total cases]

State	Reunify	Live with relatives	Adoption	Emancipation	Guardianship	Transfer	Runaway	Child's death
Alaska <sup>1</sup> .....	85	.....	8	4	3	.....	.....	.....
Arizona <sup>2</sup> .....	86	.....	.....	4	8	.....	2	.....
Arkansas .....	50	50	.....	.....	.....	.....	.....	.....
California <sup>3</sup> .....	62	2	11	8	5	.....	12	.....
Florida <sup>4</sup> .....	31	45	11	7	.....	.....	.....	.....
Georgia <sup>5</sup> .....	46	16	17	5	1	13	1	1
Idaho .....	78	13	3	4	.....	.....	.....	.....
Illinois <sup>6</sup> .....	67	4	20	6	.....	2	.....	1
Louisiana .....	60	24	11	1	2	1	.....	.....
Maine .....	65	4	.....	28	5	.....	.....	.....
Massachusetts <sup>7</sup> .....	61	.....	17	2	5	15	.....	.....
Mississippi .....	54	26	9	6	2	.....	2	.....
New Jersey .....	77	.....	14	3	.....	.....	4	.....
North Carolina .....	84	.....	12	4	.....	.....	.....	.....
Oklahoma <sup>8</sup> .....	59	20	10	3	1	2	6	.....
Rhode Island <sup>9</sup> .....	29	14	57	.....	.....	.....	.....	.....
Tennessee <sup>10</sup> .....	84	.....	3	11	1	1	.....	.....
Utah .....	64	.....	10	5	21	2	.....	.....
Vermont .....	59	3	12	13	1	1	10	.....
Washington .....	82	.....	6	6	5	1	.....	.....
Total .....	63	9	11	6	3	3	4	0

<sup>1</sup> Data may include juvenile justice children not defined by the AFCARS population. Data were extracted from an outdated (legacy) information system which is being replaced. Therefore, one should exercise caution in using the data.

<sup>2</sup> Arizona is currently reviewing its data extraction methodology for probable changes.

<sup>3</sup> California has estimated that 5 percent of their AFCARS population are juvenile justice children on supervised probation.

<sup>4</sup> Florida extracted case records based on actual dates in care. Florida's placement records for children in "relative" home settings are selected based on the child's living arrangement at the date of extraction since history is not available; these values could vary from those during the reporting period. Placement with legal guardian (not a relative) cannot be distinguished from reunification with parents. Transfer to another agency includes juvenile justice, adult corrections, other Florida Department of Children and Families Programs (not child welfare), private agencies and closure of interstate cases.

<sup>5</sup> The missing cases (252), are due to the lack of an online edit checking utility at the time of data extraction, however, enhancements have been made to address the problem. Georgia went online with a new information system 2 months into the AFCARS reporting period (April 1, 1996 through September 30, 1996) the period from which the table's data are based. Georgia's AFCARS submission for the period includes 2 months of data from their "old" reporting system and 4 months of data from their "new" system. Due to the mix of data, "old and new", and the learning process experienced by county staff in utilizing their new system, one should exercise caution in using the data. Subsequent submissions (all from the "new" system) are expected to more accurately reflect activity in Georgia's child welfare system.

<sup>6</sup> A number of deaths in foster care come from medically complex children taken into the system; substance exposed infants (SEI), and older child deaths attributable to accidents or gang-related violence. Illinois children can exit foster care for the following reasons: (1) the case is closed; (2) the child(ren) have been in a "home of parent" living arrangement for more than 6 months; (3) no legal status in place; (4) child resides in an "other" living arrangement that does not have a "provider ID"; (5) child has been in "unknown" living arrangement for more than 30 days.

<sup>7</sup> Massachusetts indicated that their AFCARS population does not include any children in the juvenile justice system. Massachusetts extracted case records based on actual dates in care.

<sup>8</sup> Oklahoma indicated that its higher than expected number of missing cases is due to its information systems and is instituting additional quality assurance features to rectify the problem.

<sup>9</sup> Data has been extracted from an information system under development, therefore one should exercise caution in utilizing the data.

<sup>10</sup> Tennessee extracted case records based on actual dates in care.

Source: U.S. Department of Health and Human Services.

TABLE 11-33.—FINALIZED ADOPTIONS AND CHILDREN AWAITING ADOPTIVE PLACEMENT,  
FISCAL YEAR 1990

[In percentages]

	Finalized adoptions <sup>1</sup>	Children await- ing adoptive placement <sup>2</sup>
Age:		
0-1 year .....	3 4.5	3 4.0
1-5 years .....	49.7	36.2
6-12 years .....	37.4	43.2
13-18 years .....	7.7	15.8
19 years and older .....	0.2	0.7
Unknown .....	0.5	0.1
Race/ethnicity:		
White .....	4 50.8	5 44.3
Black .....	29.2	42.8
Hispanic .....	13.3	7.0
Other .....	4.5	3.7
Unknown .....	2.2	2.2
Special needs status:		
1 or more special needs .....	6 66.7	7 71.7
No special needs .....	33.3	27.9
Unknown .....	0.0	0.4
Time awaiting adoptive placement: <sup>8</sup>		
0-6 months .....		19.4
6-12 months .....		12.4
1-2 years .....		21.4
2 years or more .....		46.3
Unknown .....		0.5

<sup>1</sup> Data reported on the number of finalized adoptions which took place during fiscal year 1990.<sup>2</sup> Data reported on the number of children awaiting placement at the end of fiscal year 1990.<sup>3</sup> Data provided by 20 States.<sup>4</sup> Data provided by 27 States.<sup>5</sup> Data provided by 25 States.<sup>6</sup> Data provided by 19 States.<sup>7</sup> Data provided by 18 States.<sup>8</sup> Data provided by 16 States.

Source: American Public Welfare Association.

Less than half (41.5 percent) of the children whose adoptions were finalized in fiscal year 1990 were adopted by people unrelated to them, i.e., people who were neither foster parents nor relatives of the children. Another 47.2 percent of the children were adopted by nonrelative foster parents. Seven percent were adopted by relatives. The characteristics of children awaiting adoptive placement are somewhat different from children whose adoptions were finalized. These children are generally older and include a greater percentage of black children (42.8 percent versus 29.2 percent of finalized children). In addition, of the children awaiting adoptive placement, 46.3 percent had been waiting for 2 or more years. Table 11-34 shows the special needs status of foster children, including foster children awaiting adoption and those with finalized adoptions.

TABLE 11-34.—PROPORTION OF SPECIAL NEEDS<sup>1</sup> CHILDREN IN FOSTER CARE, AWAITING ADOPTION, AND ADOPTED, SELECTED YEARS 1984–90

Status	Year			
	1984	1985	1988	1990
Number of children in foster care .....	276,000	276,000	340,000	406,000
(Percent with special needs) .....	22	18	22	13
Number of foster children awaiting adoption .....	17,000	16,000	18,000	20,000
(Percent with special needs) .....	43	51	64	72
Number of foster children adopted .....	20,000	16,000	19,000	17,000
(Percent with special needs) .....	57	62	59	67

<sup>1</sup> Special needs are determined by the States and may include a child's age, minority status, membership in a sibling group, or medical, emotional, or physical disability.

Source: Maximus (1987); American Public Welfare Association (1993).

#### TRENDS IN CHILD WELFARE AND FOSTER CARE COSTS

As a result of the trends in foster care caseloads and the Federal requirements of Public Law 96–272, funding for the Title IV–E Foster Care Program has increased significantly from 1981 to 1997. Based on Administration estimates for fiscal year 1997, Federal title IV–E expenditures have increased tenfold, from \$308.8 million to \$3,243 million, between 1981 and 1997. Similarly, funding for the Title IV–B Child Welfare Services Program increased by almost 80 percent from 1981 to 1997 (\$163.6 million to \$292 million). Funding for the Title XX Social Services Block Grant, which States may use for child welfare services, has actually fallen in nominal terms.

In recent years, an increasing proportion of title IV–E costs has been expended on child placement services, administration, and training. Table 11–35 shows HHS and CBO estimates of title IV–E expenditures through fiscal year 2002. Expenditures for administration include child placement service expenditures on behalf of children who are “candidates” for foster care, as well as children who are actual recipients of foster care maintenance benefits. In other words, funds are expended on behalf of certain children before and during the time a title IV–E eligibility determination is made; as a result, Federal reimbursement is provided for administration and services for some children who, ultimately, are determined not eligible for title IV–E maintenance payments.

Table 11–36 shows Federal foster care expenditures by State in 1984, 1988, 1993, and 1996. Between 1984 and 1996, total foster care expenditures increased by 610 percent. Between 1988 and 1996, total foster care expenditures increased by 249 percent. Over this latter time period, foster care maintenance costs increased by 180 percent. Because of the large increase in administrative and placement costs relative to maintenance costs, the share of total cost represented by maintenance costs decreased between 1988 and 1996.

TABLE 11–35.—PROPORTION OF TITLE IV–E FOSTER CARE EXPENDITURES SPENT ON ADMINISTRATION AND TRAINING, FISCAL YEARS 1983–2002<sup>1</sup>

Fiscal year	Total Federal title IV–E expenditure (in millions)	Administration and training expenditures (in millions) <sup>2</sup>	Administration and training proportion of total
<b>Actual:</b>			
1983 .....	\$394.8	\$117.9	0.30
1984 .....	445.2	147.4	0.33
1985 .....	546.2	190.9	0.35
1986 .....	605.4	213.8	0.35
1987 .....	792.6	312.9	0.39
1988 .....	891.1	342.8	0.38
1989 .....	1,153.1	507.1	0.44
1990 .....	1,473.2	638.2	0.43
1991 .....	1,819.2	788.8	0.43
1992 .....	2,232.8	1,029.0	0.46
1993 .....	2,547.0	1,182.0	0.46
1994 .....	2,606.5	1,190.5	0.46
1995 .....	3,050.2	1,455.7	0.48
1996 .....	3,114.0	1,580.0	0.51
<b>HHS estimate:</b>			
1997 .....	3,243.0	1,695.0	0.52
1998 .....	3,360.0	1,700.0	0.51
1999 .....	3,551.0	1,770.0	0.50
2000 .....	3,790.0	1,878.0	0.49
2001 .....	4,047.0	2,004.0	0.49
2002 .....	4,318.0	2,136.0	0.49
<b>CBO estimate:</b>			
1997 .....	3,272.0	1,639.0	0.50
1998 .....	3,495.0	1,706.0	0.49
1999 .....	3,791.0	1,836.0	0.48
2000 .....	4,114.0	1,993.0	0.48
2001 .....	4,432.0	2,147.0	0.48
2002 .....	4,742.0	2,295.0	0.48

<sup>1</sup> Does not include transfer to title IV–B.

<sup>2</sup> Includes regular administration, training, and for fiscal years 1994–2002, State Automated Child Welfare Information System (SACWIS) costs.

Source: Compiled by House Committee on Ways and Means staff based on data from U.S. Department of Health and Human Services and Congressional Budget Office.

TABLE 11-36.—FEDERAL FOSTER CARE EXPENDITURES BY STATE, SELECTED YEARS 1984-96

State	Fiscal year total expenditures (dollars in millions)				Maintenance costs (dollars in millions)		Maintenance costs as a percentage of total		Percentage growth in total expenditures, 1988-96 <sup>3</sup>
	1984 <sup>1</sup>	1988 <sup>1</sup>	1993 <sup>2</sup>	1996 <sup>2,3</sup>	1988	1996 <sup>2</sup>	1988	1996 <sup>3</sup>	
Alabama	\$2.20	\$1.96	\$4.68	\$5.23	\$1.79	\$1.44	91.3	27.5	167
Alaska	0.08	0.59	4.41	7.99	0.59	2.11	100.0	26.4	1,254
Arizona	0.12	3.78	17.97	42.97	1.40	18.15	37.0	42.2	1,037
Arkansas	0.55	1.11	9.75	25.30	0.65	6.93	58.6	27.4	2,179
California	99.74	196.95	478.06	693.31	123.63	326.31	62.8	47.1	252
Colorado	1.60	4.59	20.27	20.35	3.19	7.31	69.5	35.9	343
Connecticut	2.93	6.86	15.90	66.14	5.08	20.81	74.1	31.5	864
Delaware	0.42	0.53	1.34	7.40	0.52	1.12	98.1	15.1	1,296
District of Columbia	7.15	2.79	11.20	22.07	0.52	8.51	18.6	38.6	691
Florida	2.92	9.66	45.88	78.50	6.03	23.98	62.4	30.5	713
Georgia	7.39	11.35	24.50	24.53	5.88	14.20	51.8	57.9	116
Hawaii	0.04	0.09	2.91	11.77	0.07	3.95	77.8	33.6	12,978
Idaho	0.25	0.64	2.15	6.71	0.59	0.81	92.2	12.1	948
Illinois	6.30	26.95	117.59	238.33	18.12	136.09	67.2	57.1	784
Indiana	1.10	1.79	37.65	50.84	1.50	33.54	83.8	66.0	2,740
Iowa	1.84	4.64	13.66	16.96	2.30	10.08	49.6	59.4	266
Kansas	3.45	4.61	19.37	23.90	3.65	9.14	79.2	38.2	418
Kentucky	2.19	7.78	34.06	51.58	6.32	21.86	81.2	42.4	563
Louisiana	10.51	15.07	28.56	36.68	7.48	21.56	49.6	58.8	143
Maine	2.97	5.09	9.44	18.78	3.20	15.11	62.9	80.5	269
Maryland	3.06	22.27	44.60	71.04	5.29	31.10	23.8	43.8	219
Massachusetts	5.12	10.65	57.40	96.41	6.49	42.07	60.9	43.6	805
Michigan	33.32	46.34	103.27	95.55	29.28	53.00	63.2	55.5	106
Minnesota	6.38	20.59	33.00	44.55	7.30	23.30	35.5	52.3	116
Mississippi	0.97	0.93	4.09	9.06	0.91	2.98	97.8	32.9	874

TABLE 11-36.—FEDERAL FOSTER CARE EXPENDITURES BY STATE, SELECTED YEARS 1984-96—Continued

State	Fiscal year total expenditures (dollars in millions)				Maintenance costs (dollars in millions)		Maintenance costs as a percentage of total		Percentage growth in total expenditures, 1988-96 <sup>3</sup>
	1988 <sup>1</sup>		1993 <sup>2</sup>		1988		1988		
	1984 <sup>1</sup>	1988 <sup>1</sup>	1993 <sup>2</sup>	1996 <sup>2,3</sup>	1988	1996 <sup>2</sup>	1988	1996 <sup>3</sup>	
Missouri .....	4.35	14.51	29.07	45.97	6.43	22.39	44.3	48.7	217
Montana .....	1.53	2.16	4.58	7.30	1.82	3.85	84.3	52.7	238
Nebraska .....	2.29	5.28	10.16	20.00	2.52	7.17	47.7	35.9	279
Nevada .....	0.36	1.06	2.88	5.15	0.68	1.82	64.2	35.3	386
New Hampshire .....	1.21	2.83	7.37	10.24	1.75	3.14	61.8	30.7	262
New Jersey .....	5.87	15.05	25.30	37.33	7.16	18.57	47.6	49.7	148
New Mexico .....	0.63	3.91	5.46	12.22	2.21	3.75	56.5	30.7	213
New York .....	128.61	255.27	779.23	566.27	177.57	276.41	69.6	48.8	122
North Carolina .....	2.11	2.36	17.63	37.43	2.15	27.61	91.1	73.8	1,486
North Dakota .....	0.79	1.33	5.41	8.12	1.06	2.98	79.7	36.7	511
Ohio .....	5.80	32.16	91.98	135.56	14.11	74.59	43.9	55.0	322
Oklahoma .....	3.68	4.21	8.19	24.15	2.20	8.72	52.3	36.1	474
Oregon .....	6.26	13.12	14.08	24.80	5.92	10.70	45.1	43.1	89
Pennsylvania .....	29.19	45.28	180.46	149.61	39.25	108.53	86.7	72.5	230
Rhode Island .....	1.24	5.45	8.08	9.48	2.26	3.95	41.5	41.7	74
South Carolina .....	1.34	4.42	8.82	18.78	1.92	7.06	43.4	37.6	325
South Dakota .....	0.52	1.63	2.57	3.04	0.67	0.92	41.1	30.3	87
Tennessee .....	1.68	2.71	15.77	19.54	2.65	11.72	97.8	60.0	621
Texas .....	10.18	31.21	72.18	77.21	8.92	49.44	28.6	64.0	147
Utah .....	0.81	1.68	5.96	13.21	1.22	4.42	72.6	33.5	686
Vermont .....	1.93	3.83	6.65	8.24	1.91	6.19	49.9	75.1	115
Virginia .....	3.09	4.64	13.39	34.63	3.33	9.60	71.8	27.7	646
Washington .....	4.36	7.58	19.89	23.59	3.77	7.88	49.7	33.4	211
West Virginia .....	5.56	7.50	4.27	8.47	5.31	4.73	70.8	55.8	13
Wisconsin .....	10.32	13.61	42.58	45.97	9.43	20.26	69.3	44.1	238



Wyoming .....	0.14	0.76	1.05	1.92	0.34	0.75	44.7	39.1	153
<b>Total .....</b>	<b>438.45</b>	<b>891.16</b>	<b>2,524.72</b>	<b>3,114.21</b>	<b>548.34</b>	<b>1,532.82</b>	<b>61.5</b>	<b>49.2</b>	<b>249</b>

<sup>1</sup> Does not include transfers from title IV-E foster care to title IV-B (child welfare services).

<sup>2</sup> Does not include disputes and reconciliations.

<sup>3</sup> For fiscal year 1995 and 1996, includes State Automated Child Welfare Information System (SACWIS) expenditures.

Note.—Totals may differ from sum of State amounts because of rounding.

Source: U.S. Department of Health and Human Services.

Some have argued that foster care and adoption assistance became more expensive for the Federal Government after enactment of Public Law 96-272 because a growing number of States transferred costs they had traditionally paid with State dollars to the Federal Government as administrative expenses. During an April 1987 hearing of the House Select Committee on Children, Youth, and Families, Dodie Livingston, Commissioner of the Administration for Children, Youth, and Families, testified that "States are finding ways to refinance existing services through these entitlements and the growth in administrative cost does not reflect increases in services or improved management." She also expressed concern that the open-ended entitlement of title IV-E was being exploited by States that were hiring consultants to help them "capture" more available Federal funds. As evidence, the Assistant Secretary pointed to the high variability of title IV-E administrative and cost claims among States.

In October 1987, the HHS Office of Inspector General (OIG) published a report on the high absolute levels of title IV-E administrative and training costs and the wide variation of claims among States. The report found that the administrative costs associated with the Foster Care Program were much higher than those associated with similar programs such as AFDC, and the Medicaid and Food Stamp Programs. However, the additional spending was attributed to the fact that regulations implementing Public Law 96-272 expressly defined many activities as allowable administrative costs that were not reimbursed by the Federal Government when foster care was part of AFDC. By regulation, claimable title IV-E administrative costs include:

1. Referral to services at time of intake;
2. Preparation for, and participation in, judicial determinations;
3. Placement in foster care;
4. Development of a case plan;
5. Case reviews;
6. Case management and supervision;
7. Recruitment and licensing of foster homes and institutions; and
8. Foster care rate setting.

The 1987 report also found that much of the variation of States' administrative cost claims was linked to the degree of sophistication of each State's accounting practices. The report concluded that although HHS had uncovered some random accounting errors "there was no evidence found to demonstrate patterns of abuse." In fact, OIG did an audit of the State of Missouri, in which claimed administrative costs had risen "precipitously" and found no serious State violations of Federal guidelines or regulations.

In addition, the report noted that the decision by the HHS Departmental Appeals Board concerning Missouri's title IV-E allowable administrative costs, which was issued shortly before the OIG's report, would further expand the allowable expenses that could be charged as administration and training. The Office of Inspector General issued another report in August 1990 with the following specific findings, which are generally consistent with the findings made in the 1987 report:

1. The term "administrative costs" is a misnomer. Most of the activities being funded are not traditional administrative costs,

but are “important child placement services.” Administrative costs grew from \$143 million in 1985 to \$400 million in 1988. However, only 20 percent of the cost increase is attributable to administration of the program; nearly 80 percent relates to direct service activities that the IG classified as “child placement services.”

2. The current procedure used to account for costs does not allow for examining any correlation between increased administrative costs and increased services to foster children.
3. Cost increases occurred for two primary reasons: the expanded definition of allowable administrative activities provided in Public Law 96–272, and a broad interpretation of that definition by the Departmental Appeals Board. Other factors contributing to the increases were the States’ use of consultants, an increase in the number of title IV–E children, increases in the number of caseworkers, and cost-of-living increases for State employees.
4. Variations in costs among States resulted from using nonhomogeneous cost indicators, a lack of uniformity in defining and allocating allowable costs, a gradual trend by States to use consultants for identifying opportunities to maximize Federal funding sources, and States’ revision of cost allocation plans to capture costs for children who are “candidates” for IV–E foster care (but who may not ultimately receive foster care maintenance payments) (see Office of Inspector General, 1990b).

The report concluded that legislative and administrative measures were necessary for containing escalating administrative costs.

During the second session of the 101st Congress, legislation was enacted as part of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508) designed to provide better information on State reimbursement for administrative costs. Under the provisions of Public Law 101–508, “child placement services” was added as a separate category for which States may claim reimbursement, in addition to administrative costs. Prior to this provision, States claimed reimbursement for child placement services as administrative costs. The amendment, while not changing the type of services for which States may claim reimbursement, was designed to provide more specific information on how Federal matching funds are used. HHS reports that of claims filed for child placement and administrative costs in fiscal year 1996, 47 percent were for case planning and management activities, 26 percent were for preplacement activities, 9 percent were for eligibility determinations, and the remaining 18 percent were for other activities, including traditional administrative and overhead costs. These percentages are based on claims submitted for nonvoluntary placements only, and also include adjustments made by some States from claims submitted for previous years.

## **FOSTER CARE AND ADOPTION INFORMATION SYSTEM**

### **LACK OF ADEQUATE DATA**

Historically, there has been a lack of reliable data on foster care and adoption. In fact, not every State even reported its average monthly foster care caseload under the federally assisted program

until 1975. Moreover, States have never been required to collect data on nonfederally-assisted foster care, which in a typical State constitutes about half the cases in foster care. This lack of data was one of several concerns that Congress hoped to address with enactment of the Adoption Assistance and Child Welfare Act of 1980 (Public Law 96-272).

The 1980 law imposed several requirements on States as a condition for incentive funds under the Title IV-B Child Welfare Services Program, including a one-time inventory of children in foster care and a statewide information system for tracking children in foster care. Shortly after enactment of Public Law 96-272, HHS wrote detailed guidelines for the implementation of these requirements, which were published as an interim final rule on December 31, 1980. However, HHS withdrew these regulations the following March, stating that the Office of Management and Budget (OMB) had not reviewed and approved certain sections. In 1982, the Department issued a policy information question (ACYF-PIQ-82-06) which restated the law's requirement that States have an information system, but did not specify the system's content. The 1980 regulations were never reissued.

As we have seen, since 1982 HHS has funded the American Public Welfare Association (APWA) to conduct a voluntary annual survey of States, known as the Voluntary Cooperative Information System (VCIS). Until now, VCIS has been the only source of national data on the number and characteristics of children in foster and adoptive care. However, the VCIS is of limited use for several reasons: (1) not all States participate fully in the survey; (2) reporting periods are not consistent among States; (3) there is a serious time lag between data collection and publication; and (4) data are available only in an aggregated, State-specific format, preventing the type of analysis that could be conducted with case-specific data. VCIS data were presented earlier in this section.

In response to the need for better data collection, Congress in 1986 approved an amendment to title IV-E (section 479) requiring that an advisory committee be established and submit a report to Congress and HHS with recommendations for establishing, administering, and financing a system for collecting data on adoption and foster care. This amendment, contained in the Omnibus Budget Reconciliation Act, Public Law 99-509, required that the Secretary of HHS issue final regulations for the new data system by December 31, 1988, and that mandatory data collection be fully implemented no later than October 1, 1991.

The advisory committee submitted its final report in 1987, and in May 1989, HHS submitted an implementation plan to Congress.

On September 27, 1990, HHS proposed regulations to implement the data collection system known as the Adoption and Foster Care Analysis and Reporting System (AFCARS). The population to be covered was children under the responsibility of the State child welfare agency and financing was to come from the title IV-E administrative cost match. States were to claim only that portion of their costs that related to children eligible for title IV-E, although the system would have required States to collect data on non-IV-E children as well.

## OBRA 1993 AND FINAL RULES FOR AFCARS AND SACWIS

In 1993, as part of the Omnibus Budget Reconciliation Act (Public Law 103-66), Congress amended section 479, the title IV-E provision added in 1986 that required establishment of a foster care and adoption data collection system.

The 1993 amendment authorized an enhanced Federal matching rate to States for certain costs related to data collection for fiscal years 1994-96. Welfare reform legislation enacted in 1996 (Public Law 104-193) extended this enhanced match through fiscal year 1997. The statute specifies that this enhanced match of 75 percent is available for costs of planning, design, development and installation of statewide mechanized data collection and information retrieval systems, including costs of hardware, as long as the systems do the following: comply with HHS regulations; to the extent practicable, interface with State child abuse and neglect data collection systems and with AFDC data collection systems; and provide more efficient, economical, and effective administration of State Child Welfare Programs, as determined by HHS. The law also provides that ongoing operational costs of State data collection and information retrieval systems will be matched at the 50 percent Federal rate available for administrative expenses under title IV-E. After fiscal year 1997, the enhanced match will expire and all data collection costs will be matched at the 50 percent rate. Further, the amendment specifies that States may claim reimbursement for data collection systems without regard to whether they are used for foster and adoptive children who are not eligible for title IV-E assistance.

On December 22, 1993, HHS published two sets of rules in the *Federal Register*: interim final rules for State Automated Child Welfare Information Systems (SACWIS), issued in response to enactment of Public Law 103-66; and final rules implementing AFCARS. Under the interim final rules for SACWIS, States must develop "comprehensive" child welfare data collection systems, of which AFCARS will be a component, in order to qualify for Federal funding, including the 75 percent enhanced match. According to HHS, "comprehensive" means that a State SACWIS system must include child welfare services, foster care and adoption assistance, family preservation and support services, and independent living.

Under the interim final rules, State SACWIS systems must do the following, at a minimum:

1. Meet the AFCARS data collection and reporting requirements;
2. Provide for intrastate electronic data exchange with data collection systems operated under AFDC, Medicaid, child support enforcement, and the National Child Abuse and Neglect Data System (unless not practicable for certain reasons);
3. Provide for automated data collection on all children in foster care under the responsibility of the State child welfare agency to support implementation of section 427 protections and requirements;
4. Collect and manage information necessary to facilitate delivery of child welfare services, family preservation and family support services, family reunification services, and permanent placement;

5. Collect and manage information necessary to determine eligibility for the Foster Care, Adoption Assistance, and Independent Living Programs and to meet case management requirements for these programs;
6. Monitor case plan development, payment authorization and issuance, and review and management including eligibility determinations and redeterminations; and
7. Ensure confidentiality and security of information.

In addition, optional SACWIS functions could include (if cost-beneficial) resource management, tracking and maintenance of legal and court information, administration and management of staff and workloads, licensing verification, risk analysis, and interfacing with other automated information systems.

HHS reports that, as of July 1997, 38 States were implementing SACWIS and another 9 were in the planning phase. Among those in some phase of implementation, 12 States were fully or partially operational. The 38 implementing States were: Alaska, Arizona, Arkansas, California, Connecticut, District of Columbia, Delaware, Idaho, Iowa, Indiana, Georgia, Kentucky, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Dakota, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Washington, West Virginia, Wisconsin, and Wyoming.

The nine States in the planning process were: Alabama, Colorado, Florida, Illinois, Kansas, Maine, Maryland, North Carolina, and Virginia.

Hawaii, Louisiana, and Pennsylvania were not participating, and Vermont had terminated its project.

Under the final AFCARS rules, States are required to collect case-specific data on all children in foster care for whom the State child welfare agency has responsibility for placement, care, or supervision, regardless of their eligibility for title IV-E. Further, States are required to collect data on all adopted children who were placed by the State child welfare agency, and on all adopted children for whom the State provides adoption assistance (ongoing payments or for nonrecurring expenses), care, or services either directly or by contract with other private or public agencies. States must report data to HHS twice a year. Penalties for noncompliance with AFCARS requirements will not be imposed during the first six reporting periods (Oct. 1, 1994–Sept. 30, 1997). Half penalties will be imposed during the following two reporting periods, and full penalties will be imposed on States out of compliance for the reporting period beginning October 1, 1998.

Preliminary data are available from AFCARS and are presented earlier in this section.

### LEGISLATIVE HISTORY

Federal assistance to enable States to make maintenance payments for children who were not living with a parent and had been placed in foster care by a child welfare agency first became available under what was then called the Aid to Dependent Children (ADC) Program under title IV-A of the Social Security Act in 1961. Federal assistance to States for child welfare services (as opposed

to maintenance payments) had been authorized originally under title V of the Social Security Act of 1935; the assistance authorization was then transferred to title IV-B in 1967.

Foster care under title IV-A of the Social Security Act was amended in 1980 by Public Law 96-272. This legislation continued AFDC foster care as a required Federal matching grant program, but transferred it to a newly created title IV-E. It also changed the funding mechanism for this program and the Child Welfare Services Program under title IV-B, providing linkages between the two to encourage less reliance on foster care placement and greater use of services aimed at preventing placement and encouraging family rehabilitation. The entitlement nature of AFDC foster care was retained, but under title IV-E its open-endedness was potentially limited by a provision that was contingent on the funding level of title IV-B. The legislation specified a number of protections to help prevent inappropriate placements or long-term stays in foster care. Under title IV-E, a new Federal matching grant program for payments to parents who adopt a child with special needs was also established and permanently authorized. Funding for adoption assistance is on an open-ended entitlement basis.

The Foster Care and Adoption Assistance Programs were amended in the 99th Congress, under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA, Public Law 99-272). This legislation also established a new entitlement program under title IV-E to help States facilitate the transition of children age 16 and over from AFDC foster care to independent living. The program is called the Independent Living Program.

The 99th Congress also enacted legislation as part of the Tax Reform Act of 1986 (Public Law 99-514) that amended the Adoption Assistance Program under title IV-E to provide for Federal matching funds for the one-time adoption expenses of children with special needs, regardless of whether the children are eligible for AFDC or SSI payments.

During the 100th Congress, legislation was enacted in 1987 to expand the Independent Living Program to include children ages 16 or over who are in any foster care situation and to provide services for specified children for 6 months after foster care payments or foster care ends (Public Law 100-647).

During the first session of the 101st Congress, legislation was enacted as part of the Omnibus Reconciliation Act of 1989 (Public Law 101-239) to increase the authorization level of the IV-B program from \$266 million to \$325 million; to extend the Independent Living Program through 1992 and to increase the entitlement ceiling from \$45 million to \$50 million for fiscal year 1990, \$60 million for fiscal year 1991, and \$70 million for fiscal year 1992; and to establish a State match for the Independent Living Program beginning in fiscal year 1991.

During the second session of the 101st Congress, the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508) made several minor amendments to the Child Welfare, Foster Care and Adoption Assistance Programs. Among other things, these amendments required States to distinguish between traditional administrative costs and child placement costs which previously had been classified as administrative costs, and gave States the option of

providing independent living services to foster children up to age 21.

The 103d Congress enacted significant child welfare amendments in the Omnibus Budget Reconciliation Act of 1993 (Public Law 103-66). This legislation created a new capped entitlement under title IV-B for a broad range of services to families (including foster, adoptive, and extended families), termed “family preservation” and “family support” services. The legislation also: included a set-aside for grants to State courts for assessments and improvements of judicial child welfare proceedings; authorized a 3-year enhanced match to States for planning, designing, developing or installing child welfare data collection systems; permanently authorized the Independent Living Program; and permanently authorized a 75 percent matching rate for certain State training expenses.

Also enacted during the 103d Congress were the Social Security Act Amendments of 1994 (Public Law 103-432), which contained a variety of child welfare provisions. Under these amendments, the “section 427” child protections were reestablished as State plan requirements under a new section 422(b)(9) of the act, effective April 1, 1996. In addition, Public Law 103-432 authorized a new conformity review system to monitor and enforce State compliance with Federal requirements and State plan provisions.

Public Law 103-432 also: requires States to describe measures taken to comply with the Indian Child Welfare Act in their title IV-B State plans; authorizes child welfare traineeships; requires foster care placements to be in the “most appropriate” as well as “most familylike” setting; and requires dispositional hearings to be held at least every 12 months after the first such hearing. Further, the 1994 legislation authorizes HHS to conduct child welfare demonstrations in up to 10 States, allowing States to waive certain IV-B and IV-E provisions; establishes additional case plan and case review procedures for children placed outside their home State; and establishes a timetable for Federal review of State foster care and adoption assistance claims. Finally, Public Law 103-432 established a new section 1130A of the Social Security Act, addressing judicial review of Social Security Act provisions that are required as components of State plans. This provision was developed in response to a Supreme Court ruling in *Suter v. Artist M.*, an Illinois child welfare case.

During the 104th Congress, comprehensive welfare reform legislation was enacted that contained provisions affecting child welfare (Personal Responsibility and Work Opportunity Reconciliation Act, Public Law 104-193). The centerpiece of the welfare reform legislation was the repeal of AFDC and creation of a new block grant to States for Temporary Assistance for Needy Families (TANF). As a condition of receiving TANF funds, States must operate Foster Care and Adoption Assistance Programs under title IV-E of the Social Security Act. However, eligibility for title IV-E historically has been linked to AFDC eligibility. Thus, Public Law 104-193 provides that foster or adoptive children will now be eligible for title IV-E subsidies if their families would have been eligible for AFDC, as it was in effect in their State on June 1, 1995. Children eligible for SSI will continue to be eligible for title IV-E adoption assist-



ance, and foster and adoptive children will continue to be eligible for Medicaid.

Public Law 104–193 also amended title IV–E to enable for-profit child care institutions to participate in the Federal Foster Care Program; extended the enhanced Federal matching rate for certain data collection costs through fiscal year 1997; mandated HHS to conduct a national random sample study of children in the child welfare system; and required States, as a component of their title IV–E plans, to consider giving preference to adult relatives in determining a foster or adoptive placement for a child.

#### ADOPTION LEGISLATION IN THE 105TH CONGRESS

Since this chapter was completed, Congress passed and the President signed the Adoption and Safe Families Act (Public Law 105–89), which constitutes a significant reform of Federal child welfare law in an effort to promote adoption and ensure safety for children in foster care. The new law, enacted on November 19, 1997, amends titles IV–B and IV–E of the Social Security Act, and is described below.

##### *Child safety and “reasonable efforts” to preserve families*

The Adoption and Safe Families Act requires that a child’s health and safety be of “paramount” concern in any efforts made by the State to preserve or reunify the child’s family. States continue to be required to make “reasonable efforts” to avoid the need to place children in foster care, and to return them home if they are removed, but the new law establishes exceptions to this requirement. Specifically, States are not required to make efforts to preserve or reunify a family if a court finds that a parent had killed another of their children, or committed felony assault against the child or a sibling, or if their parental rights to another child had previously been involuntarily terminated.

In addition, the new law establishes that efforts to preserve or reunify a family are not required if the court finds that a parent had subjected the child to “aggravated circumstances.” Each State will define these circumstances in State law, although the Adoption and Safe Families Act cites abandonment, torture, chronic abuse, and sexual abuse as examples. Moreover, the new law does not preclude individual judges from using their discretion to protect a child’s health and safety in any case, regardless of whether the specific circumstances are cited in Federal law.

To further promote safety, the new law adds references to child safety in various sections of titles IV–B and IV–E. The legislation also requires that States conduct criminal background checks for all prospective foster or adoptive parents, and deny approval to anyone who has ever been convicted of felony child abuse or neglect, spousal abuse, a crime against children (including child pornography), or a violent crime including rape, sexual assault, or homicide. In addition, States must deny approval to anyone with a felony conviction for physical assault, battery, or a drug-related offense, if the felony occurred within the past 5 years. States may opt out of the criminal record check requirement either through a letter from the Governor to the Secretary of Health and Human

Services (HHS), or through legislation enacted by the State legislature.

Finally, the new law requires States to develop standards to ensure quality services that protect the health and safety of children in foster care with public and private agencies. These standards are in addition to licensing requirements already established under title IV–E.

*“Reasonable efforts” to promote adoption*

If efforts to preserve or reunify a family are not required because the court has found that an exception to this requirement exists, as described above, the Adoption and Safe Families Act requires that a permanency hearing (formerly called “dispositional” hearing) be held for the child within 30 days of that court finding. In these cases, or whenever a child’s permanency plan is adoption or another alternative to family reunification, the new law requires States to make reasonable efforts to place the child in a timely manner in accordance with the permanency plan, which may include placement for adoption, with a guardian, or in another planned, permanent arrangement. States also must document specific efforts made to place the child for adoption. These provisions are intended to shorten the length of time that children spend in foster care, once a court has determined that family reunification is not feasible or likely.

The new law also specifies that efforts to preserve or reunify a family can be made concurrently with efforts to place the child for adoption or guardianship. This practice is referred to as “concurrent planning” and allows States to develop a backup plan, to save time in case efforts to restore the original family are unsuccessful.

The Adoption and Safe Families Act also contains provisions intended to eliminate interjurisdictional issues as a potential barrier to a child’s adoption. First, the new law requires States to assure in their title IV–B plans that they will make effective use of cross-jurisdictional resources to facilitate timely adoptions for waiting children. The law also denies Federal foster care and adoption assistance funding to any State that is found to have denied or delayed a child’s adoptive placement if an approved family is available outside the child’s jurisdiction, or has denied a fair hearing to anyone who alleges a violation of this provision. In addition, the Adoption and Safe Families Act directs the General Accounting Office (GAO) to conduct a study of interjurisdictional adoption issues, including the implementation of the Interstate Compact on the Placement of Children, and to report findings to Congress within 1 year.

*Permanency hearings and termination of parental rights*

Prior to enactment of the Adoption and Safe Families Act, Federal law required that every foster child must have a judicial hearing, known as a “dispositional” hearing, within 18 months of their placement in care to determine their future status. The new law requires this hearing to occur within 12 months of placement, and changes the name to “permanency” hearing. The law revises the list of permanency goals (which had included long-term foster care) to include returning home, referral for adoption and termination of

parental rights, guardianship, placement with a relative, or, as a last resort, another planned, permanent living arrangement. Public Law 105–89 also requires that foster parents, preadoptive parents, and relative care givers be given notice and an opportunity to be heard at reviews and hearings.

One of the most significant provisions of the new law requires States to initiate proceedings to terminate parental rights (TPR) for certain foster children; there was no comparable provision in prior law. Specifically, Public Law 105–89 requires States to initiate TPR proceedings for children who have been in foster care for 15 of the most recent 22 months, or for infants determined under State law to be abandoned, or in any case where the court has found that a parent has killed another of their children or committed felony assault against the child or a sibling. States can opt not to initiate such proceedings if the child is in a relative's care, or if the State agency has documented in the child's case plan a compelling reason to determine that TPR would not be in the child's best interest, or if the State had not provided necessary services to the family.

For children entering foster care after the new law's date of enactment, States must comply with this provision no later than 3 months after the end of their first legislative session that begins after the date of enactment. For children who already were in care on the date of enactment, States may phase in compliance but must be in compliance for all children by no later than 18 months after the end of the legislative session. For purposes of the TPR provision and the 12-month permanency hearing, children will be considered to have entered foster care on the first date that the court finds they have been subjected to child abuse or neglect, or 60 days after their removal from home, whichever occurs first.

#### *Adoption incentive payments*

The Adoption and Safe Families Act intends to promote adoption by providing incentive payments to States to increase their number of foster child adoptions, with additional incentives for the adoption of foster children with special needs. As in the existing Adoption Assistance Program, which provides ongoing subsidies to adoptive parents of special needs children, the definition of special needs is determined by each State, and may include age, ethnic group, or membership in a sibling group, in addition to disability or a medical condition that makes a child difficult to place for adoption. Incentive payments will equal \$4,000 for each foster child whose adoption is finalized (over a certain base level) and \$6,000 for each special needs adoption above the base level. The new law authorizes \$20 million annually for these incentive payments, for fiscal years 1999–2003. In addition, discretionary budget caps are adjusted to help ensure that these funds will actually be appropriated.

The new legislation also authorizes HHS to provide technical assistance to help States increase their number of foster child adoptions, and authorizes appropriations of \$10 million annually for each of fiscal years 1998–2000. HHS must use half of the funds that are appropriated to provide technical assistance to the courts.

*Eligibility for adoption and medical assistance*

Children who are eligible for Federal adoption assistance under title IV–E are automatically eligible for Medicaid. However, States are not required (although they have the option) to provide Medicaid coverage to special needs adopted children who do not meet the AFDC or SSI eligibility criteria for title IV–E subsidies. The Adoption and Safe Families Act requires States to provide health insurance coverage to these children, if they have special needs for medical, mental health, or rehabilitative care. This health coverage may be through Medicaid or another program, as long as benefits are comparable. In addition, to be eligible for adoption incentive payments (described above) in fiscal year 2000 or fiscal year 2001, States must provide health coverage to any special needs child whose adoptive parents have entered into an adoption assistance agreement with any State. States also must comply with this provision to be eligible for a waiver demonstration (described below).

The Adoption and Safe Families Act also contains a provision intended to ensure that children who had once been eligible for title IV–E adoption assistance will continue to be eligible in a subsequent adoption, if their initial adoption is disrupted or their adoptive parents die, regardless of whether they would have qualified for AFDC or SSI based on the income and assets of their first adoptive family.

*Reauthorization and renaming of Family Preservation Program*

The new law reauthorizes and changes the name of the existing Family Preservation Program to Promoting Safe and Stable Families. This program was scheduled to expire at the end of fiscal year 1998 and is reauthorized under Public Law 105–89 at: \$275 million in fiscal year 1999; \$295 million in fiscal year 2000; and \$305 million in fiscal year 2001. Prior law required States to devote significant expenditures to each of two types of services: family preservation; and community-based family support. The Adoption and Safe Families Act adds two more categories: time-limited family reunification services provided during the 15-month period after a child is removed from home; and adoption promotion and support services.

*State accountability for performance*

The Adoption and Safe Families Act also aims to increase the accountability of States for the performance of their child welfare programs. The legislation requires HHS, in consultation with public officials and child welfare advocates, to develop outcome measures in various categories (i.e., number of foster care placements and adoptions, length of stay in foster care), and to rate State performance according to these measures in an annual report. The first annual report is due by May 1, 1999.

In addition, the new law directs HHS to conduct a study and develop recommendations for a performance-based financial incentive system under titles IV–B and IV–E. To the extent feasible, this system will be based on the annual performance report described above. HHS must submit a progress report to Congress within 6 months of the new law's enactment, and a final report within 15 months.

*State innovation and demonstration waivers*

Under legislation enacted in 1994, HHS is authorized to approve up to 10 States to receive waivers from title IV–B and IV–E rules in order to conduct demonstration projects. The Adoption and Safe Families Act allows HHS to approve an additional 10 demonstrations in each of fiscal years 1998–2002. Federal law does not mandate specific goals for these demonstrations. However, the new law directs the Secretary to give consideration to any applications received with the following purposes: (1) to identify and address barriers to adoption for foster children; (2) to identify and address parental substance abuse problems that result in foster care placement for children, including through placement of children together with their parents in appropriate residential treatment facilities; and (3) to address kinship care.

*Additional provisions*

Additional provisions in Public Law 105–89: require HHS to submit a report to Congress by June 1, 1999, on the issue of kinship care; give child welfare agencies access to the Federal Parent Locator Service; clarify eligibility for the Independent Living Program; establish a sense of Congress in favor of standby guardianship laws; and make a statement of intent about “reasonable” parenting. Unless specified otherwise, the new law takes effect upon enactment, except that, where enactment of new State laws is required, States have until 3 months after their first legislative session to comply.

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