

## About The Pew Commission

The nonpartisan Pew Commission on Children and Foster Care was launched in May 2003. Supported by a grant from The Pew Charitable Trusts to the Georgetown University Public Policy Institute, the Commission's charge was to develop recommendations to improve outcomes for children in the foster care system—particularly to expedite the movement of children from foster care into safe, permanent, nurturing families, and prevent unnecessary placements in foster care.

The Commission is chaired by Bill Frenzel, former Republican Congressman and currently Guest Scholar at the Brookings Institution. The Vice Chair is William Gray, III, former Democratic Congressman and currently President and CEO of the United Negro College Fund. Mr. Frenzel and Mr. Gray are well known for their expertise in the federal budgeting process and for their ability to forge consensus across party lines. The Commission includes some of the nation's leading child welfare experts, administrators of child welfare agencies, judges, social workers, a state legislator, a child psychologist, foster and adoptive parents, a former foster youth, and others. These are people who know the system well—both its assets and its limitations.

The Commission met intensively, exploring a broad range of key issues in child welfare. It listened to judges who oversee dependency cases, managers who administer child welfare systems, and caseworkers with daily, frontline responsibility for children. It also listened to other professionals, scholars, and advocates; to foster, adoptive, and birth parents; and to young people themselves. It closely examined critical problems and promising approaches.

The Commission focused its work on two targeted areas:

- Improving existing federal financing mechanisms to facilitate faster movement of children from foster care into safe, permanent families and to reduce the need to place children in foster care in the first place; and
- Improving court oversight of child welfare cases to facilitate better and more timely decisions related to children's safety, permanence, and well-being.

Informed by the breadth of stakeholder input and its own expertise, the Commission first agreed on five principles that articulate what children in the child welfare system need. With these principles always in mind, the Commission then undertook an extensive review of policy options, ultimately reaching consensus on a set of policy recommendations that are presented in this report. These thoughtfully considered recommendations from a diverse group of experts are intended to give Congress, federal agencies, states, courts, and communities a framework for strengthening the ability of child welfare agencies and courts to secure safe, permanent families for children in foster care and at risk of entering care.

## Executive Summary

*So, this is how it is in foster care, you always have to move from foster home to foster home and you don't have any say in this and you are always having to adapt to new people and new kids and new schools. Sometimes you just feel like you are going crazy inside. And another thing, in foster care you grow up not knowing that you can really be somebody. When I was in foster care, it didn't seem like I had any choices or any future. All kids deserve families. They need a family, to have someone, this is father, this is mother—they need a family so they can believe in themselves and grow up to be somebody. This is a big deal that people don't realize. I wish everyone could understand.*

*- Former Foster Youth*

All children need safe, permanent families that love, nurture, protect, and guide them. This was the starting point for the work of the Pew Commission on Children in Foster Care and a steady compass throughout our deliberations.

Foster care protects children who are not safe in their own homes. For some children, it is literally life-saving. But for too many children, what should be a short-term refuge becomes a long-term saga, involving multiple moves from one foster home to another. On any given day in the United States, half a million children and youth are in foster care, removed from their homes because of abuse or neglect. On average, children in foster care have three different placements.<sup>1</sup> Almost half of these children spend at least two years in care, while almost 20 percent wait five or more years.<sup>2</sup> While in care, many children do not receive appropriate services, whether they are infants suffering the effects of trauma or older adolescents about to leave foster care to live on their own.

The charge of the Pew Commission on Children in Foster Care was to develop a practical set of policy recommendations to reform federal child welfare financing and strengthen court oversight of child welfare cases. Current federal funding mechanisms for child welfare encourage an over-reliance on foster care at the expense of other services to keep families safely together and to move children swiftly and safely from foster care to permanent families, whether their birth families or a new adoptive family or legal guardian. At the same time, longstanding structural issues in the judicial system limit the ability of the courts to fulfill their shared obligation to protect children from harm and move children safely and appropriately through the system to safe, permanent homes. Reform in these two areas is a critical first step to solving many other problems that plague the child welfare system.

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<sup>1</sup> Based on the latest federal statistics on foster care supplied by the states for the Adoption and Foster Care Analysis and Reporting System (AFCARS). See U.S. Department of Health and Human Services. *The AFCARS Report: Preliminary FY 2001 Estimates as of March 2003*. Washington, DC: DHHS, 2003. Available online at <http://www.acf.hhs.gov/programs/cb/publications/afcars/report8.htm>.

<sup>2</sup> Ibid.

We began our work in May 2003 by developing a set of guiding principles that articulate what we want for children in the child welfare system. The principles were an important touchstone throughout our year of deliberations, focusing us consistently on the children at the heart of the child welfare system.

## **Guiding Principles for the Work of the Pew Commission**

**Preamble:** All children must have safe, permanent families in which their physical, emotional and social needs are met. When children are abused or neglected, these fundamental needs are not met. The recommendations of the Pew Commission focus on improving the circumstances for children who are served by the child welfare system, whether in foster care or in their own homes. The Commission's work was guided by the following principles:

1. Children must be physically and emotionally safe and must be protected wherever they live. When children are removed from their homes, public authorities have an obligation to ensure that they are safer in out-of-home care than they would have been at home.
2. Children must have their needs met in a timely manner at every stage of their development and every stage of public decision making about their futures.
3. Children must have continuity and consistency in care giving and relationships, including healthy ties to siblings and extended family.
4. Children must have equal protection and care, including attention to meeting children's needs in the context of their community and culture.
5. Children and their families must have an informed voice in decisions that are made about their lives.

Our work built on a solid base of federal statutes that emphasize safety for children and support for families. These landmark laws establish the shared responsibility of the federal government, the states, and the courts to protect abused and neglected children and secure safe, permanent homes for them. They have made important and lasting improvements in the ability of child welfare agencies and the courts to meet the needs of children who have been abused and neglected. And they reflect the strong and abiding bipartisan desire to take better care of children who have suffered abuse and neglect. But more remains to be done.

The Pew Commission on Children in Foster Care's recommendations focus on what states and courts need to help children have safe, permanent homes. Our recommendations would give states a flexible and reliable source of federal funding and new incentives, as well as help dependency courts secure the tools, information, and training necessary to fulfill their responsibilities to children. In doing so, our recommendations also call for greater accountability from both child welfare agencies

and courts so the public can assess how well its institutions are protecting vulnerable children. The key components of the Commission's financing recommendations are:

- Preserving federal foster care maintenance and adoption assistance as an entitlement and expanding it to all children, regardless of their birth families' income and including Indian children and children in the U.S. territories;
- Providing federal guardianship assistance to all children who leave foster care to live with a permanent legal guardian when a court has explicitly determined that neither reunification nor adoption are feasible permanence options;
- Helping states build a range of services from prevention, to treatment, to post-permanence by (1) creating a flexible, indexed Safe Children, Strong Families Grant from what is currently included in Title IV-B and the administration and training components of Title IV-E; and (2) allowing states to "reinvest" federal and state foster care dollars into other child welfare services if they safely reduce their use of foster care;
- Encouraging innovation by expanding and simplifying the waiver process and providing incentives to states that (1) make and maintain improvements in their child welfare workforce and (2) increase all forms of safe permanence; and
- Strengthening the current Child and Family Services Review process to increase states' accountability for improving outcomes for children.

The Commission's court recommendations call for:

- Adoption of court performance measures by every dependency court to ensure that they can track and analyze their caseloads, increase accountability for improved outcomes for children, and inform decisions about the allocation of court resources;
- Incentives and requirements for effective collaboration between courts and child welfare agencies on behalf of children in foster care;
- A strong voice for children and parents in court and effective representation by better trained attorneys and volunteer advocates;
- Leadership from Chief Justices and other state court leaders in organizing their court systems to better serve children, provide training for judges, and promote more effective standards for dependency courts, judges, and attorneys.

## Understanding Titles IV-E and IV-B

**Title IV-E** of the Social Security Act is the largest source of federal funding for child welfare, accounting for nearly half of federal child welfare spending in state fiscal year (SFY) 2000.<sup>1</sup> The two largest IV-E programs—Foster Care and Adoption Assistance—are permanently authorized, open-ended entitlements. This means that states may claim federal reimbursement on behalf of every income-eligible child they place in a licensed foster home or institution, and every income-eligible child who is adopted from foster care. States may claim reimbursement for three types of services: (1) maintenance payments to foster and adoptive families, intended to help cover the costs of shelter, food, and clothing; (2) placement and administrative costs, including case management, eligibility determination, licensing, and court preparation; and (3) training for staff and foster and adoptive parents.

**Title IV-E income eligibility** is based on each state's Aid to Families with Dependent Children eligibility standards that were in place when that cash welfare program was replaced by the Temporary Assistance for Needy Families block grant in 1996. The AFDC eligibility requirements include income, asset, and deprivation tests, resulting in an administratively burdensome IV-E eligibility determination process. Moreover, because the 1996 standards have never been adjusted for inflation, the number of children who meet IV-E eligibility requirements will continue to decline over time.

**Title IV-B** provides flexible funds that can be used by states for a broad array of child welfare services. There are no federal income or other eligibility requirements. Title IV-B funds may be used for family preservation services, community-based family support services, time-limited family reunification services, and adoption promotion and support services. These funds, however, represent a relatively small pot of money, accounting for just five percent of all federal spending on child welfare in SFY 2000.<sup>2</sup> Furthermore, unlike IV-E, IV-B funding is not an open-ended entitlement, but rather a mixture of capped entitlement dollars and discretionary funding—meaning that the overall funding level is subject to the annual appropriations process. Title IV-B accounted for only \$693 million in federal child welfare spending in FY 2004, compared to \$4.8 billion for Title IV-E foster care and \$1.6 billion for IV-E adoption assistance.<sup>3</sup>

<sup>1</sup> Bess, R., Andrews, C., Jantz, A., et al. *The Cost of Protecting Vulnerable Children III: What Factors Affect States' Fiscal Decisions?* Occasional paper No. 61. Washington, DC: The Urban Institute, 2002. As indicated in this report, in recent years states have also used three major non-dedicated federal funding streams to support child welfare services—the Social Services Block Grant (representing 17 percent of all federal child welfare spending in SFY 2000), the Temporary Assistance for Needy Families block grant (15 percent), and Medicaid (10 percent).

<sup>2</sup> Bess, R., et al, 2002.

<sup>3</sup> The Congressional Budget Office. See <http://www.cbo.gov/factsheets/2004b/FosterCare.pdf>.

# Recommendations

## Financing Child Welfare

*1. Because every child needs a safe, permanent family, the Commission recommends:*

- *Providing federal adoption assistance to all children adopted from foster care; and*
- *Providing federal guardianship assistance to all children who leave foster care to live with a permanent, legal guardian.*

The Commission recommends continuing federal adoption assistance as an entitlement under Title IV-E and making assisted guardianship a IV-E reimbursable expense. This will provide an additional route to permanency for children in foster care when adoption and reunification have been ruled out. Furthermore, because we believe that *every* child who experiences abuse and neglect—not just every poor child—deserves state and federal support in the effort to secure a permanent family, we recommend elimination of current income eligibility requirements for adoption assistance, and no income requirements for guardianship assistance.

*2. Because every child needs to be protected from abuse and neglect, the Commission recommends that the federal government join states in paying for foster care for every child who needs this protection:*

- *Regardless of family income;*
- *Including children who are members of Indian tribes; and*
- *Including children who live in the U.S. territories.*

Like the first recommendation, this recommendation reflects a deeply held principle within the Commission that *every* child who experiences abuse or neglect deserves the protection of the federal government. Currently, the federal government shares in the cost of foster care only for children whose birth families meet outdated income eligibility requirements for cash welfare. In addition, restrictions on access to federal funds for tribes and U.S. territories limit the ability of those governments to protect abused and neglected children. The Commission recommends eliminating income eligibility requirements for foster care and suggests adjusting federal reimbursement rates as a means of maintaining cost neutrality. The Commission further recommends giving tribes and territories equal access to federal child welfare funds.

*3. Because every child needs a permanent family, the Commission recommends allowing states to “reinvest” federal dollars that would have been expended on foster care into other child welfare services if they safely reduce foster care use. States could use these funds for any service to keep children out of foster care or to leave foster care safely.*

Currently, when states reduce their foster care expenditures, they “lose” the federal share of savings associated with that reduction—even though keeping children out of foster care can require substantial investments in prevention, treatment, and support once a child leaves foster care. Allowing states to retain the federal share of savings and reinvest those dollars into a broad range of child welfare services would encourage and provide tangible benefits to states that actively promote and achieve safe permanence for children. States could access the federal savings only when they reinvest their own share of savings.

***4. Children need skillful help to safely return home to their families, join a new family, or avoid entering foster care in the first place. For caseworkers to provide this help, states need flexible, sufficient, and reliable funding from the federal government. The Commission recommends an indexed Safe Children, Strong Families Grant that combines federal funding for Title IV-B, Title IV-E Administration, and Title IV-E Training into a flexible source of funding. The Commission recommends that additional funding be provided in the first year, and that the grant be indexed in future years.***

- ***Each state’s grant amount would be based on its historical spending for Title IV-B and Title IV-E Administration and Training.***
- ***In addition, the total base funding level would be enhanced by \$200 million in the first year of implementation.***
- ***In subsequent years, each state’s allocation would grow by 2 percent plus the inflation rate, as measured by the Consumer Price Index.***
- ***States would be required to match the federal grant funds, just as they currently are required to match federal IV-B and IV-E dollars.***

The proposed Safe Children, Strong Families Grant would give states new flexibility to use nearly *half* of all current federal IV-E expenditures as they see fit to meet the unique needs of the children in their care. In addition to a broad range of direct services to children and their families, states could also use these funds for any child welfare training purpose, including training of private sector employees and court personnel. Recognizing that flexibility alone is not enough to enable states to build a full continuum of child welfare services, the Commission recommends providing an additional \$200 million in federal funding above the current IV-B and IV-E funding levels. We further recommend indexing the grant to an annual growth factor to ensure that funding not only keeps pace with inflation but grows over time.

***5. To guarantee that public funds are used effectively to meet the needs of children who have been abused or neglected and to increase public accountability, the Commission recommends improvements to the federal Child and Family Services Reviews (CFSRs).***

- ***The CFSRs should include more and better measures of child well-being, use longitudinal data to yield more accurate assessments of performance over time, and the U.S. Department of Health and Human Services (HHS) should direct***

*that a portion of any penalties resulting from the review process be reinvested into a state's Program Improvement Plan.*

- *The federal government should continue to help states build their accountability systems by maintaining the federal match for State Automated Child Welfare Information Systems (SACWIS).*
- *Congress should direct the National Academy of Sciences, through its Board on Children, Youth, and Families, to convene a foster care expert panel to recommend the best outcomes and measures to use in data collection.*

As the principal tool for assessing whether states are meeting the goals of safety, permanence, and well-being for children in foster care, the CFSRs represent a major step forward in creating real accountability in the child welfare system. However, the Commission recommends improving their utility to policymakers and the public by better measuring the well-being of children in foster care and using data that track the movement and experiences of those children over time. Recognizing the importance of reliable information systems, the Commission further recommends that federal funding for SACWIS remain an open-ended entitlement under Title IV-E at the current 50 percent matching rate.

*6. To promote innovation and constant exploration of the best ways to help children who have been abused and neglected, the Commission recommends that the federal government:*

- *Expand and improve its successful child welfare waiver program;*
- *Continue to reserve funds for research, evaluation, and sharing of best practices; and*
- *Provide incentives to states that make workforce improvements and increase all forms of safe permanence for children in foster care.*

Improving outcomes for children in the child welfare system will require experimentation on a broad scale, rigorous evaluation, and aggressive dissemination of proven practices. To that end, the Commission recommends building on the success of the child welfare waiver program by eliminating the cap on the number of waivers HHS may approve; permitting HHS to approve waivers that replicate demonstrations already implemented in other states; and streamlining the application and approval process. The Commission further recommends retaining the Title IV-B evaluation, research, training and technical assistance set-asides to continue to test new approaches and disseminate successful results.

The proposed workforce improvement incentive recognizes the fundamental role that caseworkers play in the lives of children and families in the child welfare system. States that make lasting improvements in their child welfare workforce would receive a higher federal matching rate for their Safe Children, Strong Families Grant. The proposed permanence incentive would build on the successful Adoption Incentives program by also rewarding safe permanence through reunification and guardianship. States would receive incentive payments for increasing permanence through *any* of the three routes to

permanence so long as *overall* permanence increases, and could use these payments for any child welfare purpose.

## **Strengthening Courts**

*1. Courts are responsible for ensuring that children's rights to safety, permanence and well-being are met in a timely and complete manner. To fulfill this responsibility, they must be able to track children's progress, identify groups of children in need of attention, and identify sources of delay in court proceedings.*

- *Every dependency court should adopt the court performance measures developed by the nation's leading legal associations and use this information to improve their oversight of children in foster care.*
- *State judicial leadership should use these data to ensure accountability by every court for improved outcomes for children and to inform decisions about allocating resources across the court system.*
- *Congress should appropriate \$10 million in start-up funds, and such sums as necessary in later years, to build capacity to track and analyze caseloads.*

The American Bar Association, the National Center for State Courts, and the National Council of Juvenile and Family Court Judges have developed a set of court performance outcome measures designed to help state courts improve judicial decision-making and hasten children's movement out of foster care and into safe, permanent homes. Such data are critical to improving court practice, holding courts accountable for meeting their obligations to protect children who have been abused or neglected, and increasing citizen awareness of the challenges involved in meeting the needs of those children. The Commission calls on state court systems to adopt these court performance measures and make the aggregate information publicly available. Recognizing that state court resources are limited, we recommend an appropriation of at least \$10 million to help state courts build their data capacity.

*2. To protect children and promote their well-being, courts and public agencies should be required to demonstrate effective collaboration on behalf of children.*

- *The U.S. Department of Health and Human Services (HHS) should require that state IV-E plans, Program Improvement Plans, and Court Improvement Program plans demonstrate effective collaboration.*
- *HHS should require states to establish broad-based state commissions on children in foster care, ideally led by the state's child welfare agency director and the Chief Justice.*
- *Congress should appropriate \$10 million to train court personnel, a portion of which should be designated for joint training of court personnel, child welfare agency staff, and others involved in protecting and caring for children.*
- *Courts and agencies on the local and state levels should collaborate and jointly plan for the collection and sharing of all relevant aggregate data and information which can lead to better decisions and outcomes for children.*

Collaboration between the child welfare agency and the court is essential for lasting improvements in the child welfare system. Yet, while most federal funding for both the child welfare agency and the courts requires some type of state or court plan, there is no explicit requirement for court-agency collaboration. We recommend that states and the courts be required to demonstrate meaningful court-agency collaboration in the plans they submit to the federal government.

To further collaboration, the Commission also recommends the development of multi-disciplinary, broad-based state commissions on children in foster care to ensure on-going collaboration between child welfare agencies and courts, as well as an opportunity to engage a broader coalition of public and private agencies, systems, and organizations with an interest in the welfare of children.

In addition to sharing information, effective training is essential for collaboration. To ensure that courts and agencies each have their own source of funds to contribute to collaborative ventures, the Commission recommends an annual appropriation of \$10 million through the Court Improvement Program to be used for court-specific training as well as cross-training initiatives that are jointly planned and executed with the child welfare agency.

***3. To safeguard children's best interests in dependency court proceedings, children and their parents must have a direct voice in court, effective representation, and the timely input of those who care about them.***

- ***Courts should be organized to enable children and parents to participate in a meaningful way in their own court proceedings.***
- ***Congress should appropriate \$5 million to expand the Court Appointed Special Advocates (CASA) program.***
- ***States should adopt standards of practice, preparation, education, and compensation for attorneys in dependency practice.***
- ***To attract and retain attorneys who practice in dependency court, Congress should support efforts such as loan forgiveness and other demonstration programs.***
- ***Law schools, bar associations, and law firms should help build the pool of qualified attorneys available to children and parents in dependency courts.***

Children, parents and caregivers all benefit when they have the opportunity to actively participate in court proceedings, as does the quality of decisions when judges can see and hear from key parties. State court leaders should consider the impact of factors such as court room and waiting area accommodations, case scheduling, use of technology in the court room, and translation of written materials. Even with the active participation of children and families, judges and attorneys will not always have the time and resources to provide the in-depth information needed for the courts to make fully informed decisions. We therefore recommend an expansion of the successful, community-based CASA program.

Dissonance between state legislation, legal theory, and individual practice on the issue of legal representation of children creates confusion within the field—to the detriment of children who need strong, clear advocacy. Limited training for attorneys in dependency court contributes to the problem. The Commission recommends requiring such attorneys to complete a multi-disciplinary training program and participate in ongoing training throughout their careers.

We recognize that compensation for dependency attorneys is generally low and that many law graduates leave school with substantial educational debt that can deter them from practicing in this field. We therefore recommend that Congress explore a loan forgiveness program and other demonstration programs to attract and retain competent attorneys in the dependency courts. Finally, to further develop the pool of experienced attorneys willing to represent children and parents in dependency proceedings, we call on attorneys and law firms to encourage and support the provision of more pro bono services to children in families and dependency court.

***4. Chief Justices and state court leadership must take the lead, acting as the foremost champions for children in their court systems and making sure the recommendations here are enacted in their states.***

- ***Chief Justices should embed oversight responsibility and assistance for dependency courts within their Administrative Office of the Courts.***
- ***State court leadership and state court administrators should organize courts so that dependency cases are heard in dedicated courts or departments, rather than in departments with jurisdiction over multiple issues.***
- ***State judicial leadership should actively promote: (1) resource, workload and training standards for dependency courts, judges, and attorneys; (2) standards of practice for dependency judges; and (3) codes of judicial conduct that support the practices of problem-solving courts.***
- ***State court procedures should enable and encourage judges who have demonstrated competence in the dependency courts to build careers on the dependency bench.***

All of the recommendations for improving court performance in dependency cases require leadership from the top of the state judiciary. Establishing an office on children in the courts within the Administrative Office of the Courts would demonstrate the importance of dependency issues to the court leadership, and would help institutionalize the court's commitment to children beyond the tenure of individual Chief Justices.

To ensure that dependency cases get the time, expertise, and degree of importance and attention that children deserve, we urge state court leadership to establish courts or departments dedicated to these cases. State judicial leadership should also adopt and use dependency court standards that recognize the unique nature of cases before these courts,

the relatively large number of parties involved in these cases, and the often extended timeline of dependency cases.

Finally, to build a cadre of experienced dependency court judges, we recommend that those judges who choose to build a career on the dependency bench be permitted to opt out of routine rotation.

## **Conclusion**

Our recommendations are the result of hard choices and difficult compromises. We believe they offer an achievable plan for improving outcomes for children in foster care and those at risk of entering care. The recommendations are designed to work together; no single one satisfies all of our principles or holds as much promise for children as the recommendations as a whole. Together, they will require some new funding. But just as important, they will require redirection of current funding and stronger accountability for how public dollars are used to protect and support children who have suffered abuse and neglect. We hope that policy makers at the federal, state, and local levels and in the courts will give our recommendations thoughtful consideration, and we urge swift action for the sake of half a million children who are waiting for a permanent family.