

July 29, 2004

The Honorable Wally Herger  
Chairman, Subcommittee on Human Resources  
B-317 Rayburn House Office Building  
Washington, DC 20015

The Honorable Ben Cardin  
Ranking Member  
Subcommittee on Human Resources  
1106 Longworth House Office Building  
Washington, DC 20015

Dear Chairman Herger and Congressman Cardin:

The Child Welfare League of America (CWLA) appreciates the opportunity to respond to questions stemming from the July 13, 2004, House Ways and Means Subcommittee on Human Resources hearing on child welfare legislation. We also want to express our appreciation of your interest in the critical issue of how best to protect and assist all the children that come into contact with the child welfare system.

We look forward to working with this Subcommittee to develop a comprehensive child welfare reform proposal that meets all the needs of America's the most vulnerable children and families and ensures that every child is protected.

Sincerely,

A handwritten signature in black ink that reads "Patricia L. Wilson". The signature is written in a cursive, flowing style.

Patricia Wilson  
Director, CWLA Southern Region

Enclosure

**1. How many children are in foster care today, compared with 1980? Is CWLA committed to helping States reduce the number of children in foster care? What specific efforts are you pursuing this goal?**

In 1980, there were 302,000, children in foster care. That actually represented a decline from ten years earlier when 326,000 were in foster care. As you know, there were some dramatic caseload increases in the 1980s due to the impact and spread of the crack cocaine epidemic. In the three most recent years, however, the trend has been declining. In 1999, 567,000 children were in foster care. The 2000, 542,939 children were in foster care, and in 2001 the number of children in foster care declined even further to 540,563.

CWLA has many ongoing efforts aimed at reducing the number of children in foster care. We assist our nearly 1,000 member agencies across the country in addressing the issue of foster care, as well as all other child welfare services.

Through its training, technical assistance, and development and dissemination of practice tools to member agencies who provide child welfare services, CWLA supports efforts to help states reduce the foster care population. CWLA also engages in strategic coalitions to aid in the reduction of the number of children and youth in foster care. These efforts include but are not limited to:

*Community Support and Family Stabilization*

To prevent placement into the child welfare system, CWLA works with communities in advocating for:

- Increased funding for family preservation and family support.
- Funding for comprehensive family substance abuse treatment.
- Securing additional services for families receiving public assistance.
- The creation of the Parenting-Rich Community Initiative so parents have the resources they need to support optimal development of their children.
- The extension of grants to support innovations in state child protective services and community-based preventive services.
- Improved mental health services to children and families.

In addition to working with communities, CWLA has provided:

- Educational sessions for homeless families in collaboration with member agencies in various cities.

- Trained professionals to develop local partnerships between child welfare agencies and public housing authorities.

### *Care of Children in Child Welfare*

While children are placed in the child welfare system, CWLA advocates for:

- Collaboration of national organizations, individuals, youth, families and other stakeholders to address the mental health and substance abuse needs of children and families involved in the child welfare system.
- Funding of comprehensive family substance abuse treatment.
- The continued bonuses to states that increase the number of children adopted from foster care, with an emphasis on older children.
- The increase of adoptions from the foster care system, through collaboration with the AdopUSKids campaign.
- The identification of promising program models that focus on permanency.
- Funding federal grants for demonstration projects that eliminate the barriers to adoption facing children with special needs.

### *Permanency Options for Children and Youth*

CWLA seeks permanency options for children and youth involved in the child welfare system by:

- Developing kinship care resources, such as the development and dissemination of a resource booklet covering the complicated financial issues facing kinship caregivers.
- Placing practice emphasis on youth in the foster care system.
- Addressing permanency for older children and youth in care.
- Convening meetings of the National Foster Youth Advisory Council to support youth leadership among youth in the child welfare system.

### *Reunification and Post Placement Services*

CWLA advocates for increased funding to prevent re-entry into the foster care system.

- CWLA worked with the New York City Housing authority to develop and maintain employment, youth development, housing, child care services, and other community supports for families.
- CWLA trained professionals to develop local partnerships between child welfare agencies and public housing authorities
- CWLA formed partnerships with member agencies to provide information to communities that serve children and families
- CWLA advocates and supports funding for services to families who have adopted children from the foster care system or are kinship caregivers of children from the child welfare system. Funding to sustain and support these families is critical.

### *Workforce Issues*

CWLA has addressed the workforce issues in the child welfare system by:

- Presenting teleconferences to members on the workforce issues.
- Advancing research on the issue of workforce.
- Offers practical recruitment and retention strategies for public and nonprofit agencies.
- Advocating for new federal funding for states to help relieve a shortfall in many state budgets.
- Publishing and disseminating program and practice resources for professionals in the field.

### *Overrepresentation*

CWLA is addressing the overrepresentation of children of color in the child welfare system by:

- Creating *CWLA'S Statement on Children of Color in the Child Welfare System*, which provided a set of proposed action steps.
- Providing technical assistance to agencies on cultural competence of their workforce.

- Works in partnership with other coalitions to develop an action agenda addressing the disproportionate representation of children of color in the system.

### *Standards of Practice*

Throughout the years, CWLA has established standards of practice, including caseload standards, in the following areas:

- *Adoption Services*
- *Child Day Care Services*
- *Family Foster Care Services*
- *Health Care Services for Children in Out-of-Home Care*
- *In-Home Aide Services for Children and Their Families*
- *Kinship Care Services*
- *Management and Governance of Child Welfare Organizations*
- *Residential Services*
- *Services for Adolescent Pregnancy Prevention, Pregnant Adolescents, and Young Parents*
- *Services for Abused or Neglected Children and Their Families*
- *Services to Strengthen and Preserve Families with Children*
- *Transition, Independent Living, and Self Sufficiency Services*

**2. You contend that the "basic safety net of Federal support offered through the Title IV-E program would be compromised by capping the amount of assistance available to States" as proposed in our draft legislation. For the record, how does the current system—which provides no incentive to move children from foster care more quickly because of unlimited funding—better protect these children? All the States have failed their child welfare reviews, which shows they are not adequately protecting children. Why would allowing States to collect additional Federal money for each added child do anything to encourage States to avoid foster care placements?**

CWLA shares with you the goal to reduce the number of children who are abused and neglected and thereby also reducing the need for foster care. Merely capping federal funding for foster care, however, will not achieve that goal. We believe that the best way to reduce the need for foster care is to adequately fund prevention and other supportive and family strengthening services and to address the key components of the child welfare system, such as workforce competencies, training, and caseloads.

Title IV-E foster care assistance, as currently structured, does not offer states an incentive to place more children in out-of-home care. We offer several observations that underscore this point:

- Due to the current income eligibility restrictions, many children in foster care currently receive no federal assistance and are supported by state funds only.

The number of children in out-of-home care between 1999 through 2001 has decreased by a total of approximately 24,000 children, while children in foster care covered by federal funding under the Title IV-E program declined by approximately 38,000. That is a decline of 4.3% in overall placements compared to a 12.5% decline in federally subsidized placements. That reveals a cost shift that has reduced federal support for foster care and has resulted in an increase in foster care costs to state and local governments.

- Title IV-E federal foster care funds represent less than half the federal funds being used for foster care. For example, a review of states' use of the federal funds they receive from the Social Services Block Grant (SSBG) over the past several years demonstrates that states continue to use SSBG funds for foster care. States make this choice despite the ability to use the same funds for prevention and other supportive services. Approximately 37 states spent more than \$270 million annually in SSBG funding over the past few years to pay for foster care. A recent GAO report also found that despite federal restrictions, some states were also using their Title IV-B Child Welfare Services funds for foster care. As current eligibility standards become more outdated and eroded by inflation, the pressure to use more flexible funding sources for such basic services as foster care maintenance and adoption assistance payments will place greater pressure not to use flexible funds for prevention or other services, but for out-of-home care.
- Avoiding foster care placements saves the states funds, as well as the federal government, since federal funds provided to states for federal foster care assistance through Title IV-E must be matched by a commitment of state funds. For California, Maryland and New York, that share is fifty percent.

The issues that need to be tackled in order to reduce the need for foster care are complex. They include adequate child welfare staffing and caseload sizes, training and the need for on-going training, access to services such as mental health and substance abuse—both in at home and out-of-home settings, prevention and intervention, and a number of other elements that make up the entire child welfare system.

The Child and Family Services Review process has highlighted many of these issues. A review of 33 state Program Improvement Plans (PIP) submitted to HHS show that states are facing a number of common challenges. Of the 33 PIPs reviewed, 13 states specifically addressed the need to reduce caseload sizes for their workers. Thirty of the 33 addressed the need to improve training. Other states cited turnover rates as an issue to be addressed and over half of the PIPS reviewed cited management issues as a need for improvement.

All of the PIPS reviewed addressed the need to improve the availability of services in some way, including mental health services, substance abuse treatment, general health care issues, and system reforms. Nineteen states include the need to better address the needs of those children who are "aging out" of the foster care system. These are some of the issues that need to be addressed to reach the goal of reducing the number of children in foster care.

**3. Your testimony does not mention that our draft legislation is paid for, including through offsets included in the House-passed welfare reform bill, which has failed to move in the Senate. Do you have any comments on that? Are any of the other bills you express support for in your testimony paid for?**

CWLA appreciates the urgency to address the mounting federal deficit of more than \$400 billion. Congress certainly faces a challenging time in which to set its priorities and make budget decisions.

We believe that it would not be fair to hold investments for children hostage to future deficit reduction plans. Over the course of next several months Congress may consider the extension of tax deductions that will total \$30 to \$400 billion, a reauthorization of a transportation bill, the creation of a fund to address the phase-out of tobacco farming, needed increases in education funding, our growing defense needs, the cost of military action overseas and many other important proposals. Congress may decide to offset these costs or to approve them without a specified source of funding. We would expect that Congress also recognize that the needs of abused and neglected children should also be a top priority.

The legislation we support in our testimony does not include offsets as currently written. They do, however, address some of the critical elements we have raised, including the need to assist states in implementing their PIPs, the need for a national strategy on workforce, correction of the current eligibility under Title IV-E, and enhanced prevention and support services through a fully funded Promoting Safe and Stable Families program. Again, we highlight the fact that ultimately Congress must set and act on national priorities. We believe that addressing the needs of children should be one of those top priorities.

#### **4. During your testimony, you specifically expressed concerns about capping Federal foster care maintenance payments.**

**→ Are you concerned that a cap reduces the ability of the foster care system to respond to spikes in the caseload for reasons beyond a State's control?**

CWLA has serious concerns about the impact of a cap on Title IV-E for foster care maintenance funds. We share the goal of the Subcommittee to reduce the number of children in foster care, but believe that this goal will not be achieved by simply limiting federal foster care assistance. As we responded in question two, what is needed to reduce foster care caseloads is adequately funding for prevention and other supportive and family strengthening services and addressing the systems issues such as workforce competencies, training, and caseloads.

**→ Do you believe a contingency fund can adequately address this concern? If so, how would you design it?**

CWLA believes that the proposed contingency fund will not adequately address an unanticipated need. Many have highlighted the dramatic increase in foster care caseloads during the late 1980s and early 1990s as a result of the crack-cocaine epidemic. While we hope a similar experience such as the spread of the methamphetamine would not have a similar impact, it would be unwise to leave the nation unprepared.

As proposed in the Chairman's bill, states would have the option to draw from the existing Contingency Fund for State Welfare Programs. This emergency fund was created to address TANF cash assistance caseload increases. To qualify for this additional funding, a state must have spent all of its federal foster care funds and meet the definition of "severe foster care crisis." There are two ways to meet the "crisis" definition: (1) a state must have experienced a statewide average of 15% increase in its foster care caseload from the previous year *and* national foster care caseloads must have increased 10%; or (2) a state's foster care caseload increased by 20%. To determine caseload increases,

the state must compare the most recent six-month period to the corresponding six-month period in the previous year.

This formula does not address the need for increased federal foster care assistance if the increase is limited to a specific urban area or single state. It also leaves out any consideration of increased costs in care as opposed to increased numbers of children in care.

In addition, a contingency fund that is designed to address the needs of the TANF population may create some unappealing choices for state human service programs. Any contingency fund would have to be designed to respond to the needs of the child and the number of children in need of protection. To adequately protect these children this fund could not have an artificial cap and could not be dependent on an annual appropriation.

**→ Furthermore, are you worried that a cap may reduce the Federal government's financial commitment to vulnerable children over time? In other words, even if the cap is designed to grow, does it presently a bigger target for future budget cuts than an open-ended entitlement.**

CWLA is concerned about the stability of funding over time for federal block grants. It is unclear if Congress would sustain even a level amount of funding for foster care over time. The history of one of the largest and most flexible block grants—SSBG—is not encouraging. SSBG was converted from an entitlement fund to a block grant to the states and funding for SSBG has not kept pace. SSBG funding was \$2.8 billion in 1995, reduced several times from 1996 through 2000 and is currently funded at \$1.7 billion. Congress reduced funding for SSBG to offset other priorities, including overall deficit reduction and to provide increased funding for transportation.

**5. There is a broad consensus that more resources are needed for prevention and family support services to reduce the need for foster care. However, some have gone even further to suggest that the current child welfare financing system creates a perverse financial incentive to keep children on out-of-home care (because open-ended Federal matching payments are available for foster care).**

**→ Do you agree with this statement?**

This is an important question because it deals with a strongly held belief by some that funding sources drives the decision to remove children from their homes.

As we pointed out in question two, in the last three years the overall number of children in out-of-home care subsidized by federal Title IV-E foster care funds

has decreased by a higher percentage than the overall reduction in out-of-home placements. A simple conclusion would suggest that out-of-home placements funded through state dollars or flexible federal dollars would go down at a faster rate than federal Title V-E funded children. This is not what happened and it hasn't happened because the decision to remove a child is much more complex and effected by multiple factors.

**6. The General Accounting Office (GAO) reports that high turnover rates among caseworkers, inadequate training, low salaries, and large caseloads all undermine the capacity of a State to respond to children and families in crisis.**

**→ In its current form, do you believe that the Chairman's draft proposal does enough to improve the quality of the child welfare workforce? If not, what additional steps would you take?**

CWLA believes that national leadership and support is needed to truly address the current crisis in the child welfare workforce. Better supports for the workforce need to be a critical component of any comprehensive child welfare reform measure.

The Chairman's bill would cap Title IV-E training funds and place those funds into a block grant to states to be used for administration, training, and services. These funds are used to prepare social workers for the job of working with the courts; working with other social service providers; creating treatment plans for children and families; and achieving permanency for children, ranging from reunification to guardianship to adoption.

In the Chairman's proposal, no funding for training would be guaranteed. While including these funds in a block grant would give states more flexibility with the use of the funds, it also means that states would be faced with pitting the training needs of staff with the need to provide services to children and families. This is a choice that no state should have to make.

CWLA feels that proposals included in H.R. 1534 and H.R. 2473, that provide funding for a comprehensive strategy with outcomes and measures tied to workforce development are a better solution. These bills also provide loan forgiveness for workers and expand access to training funds as part of this national strategy.

Last fall, the Subcommittee focused its hearings on the state of New Jersey and the conditions in its child welfare system, which had been highlighted in the national media. New Jersey has since adopted a comprehensive reform plan. A major portion of that plan deals with workforce improvements. New Jersey's experience offers an important national perspective. As stated in New Jersey's

reform proposal, "Child welfare casework may not be rocket science or brain surgery—in some cases it may be harder."

New Jersey's plan indicates the need for adequate staffing. Over the next two years New Jersey intends to hire an additional 416 child protection and permanency workers, 48 casework supervisors, 136 adolescent specialists, and 191 new resource family support workers. Through the end of last year New Jersey had already added an additional 253 workers bringing the workforce total to nearly 2,000 workers. In order for New Jersey to implement its full plan, the state legislature has just approved a funding increase of \$125 million for fiscal year 2005. That is in addition to its current budget of \$520 million. The Governor has also proposed \$180 million more in 2006. These proposals stand in contrast to the level of new federal investments included in the Chairman's legislation.

**7. What is the Child Welfare League of America's position on consolidating certain funding streams, including open-ended funding for administration, into a new capped grant that includes additional resources compared to CBO baseline (as proposed both by the Pew Commission and the Herger draft)?**

CWLA has serious concerns about the impact of including Title IV-E administration into a block grant. Title IV-E administration provides funding for activities directly related to achieving safety and permanency for children in foster care. Capping the amount of federal funding a state can receive for that activity could make it more difficult to achieve those outcomes. Any reform proposal that moves forward, must ensure that funding that supports social work staff and is used for case management are guaranteed.