

**Youth in the Child Welfare System: Goals, Recent Reforms, and Barriers to
Further Improvements**
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Background on the Child Welfare System

Each year, U.S. citizens make about 3 million referrals involving 5 million children to agencies investigating child abuse and neglect (CAN). A majority of reports come from professionals (teachers, doctors, etc.) involved with the children. Charges of neglect are more common than those of physical or sexual abuse. About a million children per year are found to be victims of CAN.

Many children remain in homes where abuse or neglect has been confirmed. However, some children are removed from their homes and placed in out-of-home care (either in foster homes with relatives or non-relatives, in group homes, or in institutions). Each year about 800,000 children and youth are served in out-of-home care. About 250,000 children a year are placed in care, and at any point in time there are over 500,000 children in care.

The child welfare “system” actually includes several components that attempt to work together in each community in the U.S. These include generally separate activities related to

- screening and responding to reports of child abuse and neglect (CAN) and investigating those reports,
- maintaining children in out-of-home care, if there is a need to remove them from their homes,
- providing services to families who experience CAN, whether children are removed from the home or not,
- preparing for and supporting adoption for children who are deemed unable to return to their parents, and
- monitoring through the juvenile or family courts, which oversee service decisions such as removing children, returning them home, or terminating parents’ rights to their children.

A complex web of federal and state laws support this system. In some states, county governments directly run the system, with the support of federal and state dollars. In other states, state governments manage the system and counties have little involvement.

Funding from all levels of government—federal, state, and local—flows into the system. Overall, about \$20 billion is spent annually—combining federal, state, and local dollars. Nearly \$8 billion of this is federal funding. Between 1999 and 2001, total spending increased 20 percent.

Youth in the Child Welfare System

While this system provides for families with children of all ages—and involves services for families where children remain at home—the discussion below will focus on youth in out-of-home care. The median age of children in foster care is about 10 years. There are about 100,000 youth aged 16 and over in out-of-home care at a point in time. Sixty-five thousand youth exit the out-of-home care system each year. About 20,000 of these are “emancipated” from the system when they reach age 18 (or, increasingly, between 18 and 21). Emancipation generally comes as youth reach the age when the child welfare system will no longer pay for out-of-home care.

Youth in out-of-home care face numerous challenges. Initially, there are the programs (generally related child abuse or neglect) that these youth bring with them into care. Almost by definition, these youth have experienced significant trauma before entering the child welfare system. Within the system, they often face multiple out-of-home placements, frequent changes in schools, loss of connections to family, episodes as runaways, and other struggles within a system that is ill-prepared to get them ready for the transition to adulthood.

Youths aging out of care have poor prospects for success as they face the end of their time in care. They are generally behind in school, have limited employment experience, relatively poor mental and physical health, and a relatively high likelihood of experiencing unwanted outcomes such as homelessness, incarceration, and pregnancy out of wedlock. Interviews with youth coming out of care—as well as investigations of administrative data on youth’s wages after leaving care—confirm the marginal economic prospects of this population. A study conducted in Wisconsin found that about a year after leaving care only half of youth were employed and 40 percent of young women were on public assistance.

Recent Changes Affecting Youth in the Child Welfare System

States and counties determine most of the substance of child welfare policy. For example, state laws mandate reporting of CAN, and state (and sometimes county) budgets determine the service mix available. The federal role in child welfare has never been preeminent, but it has grown significantly during the past quarter century. Federal programs now support crucial services and provide incentives for state actions.

The focus of federal involvement in child welfare flows from a concern during the late 20th century that children were “drifting” in state child welfare systems—unnecessarily entering care and remaining in care longer than necessary. The first major federal action came in 1980 with the passage of the Adoption Assistance and Child Welfare Act (Public Law 96-272). This act required states to take “reasonable efforts” to

prevent the placement of children. The law also provided a separate title of the Social Security Act (Title IV-E) providing a federal share of states' costs related to the placement of poor children in out-of-home care. It also provides a federal share for adoption assistance for poor children leaving care. Importantly, the law limits the use of these dollars to the costs of out-of-home placement and adoption assistance. It does not allow funds to be used for other services, such as the educational or health needs of children in care.

State child welfare systems saw tremendous increases in out-of-home care caseloads throughout the 1980s and 1990s, and federal legislative changes attempted to respond to this growth in caseloads and costs. By creating the Family Preservation and Support Services Program in 1993, the federal government increased funding for placement-prevention services. By the mid-1990s, some policy makers called for a shift to a block grant structure for the major federal child welfare funding streams. However, concerns about block grants for child welfare at the same time as welfare reform led Congress to maintain the existing entitlement funding and the existing focus on funding for out-of-home care.

The federal government asserted an even stronger role through the passage of the Adoption and Safe Families Act of 1997 (ASFA). ASFA reasserted the federal role in several ways. It reemphasized the need for states to reduce the time that children spend in foster care, forcing states to hold permanency hearings for children spending 15 of any 21 months in care. It also provided incentive funds for states to increase adoptions out of foster care, and it allowed states to quickly terminate the rights of parents to retain their children under certain extreme circumstances. States followed federal incentives quickly, increasing adoptions and modifying their laws to adjust to the new permanency time frames.

Federal Programs Specifically for Youth

Throughout the past two decades, federal funds specifically for youth in the system have increased. In 1985, the Independent Living Initiative (Public Law 99-272) provided federal funds to states under Title IV of the Social Security Act to help adolescents develop skills needed for independent living. Funding for the Independent Living Program (ILP) was reauthorized indefinitely in 1993 (Public Law 103-66) allowing states to engage in longer-term planning of their programs.

The ILP gave states great flexibility in the kinds of services they could provide to youth in out-of-home care. Basic services outlined in the law included outreach programs to attract eligible youth, training in daily living skills, education and employment assistance, counseling, case management, and a written transitional independent living plan. ILP funds could not, however, be used for room and board.

The Foster Care Independence Act (FCIA) of 1999 (Public Law 106-169) amended title IV-E to create the John Chafee Foster Care Independence Program, giving states more funding and greater flexibility in providing support for youth making the transition to independent living. The FCIA doubled federal independent living services

funding to \$140 million per year. It also allows states to use up to 30 percent of these funds for room and board, enables states to assist young adults 18-21 years old who have left foster care, and permits states to extend Medicaid eligibility to former foster children up to age 21.

In response to new federal funding and flexibility, some states have instituted broad policies intended to support youths' transition to independence from out-of-home care. For example, some states have waived tuition for foster youth attending state colleges or universities. Similarly, at least one state (Illinois) has created a wage subsidy for youth under twenty-one aging out of foster care. However, most of the efforts—and most of the dollars—go to *service* programs.

Types of Services for Youth

The recent policy focus for youth in foster care has been on increasing the quantity of services available rather than fundamental reform of the system. The Chafee Foster Care Independence Program doubled federal funding for such services, and states are using funds in a variety of ways to improve both the availability of “hard” services (such as housing) as well as “softer” supports (such as mentoring and skills training) for youth. Three key service needs for youth in care—and those leaving care—are health/mental health, education, and employment. Often the child welfare agency provides only advocacy and mentoring for youth, attempting to help them access services actually provided in other systems.

Health and Behavioral Health Services. Accessing health care is a great challenge for youth leaving care. In most states, Medicaid coverage is lost during the transition from state care to independent living, and most youth who leave foster care often do not have jobs that cover health or mental health care. In addition to longstanding health and mental health problems associated with their backgrounds, many youth aging out of foster care often need help coping with the emotional stress associated with the transition to independence. Services provided in this area include preparing youth to manage their own medical needs and connecting youth with appropriate health/mental health resources in their own communities. In addition, some programs provide services, particularly behavioral health services, directly to youth.

Educational Services. Youth aging out of foster care often suffer from severe educational deficits. They may be several years behind grade level and often do not have a high school diploma or GED at the time of discharge from state care. Programs that focus on educational outcomes provide services that assist youth with accessing necessary educational resources, increase their literacy, help them select a career field or sectors of interest, connect them with educational/vocational programs, or provide an educational/vocational program.

Employment Services. A youth's success in obtaining and maintaining employment after leaving care may be significantly related to the quality of employment

training and experience gained while in care. Programs can offer a variety of employment-related services including providing youth opportunities for career exploration, helping youth develop educational and career plans, providing career related work experience, connecting youth with career role models, and building partnerships with local educational institutions, industries, and employment programs.

Positive Youth Development. Many of the services for youth in foster care take a positive youth development approach *within each individual service*. They build on the strengths of the youth and emphasize the youth's role in decision making. However, as outlined below, child welfare systems face significant barriers to creating *a system* that supports youth development.

Barriers to Further Reform

The Goals of the System. The goals for *youth* in the system may not match the overarching concerns of the system *as a whole*. Reforms for child welfare systems have recently focused on accountability practices and proposals for altering funding incentives. As with other public human services systems, there have been increasing pleas for accountability and the measurement of “outcomes.” In child welfare, the focus of outcomes is on three general goals: safety, permanence, and the well-being of children and youth. These three goals are now codified in federal law, and new performance measurement systems are in development.

These goals may not provide a solid guide for youth in the system. Safety for children in this system is fundamentally about decreasing the recurrence of abuse or neglect. State child welfare systems continue to face philosophical challenges, attempting to balance child safety with family preservation and reasonable efforts to maintain children at home with the need for timely placement in some cases. Youth face different options from younger children. In particular, youth have more opportunities to run from unsafe situations or situations they simply do not like. In 2001, while 20,000 youth were emancipated from the child welfare system, nearly 10,000 remained in the system but were listed as runaways and 6,000 exited the system as runaways. While the safety of youth should continue to concern child welfare agencies, the relative focus may be less for youth than for younger children.

Permanency, too, has different meanings for youth than for younger children. For younger children, the focus of ASFA and other reforms has been to speed up decision making and to encourage states and counties to either return children to their parents or free them for adoption. While many youth do return home to their parents after a spell in foster care, adoption is rare. Only 1,000 of the 51,000 children adopted from child welfare systems in 2000 were age 16 or over. The policy focus on timelines for adoption may detract from the recognition that many youth will remain in care and require that the child welfare system—not their own parents or adoptive parents—prepare them for the transition to adulthood. One recent advance in practice has been the development of “guardianship” status, allowing kin caretakers of youth to become permanent guardians

of the youth without full adoption. This middle ground between adoption and out-of-home care may re-enforce youth's connections to family support as they make the transition from foster care to independence.

A specific accountability program has been proposed for the Chafee Foster Care Independence Program. Accountability measures will include six domains: self-sufficiency; knowledge, skills, and readiness for self-sufficiency; social and interpersonal supports; high-risk behaviors; physical and mental health; and self perceptions and personal characteristics. These measures reflect the increasing focus on positive development. While there is continued controversy about *how* these outcomes should be measured, child welfare systems are increasingly endorsing the goal of assisting youth in care with their transitions to adulthood.

The Nature of Foster Care. The very nature of foster care limits the ability of child welfare systems to push for better youth development services and more connections to other service systems. Youth in foster care often move from one community to another. While the number of moves may be higher than is necessary, moves are sometimes unavoidable (e.g., the health of a caretaker deteriorates) and are sometimes based on the needs of the youth (e.g., the movement to an in-patient setting for a suicidal youth). The consequences of this movement undermine reform efforts in a number of ways. Youth who are already behind in school move from school to school as they change placements. "Community-based" services may be difficult to deliver. And, perhaps most importantly, the placement of a youth in out-of-home care makes connections to support from the youth's own family difficult to achieve.

Multiple Participants in the System. As noted above, the child welfare "system" involves numerous agencies, sometimes with conflicting goals or aims. The division between juvenile or family courts and the state or county child welfare agencies is sometimes a barrier to reform. In addition, many states and counties rely greatly on private non-profit agencies to deliver services and care for children. These private agencies sometimes existed for decades before the state or county agency was created. There is often a need to forge a public-private consensus before reform can take place.

A Crisis-driven System. Child welfare is at its heart a system dependent upon good decision making. The progress of youth through out-of-home care is a series of decisions: when to investigate CAN, when to substantiate CAN, when to remove children and youth, and when to return them home or free them for adoption. With hundreds of thousands of children and youth moving through the system, poor decisions sometimes happen and they sometimes have tragic results. Local systems are subject to intensive media investigations when tragedies occur, and many systems have been sued or are under court supervision. It is difficult in such systems to keep good workers and administrators, and it is difficult to build long-term ties to other systems. State systems are under increased scrutiny from the media, public commissions, elected officials, state and federal courts, and the federal administration.

Flexibility of Funding. Funding for the systems comes from many sources. The key restriction on federal support for child welfare in the states is the limitation of Title IV-E to the support of out-of-home placement and adoption assistance. Many child welfare analysts have lamented the relative lack of federal funds for supportive and preventive services. Some have proposed that the open-ended entitlement in Title IV-E creates an improper incentive to place children in care or to keep them in care once they are there. It also limits state and county efforts to provide in-home services or related services such as substance abuse treatment for parents or for youth.

Recent investigations of federal funding for child welfare show that there are many sources of flexibility, e.g., the use of TANF funds or Medicaid. However, states vary greatly in their use of these other federal funds. And such funds are always at risk as other state priorities interfere (such as a surge in direct TANF needs) or as federal regulations limit new uses (such as recent restrictions on the use of Medicaid case management services in child welfare).

Historically Poor Connections to Other Systems for Youth. Child welfare systems continue to have difficulty connecting to other youth-serving systems. Youth in foster care have significant educational deficits, but the school life of youth is seldom a direct concern of child welfare workers. Foster youth are more likely than other youth to undertake risky behaviors such as abusing substance or harming themselves or others. Yet, few youth in the child welfare system get the substance abuse or mental health screening they need, let alone the follow-up services. Though the FCIA allows states to expand Medicaid coverage for youth after they leave care, few states have taken up this option. Without bringing new funding to discussions of service needs, the child welfare system—when it pays attention to these needs at all—is often left simply asking for priority treatment of its clients in other systems. All too often, such priority is not forthcoming.

ⁱ **This paper borrows heavily from some of the following materials:**

“The Role of Federal and State Governments in Child and Family Issues: An Analysis of Three Policy Areas,” by Jeffrey Capizzano and Matthew Stagner, *The Handbook of Applied Developmental Science* (Lerner, Jacobs, & Wertlieb, eds.) Sage Publications, 2003.

“Classification of Independent Living Services,” by Mark E. Courtney, Ph.D., Sherri Terao, Ed.D. Presented to the U.S. Department of Health and Human Services, 2002.

“The Cost of Protecting Vulnerable Children III: What Factors Affects State’s Fiscal Decisions,” by R. Bess, C. Andrews, A. Jantz, V. Russell, and R. Geen. *Assessing the New Federalism*, Occasional Paper Number 61, The Urban Institute, 2003.

“State Efforts to Remake Child Welfare: Responses to New Challenges and Increased Scrutiny,” by R. Geen and K. Tumlin, *Assessing the New Federalism*, Occasional Paper No. 29). Washington, DC: Urban Institute, 1999.

“The Potential Effects of Welfare Reform on States’ Financing of Child Welfare Services,” by R. Geen and S. Waters Boots, *Children and Youth Services Review*, 21, 865-880, 1999.

“Running to Keep in Place: The Continuing Evolution of our Nation’s Child Welfare System,” by K. Malm, R. Bess, J. Leos-Urbel, & R. Geen, *Assessing the New Federalism*, Occasional Paper No. 54). Washington, DC: Urban Institute, 2001.

Data on reports of child abuse and neglect children in care come from the following web sites:

<http://www.calib.com/nccanch/pubs/factsheets/canstats.cfm>

<http://www.calib.com/nccanch/pubs/factsheets/foster.cfm>

<http://www.acf.hhs.gov/programs/cb/publications/afcars/report7.pdf>