

M E M O R A N D U M

To: Ben Nye
Office of the Secretary of the Treasury

From: Lyn Hogan *LH*
Senior Policy Analyst
Domestic Policy Council

Date: July 12, 1996

Re: The President's Position On Abortion

Please see the following talking points.

Also, note that this week, the Democratic Platform Committee met and agreed upon abortion language that says, the party, while unequivocally supporting legal, government-financed abortions, respects "the individual conscience of each American on this difficult issue." No voice of dissent was raised during the two days the platform committee met in Kansas City, MO.

cc: Carol Rasco
Jeremy Ben-Ami
✓ Elizabeth Drye

President Clinton believes abortion should be safe, legal, and rare.

- The President believes that decisions about abortion should be between a woman, her doctor and her faith, and that abortions should be safe, legal and rare.
- The President has consistently protected women's health and safety, and the right of American women to make their own reproductive choices, while he has worked to reduce the number of unwanted pregnancies.

The President has a strong record on ensuring reproductive rights for women.

The President has a strong record of accomplishments on reproductive rights. Following are several of those accomplishments.

- President Clinton reversed the "Gag Rule"--the Bush Administration policy that prevented women using federally funded clinics from getting the information they needed to make informed choices about unwanted or health-threatening pregnancies.
- President Clinton has increased funding for Family Planning to help prevent unwanted pregnancies
- President Clinton supported broadening Medicaid to permit abortion services for poor women who are victims of rape or incest.
- President Clinton has ensured Family Planning Clinic safety, a step he took after five people were murdered and seven others injured at family planning clinics where abortions are performed.

On the President's decision to sign the FY 1996 Treasury/Postal/Gov Op Approps Bill...

- The President signed the FY 1996 Treasury, Postal and General Government Operations Appropriations bill. That bill contained a provision that prohibits health plans that participate in the Federal Employees' Health Benefits Program from providing coverage for abortions except in the case of rape, incest, or when the mother's life is in danger. Though the President signed this bill, the Administration strongly opposed, and continues to oppose, provisions that are designed to restrict Federal employees and their dependents from choosing and paying for a health care plan that includes coverage for abortion services.

The President made a very difficult decision when he vetoed the Partial Birth Abortion Bill.

- The Administration did not support this bill because it failed to preserve the life and health of the mother consistent with Roe v. Wade.
- The President has long opposed late-term (e.g. partial birth) abortions, except, as the Supreme Court requires, where necessary to protect the life or health of the mother.
- As Gov. of Arkansas he signed a bill preventing late term abortions, but with an appropriate exception for life or health, and *he would sign a bill that does the same thing at the federal level if it were presented to him.* However, the bill sent to him by the 104th Congress contained only an exception when a doctor can be certain a women's life is at risk, but not when she faces real, grave risks to her health.

THE WHITE HOUSE
WASHINGTON

Elizabeth -
FYI.
Lyn

To: Frank Farrow
Ralph Smith

From: Carol Rasco
Jeremy Ben-Ami
Lyn Hogan

Date: November 26, 1996

Re: December 3rd Meeting On Child Welfare

We look forward to meeting with you both on Tuesday, December 3 from 1:00 p.m.-3:00 p.m. in Carol Rasco's office.

Attached, please see a rough outline of our ideas on child welfare reform. We look forward to your comments and any additional thoughts on reform you wish to share with us.

This is an internal and confidential document, so please do not share it or discuss it with anyone outside of our meeting.

Thank you.

cc: Pauline Abernathy, Office of the First Lady
Nicole Rabner, Office of the First Lady

CHILD WELFARE REFORM CHALLENGES

Establish New Federal Goals for Child Welfare: Safety and Permanency

Challenge: The system's present focus on family preservation/reunification sometimes leads to children being placed in unsafe situations and to children remaining in foster care when reunification is neither appropriate nor possible. Safety and permanency should be the goals of the child welfare system. Family reunification should be one option available under these goals.

Encourage Adoption and Other Permanency Options Such as Subsidized Guardianship

Challenge: Barriers to adoption leave adoptable children in foster care too long, preventing children from having a safe, permanent home. Federal action can help increase adoptions and other permanency options, including subsidized guardianship, for waiting children in the foster care system.

Improve the Court Process Through Federal Leadership

Challenge: The judicial system is not adequately equipped or organized to deal with the flow of foster care and adoption cases in a way that fully emphasizes safety and permanency in a timely fashion. The Federal government should consider taking a leadership role in court improvement.

Restructure Federal Funding of the Child Welfare System To Create Incentives To Measure and Meet Federal Goals and Spend Dollars Wisely

Challenge: Current funding structures create the wrong incentives, for example rewarding foster care over adoption, and encouraging process instead of results. Consequently, money is wasted, system goals are unclear, and, most important, children and families are not well served. The Federal government must restructure funding to create incentives for states to measure and meet system goals and to efficiently and cost-effectively deliver services.

Restructure Transition To Independence Programs for Children Who Age Out of the Foster Care System

Challenge: At 18, foster children "age-out" of the foster care system, often without adequate preparation or arrangements for independent living. Federal funds for independent living are available, but funds are insufficient and programs inadequate. Often foster kids transitioning into independent living end up on welfare and/or homeless. The Federal government should consider guaranteeing this small population (about 20,000 nationally) basic necessities including a home, education, food, and clothing.

Improve Training & Professionalism in Child Welfare and Related Disciplines

Challenge: Currently, available training for caseworkers, and interdisciplinary training for others who interact regularly with the child welfare system, is inadequate. Further, professionalism and standards in the social work profession are lacking. Federal leadership could encourage the private sector to create better professional standards for caseworkers, and to expand successful training programs.

Address the Role of Substance Abuse and Mental Health in Child Welfare

Challenge: Studies indicate that up to 60 percent of foster children suffer from moderate to severe mental health problems. Further, surveys indicate that alcohol and drug abuse is a serious problem for between 1/3 and 2/3 of families in the child welfare system. The Federal government should acknowledge these interconnections and address them accordingly.

Improve and Expand Federally Funded Prevention Efforts

Challenge: The child welfare system continues to disproportionately spend dollars addressing abuse once it occurs, rather than on preventing the initial abuse. A reformed child welfare system must support *targeted*, coordinated, community-based prevention efforts that work, and start them early enough to prevent abuse and neglect from occurring *before* it is brought to the attention of the state.

Launch a Public Education Campaign on Child Welfare Issues

Challenge: While mandated reporting of abuse and neglect has improved, the public is still wholly unaware of the deficiencies in the system and the number of substantiated abuse and neglect reports that go without services every year. Public knowledgeable about child welfare issues will help solve the problems.

Action Steps for Reform

I. Establish New Federal Goals for Child Welfare: Safety and Permanency

Amend and strengthen the 1980 P.L. 96-272, the Adoption Assistance and Child Welfare Act of 1980, and later amendments to P.L. 96-272, as well as the 1974 P.L. 93-247, the Child Abuse and Prevention and Treatment Act (CAPTA), and the Family Preservation and Support Program in OBRA 1993.

A) Establish Safety

- Draft a simple statement of legislative intent indicating that the first priority in all child welfare decision-making is child safety. Reinforce this three ways:
 - Specifically state that reasonable efforts do not include efforts that place a child in danger;
 - During hearings, require those involved (judges, hearing officers, child abuse workers) to make specific statements of fact which indicate how the child will be safe in family preservation or reunification decision-making;
 - Lawyers and guardians ad litem argue ONLY for decisions that are consistent with child safety (not necessarily the wishes of the child which, a majority of the time, are reunification regardless of the home situation).
- Amend OBRA '93, the Family Preservation and Support Program, so that the plan requirements include the following:
 - Clarify that the first priority is always child safety;
 - Careful risk assessment to exclude dangerous families;
 - A high level of in-home visitation to supervise children's safety;
 - A comprehensive range of services to increase families' capacities to protect their children;
 - Partnerships with communities.
- Amend title IV-E state plan requirements to include:
 - Minimal standards for in-home visitation;
 - Forensic pediatric examination for sexually and physically abused children;
 - Regular pediatric care for foster children;
 - A timely response AND resolution for each allegation of abuse and neglect;
 - Background screening of alleged abusers and foster and relative caretakers including criminal and abuse screening;
 - Risk assessment;
 - Training for foster parents, including relative caregivers and child abuse workers.

B) Establish Permanency

- Amend P.L. 96-272 to reject unreasonable efforts by recognizing that there are classes of parents for whom reasonable efforts and family preservation and reunification are inherently unreasonable, including:
 - Parents who kill or maim children;
 - Parents who aggressively sexually assault children;
 - Parents who have histories of violent criminal behavior;
 - Parents who abandon children in life-threatening circumstances; and
 - Parents with long-term and chronic addictions.
- Require reasonable efforts for legal permanency:
 - Amend P.L. 96-272 to acknowledge that children have a compelling need to have permanent homes for life and require reasonable efforts be made to achieve legal permanency.
- Amend P.L. 96-272 to prohibit children under the age of six years to remain in long-term care with foster parents who are unwilling or unable to adopt.
- Amend P.L. 96-272 to change the term "dispositional hearing" to "permanency planning hearings", shorten the period between a child's entry into foster and his or her first dispositional hearing from 18 months to one year, followed six weeks later with either reunification and permanency proceedings.
- Amend P.L. 96-272 to prevent numerous foster care placements.

II. Encourage Adoption and Other Permanency Options

- Develop an action plan to double the number of adoptions or other permanent placements out of the foster care system by the year 2002, including offering technical assistance and guidance to the states from the Federal government.
- Once family reunification is deemed not possible, require states to move without delay to terminate parental rights, or, when not possible, create a permanency option. State court systems must tight time standards for addressing permanency after the dispositional hearing.
- Develop a strategy to aggressively implement the Multi-Ethnic Placement Act.
- Offer states technical assistance to aggressively pursue adoptions for special needs children.

- Amend title IV-E of the Social Security Act to allow title IV-E foster care payment funds to support subsidized permanent kinship care, and emphasize various forms of subsidized guardianship/kinship care as permanency options when adoption is not possible.
- Implement demonstration projects, and study their results, to allow IV-E funds to subsidize permanent guardianship, whether or not it is a kinship placement.
- Set national goals to increase the number of children who are adopted annually and offer monetary per-child bonuses to states for each child adopted over the state goal.
- Prepare a monograph for states on subsidized guardianship as a permanency option when adoption isn't possible.

III. Improve the Court Process Through Federal Leadership

The Federal government should undertake a systematic look at court practices around the country, develop a consensus on court improvements, and court evaluation, and offer states technical assistance to implement the improvement.

- Amend federal law to entitle every child to be safe and protected from abuse and neglect (as discussed earlier in point IA).
- Require all parties in Juvenile Court proceedings to be responsible for child safety.
- Use the Presidential bully pulpit to strongly encourage states to implement the following court reforms already working in some venues:
 - 1) Enact strict time schedules for the completion of all stages of court proceedings including shelter care, trial, reviews, and the termination of parental rights;
 - 2) Keep tight hearing schedules and adhere to those schedules;
 - 3) Set reasonable judicial caseloads that allow realistic scheduling;
 - 4) Implement same judge/same case procedure, creating individual judicial calendars so the same judge keeps a case from start to finish;
 - 5) Require child abuse and neglect practitioners -- judges and lawyers -- to be experts in family and juvenile law and, for those states that don't have them, put in place a family court, and;
 - 6) Encourage the court system to collaborate and plan with other involved organizations.
- Increase Federal grant money for expansion of interdisciplinary training involving Judges and other court personnel -- expand or model after the National Council of Juvenile and Family Court Judges training program.

IV. Restructure Federal Funding of the Child Welfare System To Create Incentives To Measure and Meet Federal Goals and Spend Dollars Wisely

Financial incentives should encourage rapid movement to permanent placement rather than lengthy stays in foster care, and should reward success when states meet the system goals. We should also explore the application of managed care principles.

- Structure financial incentives to encourage rapid movement to permanent placement rather than lengthy stays in foster care.
- Study the application of managed care to child welfare and encourage states with waiver authority to apply managed care principles to their reform efforts.
- Collect data on the results of the Federal Family Preservation funds spent since the program inception in 1993, and determine how to improve cost-effectiveness and success.

V. Improve the Transition To Independent Living Programs for Emancipated Foster Youth (Population is about 20,000 nationwide)

- Declare national goals for children who must become independent after aging out of foster care. Amend title IV-E state plan requirements to include the following goals:
 - A place to live;
 - Opportunity to continue education;
 - Life skills training;
 - Employment or continued income until employment is secured;
 - Access to health care;
 - Adequate clothing;
 - Availability of key records and documents including birth certificates, driver's license, foster care and health history, etc., and;
 - Ties to community mentors.
- Encourage states to develop employment, housing, and scholarship opportunities for emancipating foster youth by requiring state IV-E plans to specify how they will target local, state, federal and private sector employment, housing and scholarships for higher education opportunities for the emancipated foster youth.
- Amend Federal law to lower the age for participation in the Independent Living Program from 16 to 14 years of age to allow us to engage youth earlier in preparation for this transition into independent living.

- Amend the Higher Education Act to require colleges and universities receiving Federal aid to evaluate their outreach to and retention of former foster youth, and to ensure that these youth are identified and informed of existing Extended Opportunity Programs and Services. (Higher Education Act reauthorization is coming up.)

VI. Improve Training & Professionalism in the Child Welfare Field and Related Disciplines

- Increase Federal grant money for expansion of interdisciplinary training for Judges and other court personnel -- expand or model after the National Council of Juvenile and Family Court Judges training program in Reno, NV and the CIVITAS program in Chicago, IL.
- Create incentives within child welfare laws for training and professionalism.
- Offer guidance and encouragement to the private sector to create an accreditation and certification process for the profession.

VII. Address the Role of Substance Abuse and Mental Health in Child Welfare

- Encourage states to offer coordinated, wrap-around services addressing all aspects of family health including substance abuse and mental health.
- Use existing training funds for interdisciplinary training on the role of substance abuse and mental illness in child abuse and neglect.

VIII. Improve and Expand Federally Funded Prevention Efforts

- Encourage family preservation and support services aimed at keeping families together when services and/or programs have proven track records.
- Evaluate family preservation expenditures to date, evaluate results attained from funds, and make recommendations to improve the programs, and expand efforts for longer-term prevention including early intervention.
- Improve and expand data collection.
- Make available to states technical assistance and guidance for the following activities:
 1. Effective targeting of family preservation;
 2. Implement family preservation services across systems, and;
 3. Disseminate information to states, when available, about effective service models and states' results from using those models.

IX. Increase Public Awareness About Child Abuse and Neglect, the Foster Care System, Adoption and Other Permanency Options

- Develop and lead a public awareness campaign, including use of public service announcements, print materials and the internet, on child abuse and neglect, foster care, subsidized guardianship, and adoption.
- Appropriate Federal funds for such a national campaign.

THE WHITE HOUSE

WASHINGTON

To: Pauline Abernathy
Ken Apfel
Nicole Rabner
Bruce Reed
Melanne Verveer

From: Lyn Hogan

Date: November 11, 1996

Re: Background Material For Child Welfare Meeting

Attached please find background material for the Thursday, November 14 child welfare meeting scheduled for 9 a.m. in Carol Rasco's office.

On Oct. 31 the DPC completed a series of seven small two hour child welfare discussion sessions that took place over the past four months. We talked with a total of 35 child welfare experts from around the country for a total of 14 hours of discussion. In addition, in October we visited the National Council of Juvenile and Family Court Judges in Reno, NV during the Fall training session, sitting in on classes and meeting with faculty and participants; participated in the child welfare reform project run by Cross-National Studies Research Program of the Columbia University School of Social Work; and toured innovative child welfare programs in Los Angeles county.

We would now like to begin working to propose steps for reform in the child welfare system. We would like to use this meeting to discuss with you what we have learned over the past four months and how we might proceed from here.

The following attachments consist of a brief overview of the state of the child welfare system, the five key reform challenges we face, and a more detailed outline of the problems and solutions we might consider.

I request that at this time we not distribute these materials beyond those of us listed here.

cc: Carol Rasco
Jeremy Ben-Ami
Elizabeth Drye

Since 1976, reports of child abuse and neglect have risen fourfold. Now, over 3 million child abuse and neglect cases are reported annually, with roughly one million cases confirmed. About 1,300 of those cases end with a child's death. About half-a-million children are in foster care on any given day, a number that is growing rapidly.

This country's child welfare system is failing the children it is designed to serve. The system has been in a downward spiral for more than a decade and there are few indications it will improve without intervention.

To date, there have been two major responses to the system's failure: the family preservation movement and the court takeover of state systems. While both have certainly been positive steps forward, these interventions offer only a partial approach.

First, in the 1980s into the 1990s, academics and practitioners alike forced a paradigm shift by stressing family preservation and reunification as an answer to the failing child welfare system. The family preservation movement has produced results and remains a key ingredient of child welfare reform. However, family preservation offers only a treatment model when more is needed. Family preservation does not work for those for whom no amount of family preservation will help.

Second, in response to the continually worsening system, the courts began to intervene. Currently, there are over 35 child welfare jurisdictions operating under court order, and many more pending class action suits.

Litigation has forced states to think about aggressive and creative system reforms and to act on those ideas. But the approach and results have been unsystematic. Consent decrees are structured to satisfy the judge. A state must meet *the letter of the law* for every provision in a consent decree. Instead of promoting system change, consent decrees are creating compliance mechanisms that stifle meaningful change. There is no collective definition of problems and solutions for states to follow, so there has been only a piecemeal approach to reform to date.

Further, and equally important, long-term, multi-placement foster care stays are the precursor to a host of social problems. Children who remain in foster care long-term are more likely than the non-foster care population of becoming unwed parents, ending up on welfare, becoming substance abusers, committing violent acts, and becoming abusers themselves.

Several states are moving forward with some reforms, the most popular of which are subsidized guardianship/kinship care, forms of managed care or capitated payments, and community-based casework. However, during the 14 hours of discussions we have held with child welfare experts across the country, we heard time and time again that a) there is a desperate need for Federal guidance (not regulation) and leadership on child welfare reform, and b) child welfare reform cannot move forward one piece at a time, but rather requires a comprehensive approach.

Following is an outline of what such an approach might look like as well as a brief description of the key problem areas.

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
INITIALS: Pice DATE: 4/18/13

Establish a New Federal Goal for Child Welfare: Permanency

Challenge: The system's present focus on family preservation/reunification leads too many children to remain in foster care even though reunification may be neither appropriate nor possible.

Approach: Rapid, appropriate placement in permanent healthy and safe arrangements should be a central goal of child welfare. To reach this goal we must support and encourage at the Federal level alternative permanency arrangements. Options for permanency might include: family preservation/reunification; various forms of subsidized guardianship with a focus on kinship care; quicker termination of parental rights when reunification is not possible followed by adoption.

Improve the Court Process Through Federal Leadership

Challenge: The judicial system is not adequately equipped or organized to deal with the flow of foster care and adoption cases, although model systems do exist in places like Grand Rapids, MI and Cincinnati.

Approach: The Federal government should undertake a systematic look at court practices around the country, develop a consensus on court improvements, and court evaluation, and offer states technical assistance to implement the improvement.

Restructure Federal Funding of the Child Welfare System

Challenge: Current funding structures create the wrong incentives, for example rewarding foster care over adoption, and result in wasted money and misdirected funds.

Approach: Financial incentives should encourage rapid movement to permanent placement rather than lengthy stays in foster care. Other financing strategies including the appropriate application of managed care principles should also be explored.

Improve and Expand Federally Funded Prevention Efforts

Challenge: The child welfare system continues to disproportionately spend dollars addressing abuse once it occurs, rather than on preventing the initial abuse.

Approach: A reformed child welfare system must support coordinated, community-based prevention efforts. Changes in the structure of funding incentives may help encourage prevention. Coordination and simplification of federal support for community based efforts in other disciplines should be part of the reform agenda. Improved and expanded data collection is also necessary.

Challenge: Barriers to adoption are leaving adoptable children in foster care too long and driving adoptive parents away.

Approach: The First Lady is working to encourage and ease adoption.

Critical Problem Areas in the Child Welfare System and Starting Points for Reform

- **Issue 1: *No consensus on goals of the child welfare system or measurements of success.*** There is no generally accepted definition of what a good child welfare system should look like, what its end goals should be, or how to measure those goals.

Solution: Create a national definition of the mission of the child welfare system, a Federal definition of the broad goals states should target, and a consensus on how to measure success.

- **Issue 2: *An inadequate definition of "reasonable efforts."*** P.L. 96-272 requires that reasonable efforts be taken to prevent placement of a child in foster care, or make it possible for that child to eventually return home. Determining reasonable efforts is left up to the states and varies substantially from state to state, creating incongruent approaches to treating abuse and neglect of the country's children. The result is often a singular focus on family preservation/reunification, even in cases where it is not appropriate or possible. In turn, lengths of stay in foster care are unnecessarily extended.

Solution: Create a tight national definition of reasonable efforts that expands beyond family preservation to include other permanency options such as forms of subsidized guardianship and subsidized kinship care. Ensure that states are congruous in their application of reasonable efforts.

- **Issue 3: *A judicial system not adequately equipped or organized to deal with flow of foster care and adoption cases.***

Solution: The Federal government should undertake a systematic look at court practices around the country, come to a consensus on court improvements, and use the bully pulpit, as well as offer technical assistance, to encourage states to adapt such improvements. Court reform might include reduced caseloads and organizational changes for judges (for example, a Judge today may have only approximately 15 minutes for an abuse or neglect case but over an hour for an uncontested custody case in a divorce proceeding); community-based caseloads to encourage same judge/same case approach; increased child welfare-specific training for judges and related professionals, and/or; a reorganization of court operations requiring all states to create separate family courts to address foster care, adoption, custody, and abuse and neglect cases. Good working models include Grand Rapids, MI court and the Cincinnati court. The Federal government has made small grants for court improvement and is reviewing this issue.

- **Issue 4: *Wasted money, incongruent system goals, and misdirected funds driven by the structure of titles IV-E and IV-B.***

Solution: Once an overall vision, goals, and outcome measures are set, we should review and reshape the funding structures of title IV-E and IV-B. We might shift financial incentives so adoption is rewarded over foster care. We might make title IV-E money more flexible. We might target funds to localities with the highest rates of poverty and largest foster care rolls. We should also review the feasibility of applying managed care to the child welfare system. Forty-one states are currently considering forms of managed care for child welfare, but few have moved forward and there are no federal guidelines or suggestions for doing so. Instead of comprehensive managed care, we might consider independent management changes such as encouraging public/private partnerships; introducing performance-based contracts for the private sector; or targeting creative ways to use title IV-E funds.

- **Issue 5: *Failure to address prevention of abuse and neglect before the abuse occurs.***

Solution: A coordinated, community-based effort can target problems and help families before they are overcome by a crisis. This might mean re-evaluating where family preservation funds flow and reallocating them to early intervention. HHS is currently reviewing the family preservation program.

- **Issue 6: *Lack of professionalism in the child welfare field.***

Solution: Institute Federal standards for social workers (right now 21 year olds with a B.A. in history and one week of training are making life and death decisions); create incentives for training and professionalism; and offer guidance and encouragement to the private sector to create an accreditation and certification process for the profession.

- **Issue 7: *Insufficient public education on child welfare issues.*** While mandated reporting of abuse and neglect has improved both reporting and public awareness of abuse and neglect, the public incorrectly assumes that states have good processes in place to address the reported cases. In fact, of the substantiated abuse and neglect cases, only a small percent actually end up receiving services. The public needs to become more aware and knowledgeable about child welfare issues so they can help solve the problems.

Solution: Pursue an aggressive campaign to educate the public about child welfare issues.

- **Issue 8: *Failure of transition to independence programs for children who age out of the foster care system.*** Once foster children turn 18 most "age-out" of the system and are transitioned into independent or adult living. Federal funds for independent living are available, but funds are insufficient and programs inadequate. Often foster kids transitioning into independent living end up on welfare and/or homeless.

Solution: A system shift to permanency planning should reduce the number of children who age-out of the system. However, for those who do age-out, new and better support for independent living must be available.

- **Issue 9: *Failure to adequately understand and address the role of substance abuse and mental health in child welfare.*** Studies indicate that up to 60 percent of foster children suffer from moderate to severe mental health problems. Further, surveys indicate that alcohol and drug abuse is a serious problem for between 1/3 and 2/3 of families in the child welfare system. Finally, foster care entrants are becoming younger due to the crack baby epidemic.

Solution: Existing child welfare money must be targeted to substance abuse and mental health issues as they affect both the families and the children in the child welfare system.

- **Issue 10: *A fundamental disconnect between the various professionals involved in the child welfare system.***

Solution: Support interdisciplinary training and coordination between mental health professionals, pediatricians, social workers, law enforcement professionals, probation officers, lawyers, and the like so they receive similar information regarding the child welfare population and are able to coordinate efforts and share information regarding the field. The National Council of Juvenile and Family Court Judges in Reno, NV, and the CIVITAS initiative based in Chicago, IL have undertaken cross-training projects, but they reach only a small percentage of all the professionals who need cross training. The Federal government needs to encourage this sort of training, and help expand it.

MEMORANDUM

To: The First Lady
From: Carol Rasco
Date: November 8, 1996
Re: Child Welfare Update

I would like to give you a brief update on what I have done to date on child welfare.

On Oct. 31 I completed a series of seven small two-hour discussion sessions that took place over the past four months. I talked with 35 child welfare experts from around the country for a total 14 hours of discussion. In addition, in October I visited the National Council of Juvenile and Family Court Judges in Reno, NV during the Fall training session, sitting in on classes and meeting with faculty and participants; participated in the child welfare reform project run by Cross-National Studies Research Program of the Columbia University School of Social Work; and had DPC staff tour several innovative child welfare programs in Los Angeles county.

I now plan on working to propose steps for reform in the child welfare system.

I have attached a copy of what I believe to be the five key reform challenges we face, and a more detailed outline of the problems and solutions I am reviewing.

I believe the attached fits nicely with the work you are doing on adoption.

CHILD WELFARE REFORM CHALLENGES

Establish a New Federal Goal for Child Welfare: Permanency

Challenge: The system's present focus on family preservation/reunification leads too many children to remain in foster care even though reunification may be neither appropriate nor possible.

Approach: Rapid, appropriate placement in permanent healthy and safe arrangements should be a central goal of child welfare. To reach this goal we must support and encourage at the Federal level alternative permanency arrangements. Options for permanency might include: family preservation/reunification; subsidized guardianship with a focus on kinship care; termination of parental rights followed by adoption.

Improve the Court Process Through Federal Leadership

Challenge: The judicial system is not adequately equipped or organized to deal with the flow of foster care and adoption cases, although model systems do exist in places like Grand Rapids, MI and Cincinnati.

Approach: The Federal government should undertake a systematic look at court practices around the country, and develop a consensus on court improvements.

Restructure Federal Funding of the Child Welfare System

Challenge: Current funding structures create the wrong incentives and result in misdirected funds, for example, rewarding foster care over adoption.

Approach: Financial incentives should encourage rapid movement to permanent placement rather than lengthy stays in foster care. Other financing strategies including the appropriate application of managed care principles should also be explored.

Improve and Expand Federally Funded Prevention Efforts

Challenge: The child welfare system continues to spend too much on addressing abuse once it occurs rather than on prevention before it occurs.

Approach: A reformed child welfare system must support coordinated, community-based prevention efforts. Changes in the structure of funding incentives may help encourage prevention. Coordination and simplification of federal support for community based efforts in other disciplines should be part of the reform agenda. Improved and expanded data collection is also necessary.

Remove Barriers to Adoption

Challenge: Barriers to adoption are leaving adoptable children in foster care too long and driving adoptive parents away.

Approach: Your office is, of course, working to meet this challenge.

Critical problem areas in the child welfare system and starting points for reform.

- **Issue 1: *No consensus on goals of the child welfare system or measurements of success.*** There is no generally accepted definition of what a good child welfare system should look like, what its end goals should be, or how to measure those goals.

Solution: Create a national definition of the mission of the child welfare system, a Federal definition of the broad goals states should target, and a consensus on how to measure success.

- **Issue 2: *An inadequate definition of "reasonable efforts."*** P.L. 96-272 requires that reasonable efforts be taken to prevent placement of a child in foster care and make it possible for that child to eventually return home. Determining reasonable efforts is left up to the states and varies substantially from state to state. The result is often a singular focus on family preservation/reunification, even in cases where it is not appropriate or possible. In turn, lengths of stay in foster care are unnecessarily extended.

Solution: Create a tight national definition of reasonable efforts that expands beyond family preservation to include other permanency options such as forms of subsidized guardianship and subsidized kinship care.

- **Issue 3: *A judicial system not adequately equipped or organized to deal with flow of foster care and adoption cases.***

Solution: The Federal government should undertake a systematic look at court practices around the country, come to a consensus on court improvements, and use the bully pulpit to encourage states to adapt such improvements. Court reform might include reduced caseloads and organizational changes for judges (for example, a Judge today may have only approximately 15 minutes for an abuse or neglect case but over an hour for an uncontested custody case in a divorce proceeding); community-based caseloads to encourage same judge/same case approach; increased child welfare-specific training for judges and related professionals, and/or; a reorganization of court operations requiring all states to create separate family courts to address foster care, adoption, custody, and abuse and neglect cases. Good working models include Grand Rapids, MI court and the Cincinnati court. The Federal government has made small grants for court improvement but has offered little Federal guidance.

- **Issue 4: *Wasted money, incongruent system goals, and misdirected funds driven by the structure of titles IV-E and IV-B.***

Solution: Once an overall vision, goals, and outcome measures are set, we should to review and reshape the funding structures of title IV-E and IV-B. We might shift financial incentives so adoption is rewarded over foster care. We might also target funds to localities with the highest rates of poverty and largest foster care rolls. For example, there is a reverse incentive funding structure that rewards foster care over adoption. Also, dollars often flow to populations and programs that don't need them while other populations and programs remain underfunded. Review the feasibility of applying managed care to the child welfare system. Forty-one states are currently

considering forms of managed care for child welfare, but few have moved forward and there are no federal guidelines or suggestions for doing so. Instead of comprehensive managed care, we might consider independent management changes such as encouraging public/private partnerships; introducing performance-based contracts for the private sector; or targeting creative ways to use title IV-E funds.

- **Issue 5: *Failure to address prevention of abuse and neglect before the abuse occurs.***

Solution: A coordinated, community-based effort can target problems and help families before they are overcome by a crisis. This might mean re-evaluating where family preservation funds flow and reallocating them to early intervention. HHS is currently reviewing the family preservation program.

- **Issue 6: *Lack of professionalism in the child welfare field.***

Solution: We need to institute Federal standards for social workers (right now 21 year olds with a B.A. in history and one week of training are making life and death decisions); create incentives for training and professionalism; and offer guidance and encouragement to the private sector to create an accreditation and certification process for the profession.

- **Issue 7: *Insufficient public education on child welfare issues.*** While mandated reporting of abuse and neglect has improved both reporting and public awareness of abuse and neglect, the public incorrectly assumes that states have good processes in place to address the reported cases. In fact, of the substantiated abuse and neglect cases, only a small percent actually end up receiving services. The public needs to become more aware and knowledgeable about child welfare issues so they can help solve the problems.

Solution: We can pursue an aggressive campaign to educate the public about child welfare issues.

- **Issue 8: *Failure of transition to independence programs for children who age out of the foster care system.*** Once foster children turn 18 they "age-out" of the system and are transitioned into independent or adult living. Federal funds for independent living are available, but funds are insufficient and programs inadequate. Often foster kids transitioning into independent living end up on welfare and/or homeless.

Solution: A system shift to permanency planning should reduce the number of children who age-out of the system. However, for those who do age-out, new and better support for independent living must be available. This is one of the few intervention areas where new funds, rather than new management, are needed.

- **Issue 9: *Failure to adequately understand and address the role of substance abuse and mental health in child welfare.*** Studies indicate that up to 60 percent of foster children suffer from moderate to severe mental health problems. Further, surveys indicate that alcohol and drug abuse is a serious problem for between 1/3 and 2/3 of families in the child welfare system. Finally, foster care entrants are becoming much younger due to the crack baby epidemic.

Solution: Existing child welfare money must be targeted to substance abuse and mental health issues as they affect both the families and the children in the child welfare system.

- **Issue 10:** *A fundamental disconnect between the professionals involved in the child welfare system.*

Solution: Support interdisciplinary training and coordination between mental health professionals, pediatricians, social workers, law enforcement professionals, probation officers, lawyers, and the like so they receive similar information regarding the child welfare population and are able to coordinate efforts and share information regarding the field.

BRIEFING BOOK MEMO

April 30, 1996
8:30 - 9:30 a.m.
Carol Rasco's office

FROM: Diana Fortuna

SUBJECT: HHS Child Welfare Waivers

PARTICIPANTS: HHS: Mary Jo Bane, Olivia Golden, Carol Williams, John Monahan; White House: Ken Apfel and Lester Cash, OMB; Lawton Jordan, Intergovernmental; also invited are Jen Klein and Bruce Reed

PURPOSE: To learn about HHS's review of 13 pending child welfare waivers and its process for awarding the statutory limit of 10 waivers. Attached are HHS's briefing materials.

AGENDA: HHS will walk us through what they have been doing, and we should raise any questions we may have.

BACKGROUND: In 1994, Congress created a new special waiver authority for HHS to allow up to 10 states to conduct cost-neutral demonstrations. After HHS issued guidance to states on this last year, 14 states sent in applications last fall. (Minnesota has since dropped out.) They are Oregon, Delaware, DC, North Carolina, Georgia, Ohio, New York, Indiana, Illinois, California, Michigan, West Virginia, and Maryland. Florida wants to apply even though the deadline has passed.

HHS expects to award Delaware the first waiver within the next few weeks; Illinois and Indiana are fairly far along. HHS is attempting to discourage West Virginia about its application.

The most common thing that states have proposed to do is shift dollars from foster care to family preservation, on the theory that the investment will pay off in terms of foster care dollars saved in the long run. Other ideas include "subsidized guardianship", a new status in between foster care and adoption; managed care (New York and Ohio); block grants (Michigan and California); and tying funding to outcomes (North Carolina).

ISSUES: HHS is considering approving fewer than 10 of the 13 applications received, because they are not certain that 10 merit approval. The alternative they are considering is to accept 6-8 and then solicit proposals for a second round.

OMB may have a problem with several of the states, which did not propose to use random assignment for evaluation purposes.

QUESTIONS FOR CONSIDERATION:

What policies should HHS test? Are we taking full advantage of this opportunity?

How will HHS handle the requests for block grants?

What is an appropriate way to test managed care? (This has been controversial in New York, where the Mayor has been accused to using managed care to cut reimbursement. HHS appears interested in Ohio's application, however.)

DEPARTMENT OF HEALTH & HUMAN SERVICES

ADMINISTRATION FOR CHILDREN AND FAMILIES
Office of the Assistant Secretary, Suite 600
370 L'Enfant Promenade, S.W.
Washington, D.C. 20447

April 29, 1996

TO: Carol H. Rasco
Assistant to the President
for Domestic Policy

FROM: Assistant Secretary
for Children and Families

SUBJECT: Child Welfare Waivers -- Briefing

BACKGROUND - CHILD WELFARE WAIVERS

On October 31, 1994, the President signed Public Law 103-432 which, among other things, authorized the Secretary of HHS to permit as many as ten States to conduct child welfare demonstration projects by making most provisions of Parts B and E of title IV of the Social Security Act subject to waiver. These are the sections of the Act which govern foster care, adoption assistance, independent living, child welfare services, and family preservation and support.

Child welfare waivers are required by statute to be cost neutral, to be consistent with the purposes of the basic child welfare legislation, and to have an independent evaluation. Certain protections for children in foster care and their families may not be waived, and eligibility for benefits may not be impaired. The waivers are limited to five years.

The purposes of the waivers include testing State-designed approaches to reforming child welfare services, encouraging innovation, and gaining experience with alternative methods of funding and administering child welfare services. The lessons of these demonstration projects are expected to be beneficial for other States, other social services programs, and national policymakers.

Fourteen States submitted waiver proposals in response to a formal Announcement which appeared in the Federal Register on June 15, 1995. One State has since withdrawn from consideration. The waiver proposals involve a number of themes, among them:

- using title IV-E funds for services and for prevention, rather than for out-of-home care;
- providing subsidies for guardianships for certain children now in long-term foster care;

- encouraging kinship placements;
- adapting managed care techniques to the provision of child welfare services;
- devolving child welfare responsibility and decision-making from the State to a county or local level; and
- developing more community-based services for children and families, and more family-like and community-based placement capacity for children.

The States under consideration are California, Delaware, the District of Columbia, Georgia, Illinois, Indiana, Maryland, Michigan, New York, North Carolina, Ohio, Oregon and West Virginia. One State, Minnesota, dropped out. Summaries of the fourteen proposals were published for public comment in the Federal Register of September 7, 1995.

We have received over 50 comments from the public in response to our publication in the Federal Register of summaries of the State proposals. Commentors included advocates, foster parents, and county officials. The Children's Bureau conducted a series of initial conference calls with all of the States, for a preliminary discussion of the proposals and to gather additional information. Following that, Issue Papers were developed for each State, which outline matters the Department wishes to discuss in more detail. States are invited to set their own timeframes for responding to the Issue Papers, and for scheduling follow-up discussions. The table at Tab A shows the status of Issue Papers and State responses.

It is not yet known whether ten of these thirteen pending proposals will be approved. Sixteen other States have indicated some degree of interest in a child welfare waiver demonstration project.

In California, the Los Angeles County Department of Children's Services has written to the White House expressing strong disagreement with the State's proposal to devolve child welfare responsibility (both programmatic and fiscal) to the counties. California is presently revising its proposal, partly in response to the Department's Issue Paper, which identified the local concerns.

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Child welfare waivers will not involve the level of dollars that are involved in AFDC and Medicaid waivers, nor will they, in most cases, affect nearly as many children or families.

THE BROADER CHILD WELFARE REFORM CONTEXT

The child welfare system is experiencing considerable stress, and the need for change is broadly recognized. States need federal support in their efforts to reform the way in which services are designed and delivered. The Department's goal is to create a service delivery approach that is focused on safety, permanency and the well being of children; that is family focused and provides a continuum of services; and that is inclusive in the planning and delivery of services.

In addition to waivers, other key strategies in moving child welfare reform forward are:

- the development of an outcomes focus for child welfare systems;
- reactivating the joint planning process with States through implementation of Family Preservation and Support legislation;
- revising the Department's approach to monitoring, to stress outcomes, self-assessment, federal/State partnership and program improvement;
- development of an adoption strategic plan to increase the focus on permanency;
- working with courts to improve the timeliness and quality of decision making; and
- improving the collection and use of data through support of advanced technology.

DISCUSSION

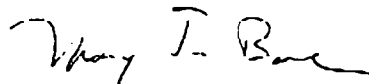
These waivers provide the Department with the capacity to enter into active partnership with some States to implement and evaluate promising alternatives, and to test new approaches to child welfare practice and administration.

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The child welfare waiver proposals raise a number of substantive issues, among them:

- How to assure protection of children and quality of services;
- How to guarantee that children and families are not deprived of services to which they are entitled;
- How to handle the waiver proposals where systems are especially fragile (DC) or challenged (NY);
- How to handle evaluations of statewide projects; and
- How to assure cost neutrality, especially if it is necessary to rely on projections of State entitlements.

The first child welfare waiver proposal which will be ready for approval is Delaware's. Draft Waiver Terms and Conditions are now being reviewed by Delaware officials. Delaware is proposing two separate child welfare demonstration projects: one statewide component to test the use of substance abuse counseling and treatment for parents as a means of reducing or removing the need to place children in foster care; and a limited component (up to 10 children) that would test assisted guardianship for certain children in foster care who cannot be placed for adoption.


Mary Jo Bane

Attachments:

- Tab A - Statutory Authority
- Tab B - Waiver Announcement - Federal Register, June 15, 1995
- Tab C - Summary of Proposals Received - Federal Register,
September 7, 1995
- Tab D - Status of Child Welfare Waivers - Table

cc: Kevin Thurm

Tab A

HR5252, portion thereof...

SEC. 208. DEMONSTRATION PROJECTS.

Part A of title XI (42 U.S.C. 1301-1320b-13) is amended by inserting after section 1128B the following:

"demonstration projects

"Sec. 1129. (a) In General.--The Secretary may authorize not more than 10 States to conduct demonstration projects pursuant to this section which the Secretary finds are likely to promote the objectives of part B or E of title IV.

"(b) Waiver Authority.--The Secretary may waive compliance with any requirement of part B or E of title IV which (if applied) would prevent a State from carrying out a demonstration project under this section or prevent the State from effectively achieving the purpose of such a project, except that the Secretary may not waive--

"(1) any provision of section 427 (as in effect before April 1, 1996), section 422(h)(9) (as in effect after such date), or section 479; or

"(2) any provision of such part E, to the extent that the waiver would impair the entitlement of any qualified child or family to benefits under a State plan approved under such part E.

"(c) Treatment as Program Expenditures.--For purposes of parts B and E of title IV, the Secretary shall consider the expenditures of any State to conduct a demonstration project under this section to be expenditures under subpart 1 or 2 of such part B, or under such part E, as the State may elect.

"(d) Duration of Demonstration.--A demonstration project under this section may be conducted for not more than 5 years.

"(e) Application.--Any State seeking to conduct a demonstration project under this section shall submit to the Secretary an application, in such form as the Secretary may require, which includes--

"(1) a description of the proposed project, the geographic area in which the proposed project would be conducted, the children or families who would be served by the proposed project, and the services which would be provided by the proposed project (which shall provide, where appropriate, for random assignment of children and families to groups served under the project and to control groups);

"(2) a statement of the period during which the proposed project would be conducted;

"(3) a discussion of the benefits that are expected from the proposed project (compared to a continuation of activities under the approved plan or plans of the State);

"(4) an estimate of the costs or savings of the proposed project;

"(5) a statement of program requirements for which waivers would be needed to permit the proposed project to be conducted;

"(6) a description of the proposed evaluation design; and

"(7) such additional information as the Secretary may require.

"(f) Evaluations; Report.--Each State authorized to conduct a demonstration project under this section shall--

"(1) obtain an evaluation by an independent contractor of the effectiveness of the project, using an evaluation design approved by the Secretary which provides for--

"(A) comparison of methods of service delivery under the project, and such methods under a State plan

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or plans, with respect to efficiency, economy, and any other appropriate measures of program management;

“(B) comparison of outcomes for children and families (and groups of children and families) under the project, and such outcomes under a State plan or plans, for purposes of assessing the effectiveness of the project in achieving program goals; and

“(C) any other information that the Secretary may require; and

“(2) provide interim and final evaluation reports to the Secretary, at such times and in such manner as the Secretary may require.

“(g) Cost Neutrality.--The Secretary may not authorize a State to conduct a demonstration project under this section unless the Secretary determines that the total amount of Federal funds that will be expended under (or by reason of) the project over its approved term (or such portion thereof or other period as the Secretary may find appropriate) will not exceed the amount of such funds that would be expended by the State under the State plans approved under parts B and E of title IV if the project were not conducted.”.

Child Welfare Waivers -- STATUS As of: Apr. 12, 1996

ISSUE PAPERS

DECISION PROCESS

<u>State</u>	<u>In HHS/ OMB Rev.</u>	<u>Sent to State</u>	<u>State Response</u>	<u>Dis- cussion</u>	<u>Terms & Cond'ns</u>	<u>Approval Package</u>
DE	X	X	in	held 2/28	in State review	being assembled
IL	X	X	in	held 4/12		
NY	X	X				
NC	X	X				
WV	X					
IN	X	X	in	held 3/20	in State review	
CA	X		will reply in Apr.			
OH	X	X	in	held 4/2	being drafted	
MI	X	X	in, in draft			
GA	X					
DC	X					
MD	X	X				
OR	X	X	in	held 3/18	partial draft in ACF review	

Appendix I

This is a list of program ideas that have been suggested by States or others in response to the Department's requests for suggestions. They are listed only as a means of outlining, for States interested in proposing a child welfare waiver demonstration project, the broad range of possible demonstrations that the Department would consider. Whether these sample ideas would be cost-neutral would depend, of course, on how a State proposes to implement them. Similarly, the method of implementation could affect whether a waiver demonstration project would meet the statutory requirement that it not "impair the entitlement of any qualified child or family to benefits under a State" title IV-E Plan.

This list should not be regarded as limiting a State in any way in conceiving demonstration ideas.

- To meet the need for specialized foster care, and to reduce the amount spent on institutional care, train ARDC recipients or other low income persons to be professional, paid foster parents for specialized foster home placements; ensure appropriate licensing and possibly provide housing subsidies or homeownership assistance to assure the stability of the specialized foster home as a long-term resource.
- Broaden the use of title IV-E to fund services for children, their parents, and foster families, and to fund preventive services for families at risk, with the expectation that total time in out-of-home care would be reduced, and in some cases foster placements could be avoided.
- Provide better services at lower cost by, where appropriate, returning children, especially adolescents, from out-of-State institutional placements. Such a demonstration might include both foster care youth and youth who are in the juvenile justice system. The expectation is that placing them in community-based specialized family foster homes, or community-based group homes, will reduce the total time in out-of-home care.
- Provide subsidized guardianship or other arrangements which would allow children to stay or be placed in a familial setting that is more cost-effective than continuing them in foster care.
- For older adolescents in independent living, allow title IV-E funds to be used for the cost of an apartment for a period of time before the youth leaves foster care, and a short period thereafter, to achieve more stable placements for youth.
- Expand the availability of in-home respite care for foster families, with the expectation that administrative costs, including the costs of recruiting foster families, will be controlled, and more stable placements will result in shortened stays in out-of-home care.
- Provide State-funded parental visitation for parents whose children are in institutional care, including the costs of telephone calls, transportation, and other expenses associated with maintaining or improving contact. The expectation is that more contact between parents/families and children in care can shorten stays in institutional placements.
- Enter into agreements with private providers to test a managed care concept, with clearly specified and measurable outcomes to be achieved for each family, at a fixed cost negotiated in advance, with the expectation that fiscal incentives would produce a better result with no increase in cost.
- Enter into agreements with Indian Tribes to permit full access to all aspects of title IV-E funding, with the expectation that services for tribal children and families will improve, while State costs of providing or managing those services will decline.
- Where court processes are unduly delaying adoptions, enter into agreements with courts to fund adoption-related work as if it were an administrative cost under title IV-E, with the expectation that the courts would then be able to speed adoptions, producing

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permanency for children earlier, and reducing foster care and case management costs.

♦ Seek a waiver of some provision(s) of title IV-A (AFDC), possibly in combination with a title IV-E or IV-B waiver, which might help achieve child welfare objectives. For example, a waiver which allowed a State to continue AFDC payments (in whole or in part) for a period of time, for a family from which the children had been removed, but where reunification is the goal and the loss of AFDC benefits would likely result in homelessness, thus frustrating reunification efforts.

Tab D

Delaware Child Welfare Waiver Demonstration Project

The proposal has two essential components aimed at ensuring permanency for children. The first component employs a multi-disciplinary team composed of treatment social workers and substance abuse counselors. The second component will support children who are placed in supported guardianship is transferred in situations where adoption is not possible and an identified family has made a long-term commitment to the child.

The State has seen a rise in the number of children entering foster care over the last 3 years, due largely to parental substance abuse. Through the use of multi-disciplinary teams, treatment will be provided to families experiencing both substance abuse and child abuse and neglect, thus providing services to children who would otherwise be entering foster care. Title IV-E funds normally used for foster care will be directed to pay for the cost of treatment services.

The goal of the demonstration project is to prevent or delay entry of children into foster care or reduce the time in out-of-home care in 50% of the families receiving services under the project.

The State premise is that the multi-disciplinary treatment project would improve the quality of services provided to families receiving services and improve outcomes for children under its protection. It has been extremely difficult for the State to provide effective services to families with active addiction. Social workers spend a great deal of time trying to connect families with substance abuse agencies, only to have the treatment agency discharge clients because of lack of commitment to treatment. Substance abuse counselors would have the expertise to more accurately assess the seriousness of the problem, make referrals to the most appropriate service and agency, help the social worker confront the family's denial of the problem, assist the social worker in court intervention when necessary and where able, reduce the impact of parental addiction on children.

Under the supportive guardianship component, the State will utilize title IV-E funds to provide financial subsidies in support of children who are placed in guardianship in situations where adoption is not possible and an identified family has made a long-term commitment to the child. Adding guardianship to the permanency continuum which includes adoption and long-term foster care broadens the options available to children and families. Guardianship will enable the family to assume the parental role without ongoing agency oversight but the family will have the ability to return to the agency for services as needed. The

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child's case will be removed from the foster care review system, saving time and money for the family, the agency, and the court system. The State contends this change will better serve the children and youth involved. Children and caretaking guardians will be freed of the burdensome State review system and the degree of intrusiveness currently existing. They will receive ongoing financial assistance and other services will be available as needed. Children who are older and/or positively connected to parents or kin will be able to maintain those birth ties. Guardianship will not replace adoption where it is appropriate. Long-term foster care placement with agreement will remain an option where guardianship is not possible.

TAB B

[SUMMARIES OF STATE CHILD WELFARE WAIVER PROPOSALS,
AS PUBLISHED IN THE FEDERAL REGISTER FOR COMMENT 9-7-95]

STATE: CALIFORNIA

DESCRIPTION: California proposes to extend, and broaden to include the use of federal funds, a planned State Partnership Demonstration Project that will provide direct funding to counties for the implementation of child welfare services. Participating counties would receive from the State a single allocation of funds for family and children's services, rather than using categorical funding streams.

The project would enhance the counties' abilities: to meet families' needs more comprehensively; to increase the focus on outcomes; to provide additional in-home services which will result in less need for out of home care; and to contain costs.

The State anticipates that enhanced flexibility in the use of federal funds, reduced administrative requirements and a new "outcome-oriented oversight role" will improve outcomes for children and families, including more effective prevention services that will reduce the need for out of home care. The State is particularly interested in promoting a whole family foster care program and long term options for children in kinship care.

The State proposes, potentially, to waive a large number of statutory (and regulatory) provisions, which would be based on negotiations among federal, State and local child welfare services officials regarding specific local waiver proposals. For each of many statutory provisions, the state proposes conditionally to "request waiver of this section to the extent necessary to implement the proposed demonstration project." Statutory items include certain title IV-E State plan requirements, title IV-E income eligibility requirements, statutory definitions (including definitions of eligible facilities), requirements regarding adoption assistance payments, required statistical reports, and Independent Living Program eligibility requirements. Regulatory items proposed for waiver include limitation on the sources of state match, cost allocation plan requirements, general grant administration requirements, fiscal regulations, the State allotment determination formula, payment review and facility licensing standards, and regulations regarding the withholding of federal funds.

CONTACT PERSON: Marjorie Kelly, Deputy Director
Children and Families Services Division
California Department of Social Services
744 P Street M.S. 19073
Sacramento, CA 95814
(916) 657-2614, (916) 653-1695 (FAX)

STATE: DISTRICT OF COLUMBIA

DESCRIPTION: The District of Columbia proposes to develop a community-based therapeutic model of services to serve as an alternative to placing children in more restrictive institutional settings, as well as providing a transitional bridge for those children returning to the community upon discharge from institutional care.

The flexible use of title IV-E and IV-B funds would allow for the development and provision of a community-based model of therapeutic services to prevent foster home and institutional placement and would increase inter/intra agency and multi-system coordination of services.

The demonstration project would include the use of a "managed care" approach through the use of rate setting procedures to include articulated caps, and a system to provide comprehensive multi-system social and support services. The community-based therapeutic approach would include specialized emergency foster care homes; shared family care; in-home treatment; use of professional surrogate parents; and substance abuse treatment services.

The District of Columbia proposes title IV-E waivers to allow payment for services, and to permit the support of alternatives to foster home and institutional placement through use of a rate-setting process to be established under the demonstration project.

CONTACT PERSON: Ricardo Lyles
Acting Administrator
Family Services Administration
District of Columbia Department of
Human Services
609 H Street, N.E.
Washington, D.C. 20002
(202) 724-8756
(202) 727-9460 (FAX)

STATE: GEORGIA

DESCRIPTION: Georgia proposes to use title IV-E funds to fund preventive and supportive services for children and families at risk, to eliminate the need for placement or reduce the time a child spends in out of home care. Additionally, Georgia seeks to place children in neighborhood settings; provide specialized living arrangements for adolescents, and obtain special adoption assistance to expedite the placement of children into adoptive homes.

The benefits for this demonstration project include removing systems barriers, decreasing or avoiding the amount of time a child spends in out of home care, providing more stable placements, expanding preventive and family support service systems and increasing adoptive placements by making resources available to adoptive families that otherwise would not qualify.

The services to be provided under the demonstration project include family support and prevention services, expansion of kinship care, and community placement services.

Georgia proposes to expand title IV-E coverage to include placement prevention and reunification services. The State also wishes to waive some provisions of title IV-E eligibility determination when a child comes into custody, provide a special waiver to provide adoption assistance to pay for the purchase of services to expedite adoptive placement, and provide funds for adoptive parents for one-time expenses related to the placement of a specific child in the home. Georgia also seeks a waiver to permit title IV-E funds to support a kinship care assistance subsidy, and a waiver of some provisions of title IV-A to allow families whose children are in foster care to continue receiving food stamps, when reunification is expected to occur within 180 days.

CONTACT PERSON: Doris Walker
Foster Care Unit Chief
Georgia Department of Human Resources
Division of Family and Children Services
Two Peachtree Street, N.W., Suite 12-300 .
Atlanta, GA 30303-3180
(404) 657-3458
(404) 657-3415 (FAX)

STATE: ILLINOIS

DESCRIPTION: Illinois is proposing a subsidized private guardianship as a permanency planning option which would meet the needs of the long-term kinship care population, in order to reduce the number of children in long-term foster care and to reduce the number of disrupted placements.

Illinois seeks to improve permanency outcomes for children in healthy kinship care arrangements in cases where reunification and adoption are not possible. The demonstration project would reduce government intrusion in family life while creating support and clinical management systems which minimize risk through annual reviews of subsidized private guardianship and continuous promotion of adoption options.

Illinois would provide a subsidized private guardianship program (which parallels the adoption subsidy program) for a random group of eligible caregivers.

The State proposes a waiver of title IV-E to permit withholding subsidized guardianship from a randomly selected control group; a waiver of certain provisions of the Adoption Assistance Program to authorize subsidized guardianship for children who meet the eligibility requirements of Section 673 and additional requirements set by the State, in order to authorize payment of nonrecurring guardianship expenses, and for guardianship assistance payments for children; a waiver of eligibility requirements to limit assistance to special needs children; a waiver that would permit federal financial participation in amounts expended as guardianship support payments pursuant to guardianship assistance agreements; and a waiver to authorize federal financial participation in amounts expended on training and administration for the subsidized guardianship program and a waiver of the provision defining "adoption agreement" to allow that term to include "guardianship assistance agreement."

CONTACT PERSON: Joe Loftus
Executive Deputy Director
Illinois Department of Children and
and Family Services
100 West Randolph, 6th Floor
Chicago, IL 60601
(312) 814-8741
(312) 814-6859 (FAX)

STATE: INDIANA

DESCRIPTION: Indiana proposes to divert per diem funds from restrictive (primarily institutional) placements to more community-based services in order to create more home-based in-state placements for children, placements which would be more supportive of family unity.

The effort would result in fewer high cost, out of state child placements; fewer removals from home, and earlier reunification; improved family functioning; expeditious adoptions; timely transitions to independent living; and improved outcomes for children.

Indiana would modify existing interagency agreements between the Division of Family and Children Services and juvenile court judges to include community partners such as mental health, education and the Step Ahead Council. The local office of Family and Children Services, the county probation office, community mental health center or the school corporation seeking placement of a child would convene a meeting of partners to develop alternatives to restrictive placement.

Indiana proposes to waive title IV-E to permit payment of proposed services: even when a child has not been judicially removed from the home; in order to prevent the placement of a child in out of home care; and for the child in substitute care who is not categorically eligible for title IV-E foster care.

CONTACT PERSON: James Hmurovich
Director
Division of Family and Children
Family and Services Administration
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402 West Randolph Street
Indianapolis, IN 46204
(317) 232-4705
(317) 232-4490 (FAX)

STATE: MARYLAND

DESCRIPTION: Maryland proposes to add federal guardianship assistance as a permanency planning option which would more closely meet the needs of the kinship care population.

This effort would result in reduced average length of stay in out of home placement for children; increased stability for children, and empowerment/support for the caretaking family.

Under this demonstration project in order to be eligible a child would have to be committed to the local department of social services as a child in need of assistance and to have been in a successful out of home placement with the prospective guardian for a minimum of six months. Reunification and adoption would have to be appropriately ruled out as permanency planning options. Resources for the child (SSI, Social Security Survivor's Benefits, etc.) would be transferred to the guardian and deducted from the subsidy. Prospective guardians would be required to sign a guardianship agreement which would require annual renewal.

CONTACT PERSON: Fern Blake
Maryland Department of Human Resources
311 West Saratoga Street
Baltimore, MD 21201-3521
(410) 767-7269
(410) 333-0099 (FAX)

STATE: MICHIGAN

DESCRIPTION: Michigan proposes to increase its emphasis on family preservation and family support services and decrease the need for and reliance on out of home care by using title IV-E funds to provide services.

The effort would result in controlled growth of title IV-E maintenance expenditures; greater collaboration among federally-funded programs; increased ability to provide services for families; and decreased reliance on out of home care.

Michigan is proposing to treat title IV-E maintenance payments (other than those for adoption subsidy) as a capped entitlement. The State is proposing to use the funds for service provision, in some cases augmenting funds now being expended under title IV-B Subpart 1 (Child Welfare Services) and Subpart 2 (Family Preservation and Support). The funds would be used to expand grants to local communities and to implement family preservation and support services more quickly.

Michigan is proposing to waive those provisions of title IV-E which restrict States from expending these funds for the provision of services. Michigan excludes title IV-E adoption assistance from its waiver proposal.

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Director
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Michigan Department of Social Services
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Lansing, MI 48909
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STATE: NEW YORK

DESCRIPTION: New York proposes to use a managed care approach to child welfare services to recapture revenue for reinvestment in preventive and aftercare services in local communities.

The benefits of this effort would be an accelerated decline in the foster care population; an increase in the level of services; and a reduction in the length of stay in foster care.

New York proposes to apply the principles of managed care to its foster care and adoption assistance programs by identifying preset payments for a range of services for a specified population over a predetermined period of time (capitated payments) and adjusting treatment regimens in light of outcomes so that the client receives the necessary services to continue to make progress toward the stated goals of intervention (care management). The State also proposes to increase the availability of child welfare services so that pre-placement preventive and aftercare services can be intensified.

New York proposes to waive: title IV-E requirements regarding the eligibility of children and of foster care facilities; the definition of "special needs" for which title IV-E funds may be used; the circumstances under which these funds may be claimed; and certain requirements concerning title IV-E administration and training.

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STATE: NORTH CAROLINA

DESCRIPTION: North Carolina proposes outcome-based management of foster care, in which foster care funding is tied to specific outcomes related to diverting children from foster care whenever possible and moving quickly to achieve permanence for children.

The benefits from this demonstration effort would: link funding and outcomes and measure the effect on service delivery system performance; demonstrate and evaluate the effectiveness of a comprehensive outcome-based approach; decrease the amount of time children spend in foster care, reduce the number of new entries into foster care, and promote collaborative planning and coordination of services with several other initiatives currently underway in the State.

The proposed demonstration effort has two parts. Part I is designed to encourage the development of effective community-based reunification, adoption and aftercare services. Part II is designed to achieve a paradigm shift that allows local programs to move resources from treatment to prevention.

The waiver requests the use of title IV-E foster care funds on behalf of children not presently eligible: to allow local social service agencies to use a capitated rate structure with incentives for achieving specified outcomes; to allow local social service agencies to contract with public, private non-profit and private for profit entities as needed to develop an effective community network of services; and to allow participating agencies to reinvest savings realized from performance excellence in child welfare services.

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STATE: OHIO

DESCRIPTION: Ohio proposes to reduce child removals and/or time of children in placement and associated costs through the use of managed care technology to provide a broader array of services to children and their families.

The benefits of this effort would include decreasing placement costs, increasing the level and quality of services; strengthening local partnerships; and expediting the permanency planning process.

The proposed demonstration effort represents a partnership between public children's service agencies (PCSAs), the Ohio Department of Human Services (ODHS), and managed care entities (MCE). Decision making and risk will be shared among the PCSAs, ODHS and the MCE. ODHS's role is that of coordinator, facilitator and provider of training and technical assistance. The PCSAs' role is primarily as purchasers of services, and they may or may not provide all the direct service functions themselves. The MCE will be responsible for administrative and management functions, medical/clinical reviews, utilization management and service authorization, developing and operating a management information system, developing contracts with providers and payers, and consumer satisfaction-related duties.

The current system of services will continue but with managed care options being considered at decision making points. A policy consortium will be created to develop and implement policy and practices that support permanency planning and provide guidance to the local PCSAs. The terms and conditions developed by the Consortium will bind the provider agencies to uniformly implement the agreed upon practice criteria and to ensure consistency for evaluation purposes across the waiver sites.

Ohio proposes to waive a number of title IV-E provisions that relate to restrictions on child eligibility, and prohibitions on the use of title IV-E funds for the provision of services.

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STATE: OREGON

DESCRIPTION: Oregon proposes to use title IV-E funds for services including but not limited to prevention and support services, protective services, crisis intervention and reunification services. The State also proposes to develop a kinship foster care rate that would be individually determined based on the needs of the child.

The demonstration project would provide flexible funding for abused and neglected children and their families and/or caregivers to receive individual services, regardless of where the child is placed. Specific outcomes expected would include decreasing the length of foster care placement, increasing the number of children remaining safely in their homes, increasing the use of relative caretakers for children who must be placed out of the home, having more appropriate foster care resources and better utilization of community resources.

The proposed demonstration project would provide support to biological, foster and kinship caretakers through a myriad of services. The State proposes to shift toward a statewide system of in-home care services delivery, insure a match between the child's needs and the skill of the caretakers, establish mechanisms that will refocus the out of home care systems and move closer to implementation of a "first placement/only placement" objective for children who are unable to remain with their parent(s).

Oregon proposes to waive those provisions of title IV-E: that require a State to make foster care maintenance payments; that require that foster care maintenance payments be made only on behalf of a child who resides in a foster family home or a child care institution; and that concern the conditions for federal reimbursement for voluntary placements.

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STATE: WEST VIRGINIA

DESCRIPTION: West Virginia will create a comprehensive, decentralized, specialized system to determine a child's potential eligibility for all funding resources for child welfare programs.

The proposed system would maximize the State's child welfare funds by identifying and accessing additional financial resources available to children in care. The new system would emphasize parental obligation and encourage parental participation.

A resource development unit will be created to identify, pursue and produce accurate claims for all sources of funds to which a child in care may be entitled, e.g., child support, SSI, Black Lung, Railroad Retirement, third party medical, SSA, Veterans's Benefits and titles IV-A, IV-B and IV-E.

West Virginia is requesting a waiver of the title IV-E limit of fifty percent for Federal Financial Participation in a State's administrative costs.

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THE WHITE HOUSE
WASHINGTON

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April 29, 1996

MEMORANDUM FOR THE FIRST LADY

FROM: CAROL H. RASCO 
Assistant to the President for Domestic Policy

Subject: Child Welfare

I continue to be seriously concerned about the state of our child welfare programs across the nation. While it would not be wise to announce major initiatives about some pieces of the problem during an election year, I am over the next several months going to be working with appropriate persons inside and outside government on a potential package for early 1997. Certainly, however, proposals concerning foster care and adoption might emerge which could be discussed publicly in the coming months.

I will be convening a number of small group discussions starting with HHS personnel, progressing to a group of individuals from other departments such as Education, Justice, etc. which deal with the "fallout" from the systems' failures. I hope to then visit with Foundation officers where major, innovative projects have been carried out, as well as individuals in national organizations focusing on this issue. Finally I will also visit with individuals from local/state programs showing promise as well as representatives from those programs under siege and/or court order. All of these sessions will be information gathering in nature.

If you have individuals or organizations you feel I should contact please do let me know. I of course welcome the opportunity to visit with you at any time on this matter.

Thank you.