Promoting Safe and Stable Families

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Before

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Committee on Ways and Means
Subcommittee on Human Resources
Congressman Wally Herger, Chairman

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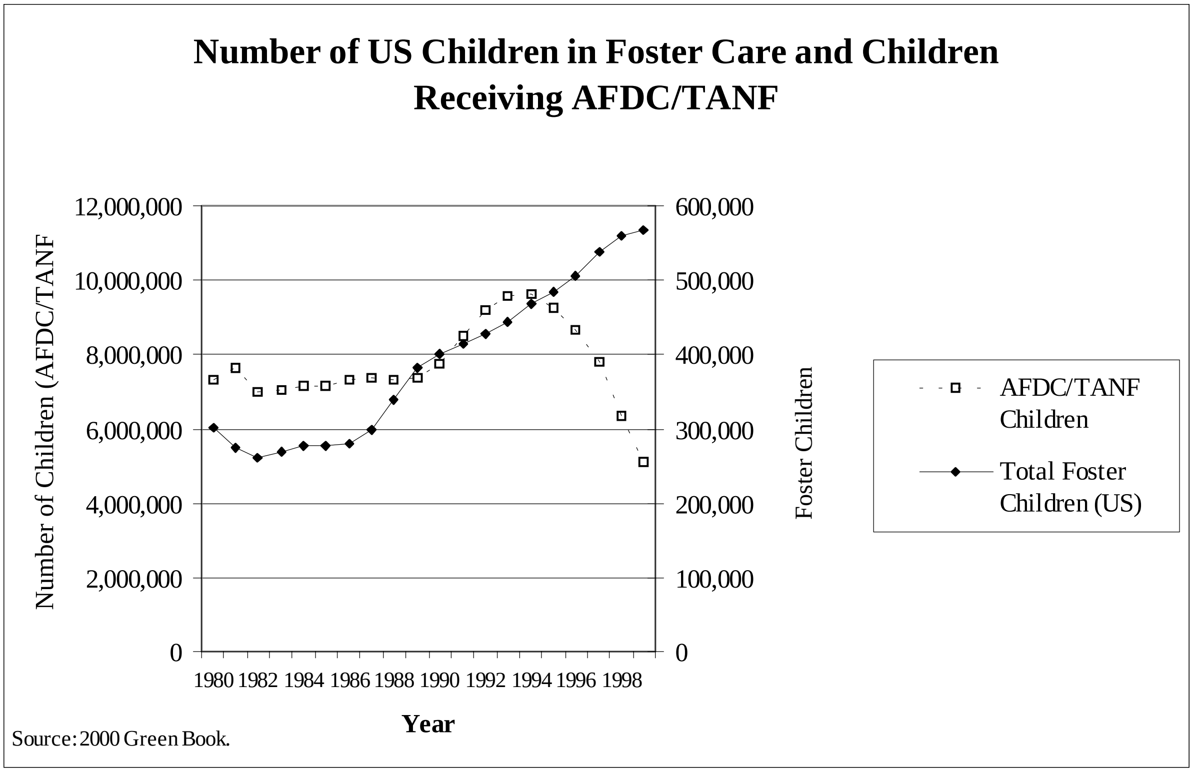
Chairman Herger, members of the Subcommittee, thank you very much for inviting me to speak with you today. My name is Fred Wulczyn. I am a Research Fellow at the Chapin Hall Center for Children at the University of Chicago, an independent research and development center devoted to bringing sound information, rigorous analysis, and an independent perspective to the public debate about the needs of children and the ways in which those needs can be met. I want to thank you for the opportunity to address the issues raised by these hearings.

I have three points that I would like to make this afternoon. First, as you acknowledged when you announced these hearings, everyone here today has to be encouraged by the Administration's willingness to commit $200 million additional dollars in federal support in each of the next five years for the Safe and Stable Families Program. As recently as one year ago, the future of Title IV-B, Subpart II was not as clear as it now appears. Surely everyone here today understands how important the new revenue is.

Second, I think it is important for you to understand a bit about context in relation to broader social trends. As a nation, we face something of a conundrum in that many of the positive social gains of the last decade have yet to be reflected in the size of our foster care population. For example, child poverty levels have declined, child maltreatment rates as measured using the NCANDS data are down; yet the foster care population continues to rise. Since 1990, the number of foster children has grown from 400,000 to 568,000, an average of about 4 percent per year. To better illustrate my point, I have included a graph in my testimony that shows the number of children living in families receiving cash assistance and the number of children in foster care. Although I do not want to make more of the relationship between cash assistance and foster care utilization than is warranted, the data do suggest that welfare reform and the positive economic cycles that accompanied the federal law have had little impact on foster care, one way or the other. Also, given the substantial investments in child welfare services since 1993, this snapshot of data reveals how difficult it is to manage the child welfare system, especially from Washington.

In my view, the new federal revenue will help states manage, but a host of important questions remain. On that list of questions, two stand out. The first concerns the issue of targeting and is closely connected to the question, Chairman Herger, that you asked in your announcement: "Are we serving those children and families in greatest need?" The second concerns the issue of state flexibility. State flexibility is important because, in contrast to the national picture, a number of states and localities are experiencing positive changes in their child welfare program. New York City and the state of Illinois are two examples that come to mind, there are certainly others. However, as the federal government contemplates policy changes, it is important to keep in mind that the impact of policy changes on states can vary widely and not always in the direction intended, sometimes undermining accomplishments that are "local" in nature. Also, the federal funds states receive in the form of board and maintenance payments cannot as a rule be used for purposes other than foster care. Among other things, this restriction means that states can not use those federal funds to make investments in services that might reduce the need for foster care. It also means, that as states improve their performance, as they presumably will under the Child and Family Service Reviews now underway, a greater share of the much-needed community and family-based services will be shouldered by the states themselves.



With respect to the question of targeting dollars more wisely, I would call your attention to the following. First, it is important to understand that federal funding under Title IV-B, subpart II is in some sense targeted now. Federal policy developments since 1993 have generally stressed investments in family support, family preservation, time-limited reunification services, post-adoption services, and a core set of outcomes: safety, permanency and well-being. In other words, using a variety of mechanisms, HHS directs state spending in those areas that are thought to be related to a fundamental set of purposes.

As a means for structuring federal spending, the connection between the inputs (services) and outcomes is an essential one. Yet as a framework for guiding investment, federal policy as it now stands is incomplete. Missing is the set of answers that comprise the response to the Chairman's question: Are the programs serving those in greatest need? The answer is, I think, a qualified no. The answer is qualified in that everyday children who are in real danger receive essential services and there can be little disagreement with that fact. However, if we think in terms of child development and whether some children belong to high risk categories, and then ask whether federal dollars are efficiently targeted to those groups, then I think the answer is that we are not as judicious as we might be.

To understand why I think this is true, first consider the following facts developed from the Multistate Foster Care Data Archive, a source of tracking data that social scientists use to describe the placement experiences of roughly 1.25 million children:

- Slightly more than 20 percent of all first admission in the 12 Archive states involve children under the age of 1. There is some variation across the states; however, the pattern is generally quite stable over time.

- Among these infants, nearly half enter care before they are more than three months old. Again, there is some variation across the states that has to be understood, but the findings are generally stable.

- Other high-risk groups include adolescents, with 15 year olds the largest group, typically. This finding is also consistent across the states; however in some rural areas, adolescents make up a much larger share of total foster care admissions.

- The children most likely to be returned home are between the ages of 1 and 12. Infants are much more likely to be adopted than other, older children are. The very youngest children (under 3 months at the time of admission) are the children most likely to be adopted. This is true regardless of race and ethnicity.

- Adolescents are the children most likely to runaway; however, of the children who spent some portion of their 16th year in placement, one-half went home to their families.

Now ask whether the federal dollars are targeted in a manner that is consistent with these data. Moreover, consider whether federal spending reflects what we know about the risk of child maltreatment (highest among young children) or what we know about what happens to children once they leave placement. In each of these instances, I think the answer is no, not to the extent that <u>might</u> be possible, even desirable, if we were to work more diligently on the alignment of policy and these "clinical" realities.

With regard to targeting, then, the challenge facing the Subcommittee has to do with finding the legislative mechanism for adding a new layer of structure to the services and outcome framework already in place; a layer that directs federal spending to these high risk groups. As a step in this process, a group of scientists has been working over the past several months compiling what is know about the children and families who use child welfare services with the hope that these data might be of some use to the Subcommittee as it addresses the targeting question. Presently, we plan to review our findings at a meeting here in Washington on June 18th; we are hopeful that staff from the oversight committees and others will be able to join us.

Turning now to the question of flexibility, I would make the following observations. When considering how to target federal spending more efficiently, Congress will immediately confront the issue of flexibility. To direct state spending in this or that way is the same as telling states that they can not spend it for purposes the state deems important. In other words, state discretion is limited. I believe the best way to handle this targeting issue is through the use of incentives. That is, states should be "invited" or otherwise encouraged to direct federal resources (along with the state and local share) toward critical need areas in their state provided they do so within the context of the federal outcomes. Some portion of the new Title IV-B allocation could be set aside to stimulate such investments and to provide the federal resources for evaluating state efforts.

Also, I think the Congress should return to the legislation proposed by this Subcommittee during the closing weeks of the last session. There is little doubt in my mind that federal funding for foster care forces a structural rigidity into the child welfare system that limits state and local innovation. If that rigidity were to be relieved, the shift would itself lead to better targeting of service dollars, again within the context of the federal outcomes. In the past, the issue of flexibility has been tied to genuine concerns about a federal block grant. However, the flexible funding model contained in last year's legislation resolved an important policy objective: preserving the federal entitlement to foster care while granting the states greater latitude in their use of Title IV-E funds. In our work with the City of New York, I think we have demonstrated that it is possible to design programs using an approach nearly identical to the model proposed last year.

From a more practical perspective, federal law needs a permanent structure for those states that are reaching the end of their first cycle of waivers. In those instances where a state used the waiver authority to pursue meaningful reform and the evaluation results show bonafide progress, it makes little sense to operate those programs under the same waiver conditions going forward. If the flexible funding proposal were adopted, then the successful waiver demonstration programs could be operated under guidelines that are developed pursuant to the flexible funding provisions. In short, the waiver program provides a unique opportunity for states to test selected approaches while the flexible funding model creates a mechanism for taking successful waiver demonstrations to scale.

Finally, I believe it is important for Congress to realize that operating programs that provide states greater flexibility while stimulating more efficient targeting of services so that children and families are better off in the future requires the active participation of the scientific community. Over the past decade, investments in information and to a lesser extent research and evaluation have been substantial. More importantly, those investments are beginning to pay dividends. For example, I believe that one reason why federal programs today are not more effectively targeted has to do with the fact that the knowledge needed to support appropriate legislative language <u>did not</u> exist in 1993 when the first Family Support and Preservation Funds were authorized. Today that knowledge does exist, albeit in limited areas, and it is up to us all to apply that knowledge wisely. It is also up to us, in our collective stewardship, to make sure investments in knowledge building continue. Going forward, in five years the Congress will want to know whether the targeted dollars it authorized in 2001 had their intended effects. That is, did the services work? Were children and families better off as a result of our efforts? These are serious questions that demand a serious commitment of resources. Without the investment, our evidence base will be shrinking at a time when it needs to grow.