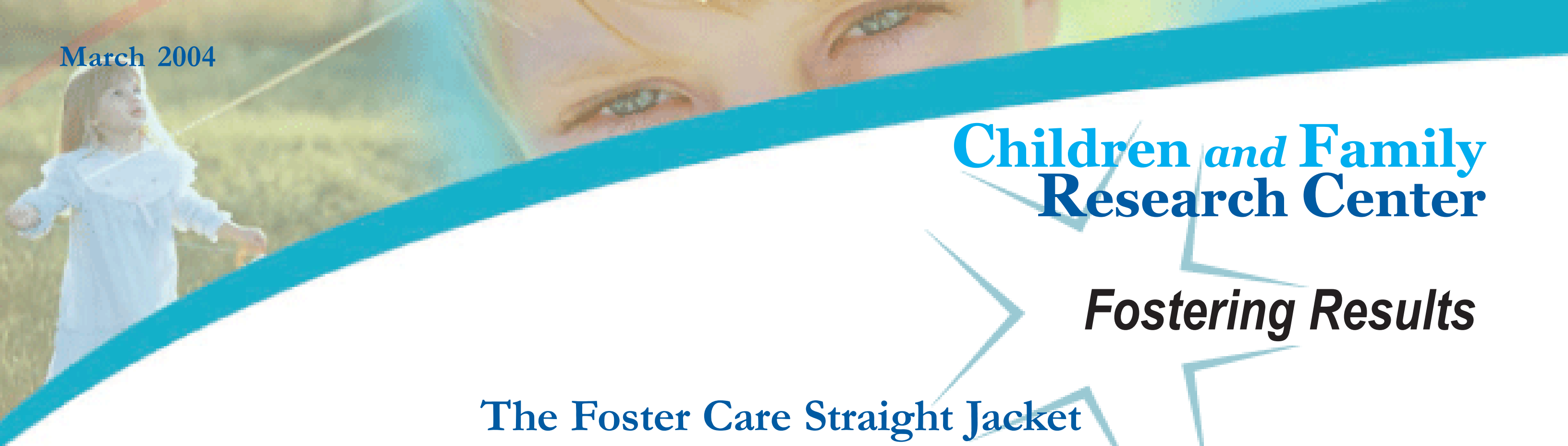
March 2004



Children *and* Family Research Center

Fostering Results

The Foster Care Straight Jacket

Innovation, Federal Financing and Accountability in State Foster Care Reform

As the federal government and states across the country grapple with record budget shortfalls, state efforts to reform troubled foster care systems are further hampered by rigid federal financing rules that stifle innovation and severely restrict spending federal dollars on services that could help reduce the number of children in foster care. These efforts come as the federal government nears completion of a three year process to evaluate state child welfare systems against a set of performance benchmarks. States that fall short of meeting performance targets risk losing a portion of the more than $4.6 billion in annual federal funding for children in foster care.

This report highlights a common hurdle faced by nearly every state – the federal financing "straitjacket" — the inability to spend federal dollars earmarked for foster care on the services and strategies that could actually help give children safer, more stable, permanent homes. The report also shows that when states *have* been granted more flexible use of federal funding through "waivers" – and then required to measure the results — several of those states have achieved success in reducing the number of children in foster care and the length of time that children spend in the foster care system.

This report also outlines how current federal financing rules favor keeping children in foster care over providing services that can help keep children safely at home or support alternative permanent, stable arrangements for children. States are currently reimbursed by the federal government to care for children in foster care, but are extremely limited in their ability to spend those same federal dollars on services to help, when possible, return children to more stable, permanent homes. States also are able to use federal dollars to support adoptions, but are limited in their ability to support alternative permanent placements like legal guardianship. The report shows that some states that have received "waivers" to use federal funds for purposes other than foster care have succeeded in reducing the number or length of stay of children in foster care by using federal funds to pay for these alternative services. For example:

- Illinois used a federal funding waiver to subsidize private guardianship and provide more than 6,800 children with stable, permanent homes. The state then reinvested the more than $28 million in "savings" created by the waiver into other services that helped cut the number of children in foster care from 51,000 to 19,000 in just five years.

School of Social Work
UNIVERSITY OF ILLINOIS AT URBANA-CHAMPAIGN

http://cfrcwww.social.uiuc.edu
cfrc@social.uiuc.edu
(217) 333-5837

- Connecticut was granted a waiver to use federal funds to offer intensive residential mental health services to children in residential placements while in foster care, reducing the time these children spent in care and improving their behavior once they returned home – at no additional cost to the federal government.

- Delaware cut by nearly one-third the amount of time that the children of drug and alcohol abusing parents spent in foster care through a waiver program using federal dollars to identify families in need of immediate substance abuse treatment and services.

As of February 2004, at least 17 waivers from 12 states are pending before the U.S. Department of Health & Human Services (HHS) – including waivers for states as diverse as Arizona, Iowa, Ohio, California, and Wisconsin. However, the authority to grant new waivers is scheduled to expire at the end of March 2004, unless Congress passes a resolution to extend the IV-E waiver program. But even if the program is extended beyond the March 30th expiration date, federal law currently allows HHS to approve just ten waivers each year, meaning several states seeking to reform their systems in part with more flexible use of federal funding will be unable to take advantage of the waiver process.

Giving states the financial flexibility to test new approaches to service delivery becomes all the more critical as HHS nears completion of a formal process to evaluate state child welfare systems against a set of defined performance standards. Of the forty-seven evaluations – known as Children & Family Service Reviews (CFSRs) – conducted so far, not a single state has passed, which under the law Congress enacted in 1994 threatens to reduce every state's share of federal child welfare funding. Though there is broad agreement of the need for accountability, many state officials and child advocates believe that current federal funding rules severely limit their ability to innovate in ways that could help states reform their foster care systems and meet the federally defined performance standards for children and families in need.

National Child Welfare Performance and State Accountability

Each week, 50,000 children come to the attention of child protective service agencies throughout the United States.[1] From the moment a call is screened by the agency charged with initiating an investigation, through the ultimate disposition of a case requiring removal, the full range of services to children and families are covered through a $20 billion[2] patchwork of state and federal funding. According to state survey research[3], federal and state (and occasionally local) governments each contribute about half of the total dollars spent on child welfare service delivery, with the largest single categories of federal funding coming through the Titles IV-E and IV-B of the Social Security Act. In some states the state share of child welfare spending is significantly supplemented by local, i.e. city and county, dollars.

Holding States Accountable for Child Safety, Stability & Permanence

Despite the sizeable price tag and the fact that these resources in some way touch the lives of nearly three million children each year, it is only recently that data and a national discussion on child welfare outcomes have put the issue of accountability for meeting the needs of these children center stage. The cost of poorly executed child welfare service interventions can be incredibly steep, both in terms of the emotional toll on ill-served children and families as well as the considerable drain on public coffers. It is the relationship between increased accountability at the federal level and the response of states seeking to meet performance challenges that has given birth to a variety of state and federal innovations on how child welfare services are financed and ultimately delivered.

Federal efforts to account for state child welfare performance are a relatively recent development. In 1994, Congress amended the Social Security Act and directed the U.S. Department of Health and Human Services (HHS) to create a regulatory framework for reviewing state administered child welfare programs.[4] Under the statutory changes, HHS determines whether or not states are in substantial conformity with child welfare mandates and authorizes the withholding of funds for those states found to be falling short. Six years later, a new process for monitoring state child welfare programs was formally adopted requiring a series of what are known as Child and Family Services Reviews (CFSR).

Concurrent with these efforts, in 1997 Congress passed the Adoption and Safe Families Act (ASFA). ASFA included a new requirement that states' child welfare programs be evaluated using outcomes to be developed by HHS.[5] Although HHS was granted considerable discretion in selecting outcome measures, the legislation as passed by Congress was specific in calling for the evaluation of length of stay in foster care, number of foster care placements and total number of adoptions.[6]

Focusing on the outcome areas for which national data were available, HHS later developed national standards that benchmarked performance expectations for the states.[7] National standards for six statewide data indicators were ultimately incorporated into the CFSR process, and can be found in Table 1. In addition to the on-site review of individual cases, it is against these benchmarks for statewide data indicators that a state is measured. Any state whose performance is found to fall short of substantial conformity (based upon data analysis and an on site review of individual cases) is given an opportunity to develop and implement a plan to improve performance and avoid the withholding of federal funds. Finally, AFSA also required HHS to prepare and submit to Congress an annual report on the performance of each state on each outcome measure. To date, three reports have been completed and submitted to Congress which document state performance in 1998, 1999 and 2000.[8]

Table 1 – Six National Standards for Child Welfare

Standard	Description	Benchmark
Recurrence of Maltreatment	Of all children who were victims of substantiated or indicated child abuse and/or neglect during the first six months of the period under review, the percent that had another substantiated or indicated report within six months.	A state passes if 6.1 percent or fewer of children who were victims of abuse or neglect experience another incident of abuse or neglect within 6 months.
Incidence of Child Abuse and/or Neglect in Foster Care	Of all children in foster care in the state during the period under review, the percentage that were the subject of substantiated or indicated maltreatment by a foster parent or facility staff.	A state passes if 0.57 percent or fewer children in foster care experience maltreatment by a foster parent or facility staff.
Foster Care Re-entries	Of all the children entering care during the year under review, the percent of those children entering foster care within 12 months of a prior foster care episode.	A state passes if 8.6 percent or fewer children entering care during a year under review are children entering foster care within 12 months of a previous foster care episode.
Stability of Foster Care Placements	Of all those children who have been in foster care less than 12 months from the time of the latest removal, the percent of children experiencing no more than two placement settings.	A state passes if 86.7 percent or more of children in foster care less than 12 months experience no more than two placement settings.
Length of Time to Achieve Reunification	Of all children who were reunified with their parents or caretakers at the time of discharge from foster care, the percent reunified within less than 12 months of the time of the latest removal from the home.	A state passes if 76.2 percent or more children reunified with parents are reunified within 12 months of their latest removal from the home.
Length of Time to Achieve Adoptions	Of all the children exiting foster care to adoption during the year under review, the percent of children exiting care in less than 24 months from the time of the latest removal from the home.	A state passes if 32 percent or more of the children adopted from foster care are adopted within 24 months of their latest removal.

NATIONAL FOSTER CARE STANDARDS: FALLING SHORT IN THE STATES

In just three short years, a considerable amount of information has been compiled, analyzed and made public. This information stems from both the completion of the Child and Family Service Reviews as well as the collection of data documenting state performance in each of the six national standards. An examination of the results surfaced for each of these endeavors highlights a variety of shared challenges faced by child welfare jurisdictions everywhere.

Results have been made available for 39 states completing the review process in 2001, 2002 and 2003 with reports pending for another eight states. In 2004, the five remaining child welfare jurisdictions will undertake the Child and Family Service Review process. The available results document that 39 of the 47 states reviewed have failed the review process, with the other eight states known to have failed as well. In short, this means that every state failed to achieve substantial conformity in enough areas to demonstrate compliance with federally mandated performance expectations. An examination of the reviews completed in 2001 and 2002[9] conducted by the Children's Bureau shows fewer than ten states passing any one of the outcome indicators for the CFSR. There were two outcome indicators—one related to permanence and the other to child well-being—where none of the states succeeded in demonstrating substantial conformity.

The fact that agencies charged with the safety and well-being of children are missing the mark in such striking numbers is certainly reason for concern. There are, however, some mitigating factors worth a closer examination. The process used by the federal government in completing the CFSR is burdened by a lack of longitudinal data and statistically invalid sample sizes.[10] Despite these limitations, however, most of the failures documented by the statewide data review as well as the on-site reviews *do* point to a common set of problems universal to child welfare service delivery: securing timely permanence for children who enter foster care and minimizing the number of times a child is moved from placement to placement. Table 2 highlights state performance for three outcomes related to permanence and stability in foster care. For each state where the results of the CFSR have been made public, the results of their statewide data assessment can be compared to the national standard in order to determine how well a state measures up to federal standards. As the results compiled on three of the national standards suggest, most states have been found lacking in these areas.

Barriers To Reform: The Inflexible Federal Financing "Straitjacket"

Promoting better outcomes for children in foster care means tackling the single greatest stranglehold on child welfare innovation—a federal financing system that favors interminable foster care stays over other services and options that can provide children with safe, permanent families.[11] Federal funding for foster care (Title IV-E of the Social Security Act) originated as a well-intentioned attempt to eliminate financial disincentives to removing children from unsuitable homes by placing them temporarily in foster care. Today, the federal government's role in foster care is large and often inflexible. The barriers documented in states failing to pass the CFSR point to an important but troubling reality: Service interventions required to turn around performance are often not financially supported by the federal government. This fundamental gap between outcomes and the strategies required to produce them reflects just one way in which the rules governing federal financial participation have not kept pace with what is needed to serve children and families.

As attention to the performance of child welfare systems has grown, states have sought a host of service strategies designed to make progress on stabilizing children removed from the home while aggressively working to ensure permanence as quickly as possible. Ironically, some of most promising approaches have required child welfare jurisdictions to find resources outside of the federal funding stream which pays for foster care services provided to children removed from their home. The reason why is fairly straightforward: There are a host of restrictions on how federal funds can be used. The fact that some of these restrictions include service interventions that could help states attempting to meet federal standards for service delivery suggests there is a disturbing chasm between federal efforts to hold child welfare systems accountable and what is necessary to get the work done.

Table 2.—State Performance on Three National Standards

State	Review Date	Reunification (76.2% or more)	Adoption (32.0% or more)	Placement Stability (86.7% or more)
Alabama	04/01/02	63.0	13.1	96.4
Alaska	06/24/02	53.8	21.8	70.6
Arkansas	07/09/01	83.4	26.0	68.63
Arizona	09/24/01	68.0	19.8	81.9
California*	09/16/02	53.7	23.5	82.9
Colorado	06/17/02	85.7	61.9	86.9
Connecticut	04/08/02	55.1	65.0	92.8
Delaware	03/12/01	83.6	7.8	97.65
Florida	08/06/01	44.6	43.4	20.52
Georgia	07/16/01	63.1	23.0	92.29
Idaho	05/12/03	88.9	33.6	81.1
Indiana	08/20/01	64.0	22.8	77.7
Iowa	05/20/03	81.0	49.0	88.0
Kansas	08/06/01	50.2	57.6	64.2
Kentucky	03/03/03	82.5	15.9	80.3
Massachusetts	07/23/01	72.9	9.4	76.95
Michigan	09/09/02	52.9	32.0	86.2
Minnesota	05/14/01	80.3	27.5	82.3
Missouri	12/08/04	65.9	30.3	78.7
Montana	08/19/02	87.0	42.2	80.8
Nebraska	07/15/02	44.5	17.9	83.5
New Mexico	08/27/01	86.3	23.4	88.7
New York	06/18/01	54.2	2.9	‡
North Carolina	03/26/01	57.6	25.9	61.2
North Dakota	09/24/01	72.8	44.0	86.2
Ohio	05/20/02	74.0	29.2	85.9
Oklahoma	03/18/02	80.2	31.3	75.9
Oregon	06/04/01	79.0	24.2	83.6
Pennsylvania	08/26/02	69.7	19.1	85.2
Puerto Rico*	08/04/03	56.1	14.9	99.6
South Carolina	06/23/03	82.1	14.0	76.0
South Dakota	03/27/00	81.0	60.9	84.8
Tennessee	06/03/02	61.3	10.5	61.1
Texas	02/11/02	64.4	43.7	71.2
Vermont	04/30/01	64.9	23.0	69.9
Virginia*	07/07/03	73.6	17.9	84.8
Washington DC	07/30/01	62.8	39.0	94.66
West Virginia	05/06/02	79.5	17.3	99.9
Wisconsin*	08/18/03	80.6	21.1	95.4
Wyoming	07/08/02	81.6	40.6	87.4

(*) indicates data from Self Assessment
(‡) indicates this outcome was not reviewed

Source: Information compiled by the National Resource Center for Information Technology in Child Welfare (NRC-ITCW), operated by the Child Welfare League of America (CWLA). Data is based upon information available as of January 2004.

States Face Limited Options Under Current Federal Financing Rules

Title IV-E of the Social Security Act is the primary funding source to the states for children who have been placed in foster care and those children adopted out of foster care. Title IV-E is an uncapped or unlimited entitlement for any child meeting the eligibility requirements determined by statute. Funds from Title IV-E foster care payments are used to cover costs for allowable board, care and related administration[12] for children in foster care.

Title IV-E funding for children in foster care includes specific eligibility guidelines for children under which the federal government will reimburse the states for a portion of the cost of care. The largest categories for IV-E Foster Care include allowable payments made for the administration of the state's child welfare program and allowable payments made to board a child in foster care (maintenance). The majority of states failing the CFSR measures for time to reunification, time to adoption and number of foster care placements are all likely to encounter challenges in paying for some services in managing their programs because of restrictions on federal financial participation.

For example, the expectation that states reduce the length of time a child spends in care prior to reunification with a biological parent is largely a function of ensuring effective services geared toward the biological parent(s) to ensure that a return home is a safe option. Research conducted by the General Accounting Office documented substance abuse and related issues as a major factor in up to 70% of child welfare interventions nationally.[13] The ability to meet the need for services to address this problem and thereby bolster reunifications has long been a concern in child welfare, yet IV-E cannot be used to support "administrative activities associated with social services provided to a child, or a child's family" such as substance abuse treatment.[14]

Similarly, this same prohibition limits service strategies funded by IV-E which are designed to reduce placement moves for children in foster care. Specifically, child welfare jurisdictions are looking for an array of mental health services specifically designed to deal with a growing population of children with severe emotional and mental health needs.[15] The length of time a child spends in foster care prior to adoption is yet another area where the need for states to improve and federal financial commitment are not properly aligned. Despite compelling evidence that legal guardianship is a permanency option which can reduce time in foster care[16], federal rules will only provide a match for adoption assistance if the child is legally adopted, rather than in another permanent placement like legal guardianship. More than this, IV-E Adoption Assistance funding limits financial participation for an array of social services provided to a child once they have left foster care through adoption or guardianship. For many committed caregivers, especially those with severely compromised children, the decision to adopt a child becomes tougher given the lack of supports available in many states "post permanence."

Unleashing Innovation: Federal Waivers as a Tool for Reform

The barriers documented by states in achieving permanence for children have not gone unnoticed by federal and state policymakers. Since 1995, state child welfare jurisdictions have had the ability to seek waivers to IV-E restrictions in population and service eligibility for federal financial participation. Waiver authority gives states an important option to help determine "what works." Under current statute, as many as ten states each year are permitted to conduct demonstration projects by waiving certain requirements of titles IV-B and IV-E to facilitate the demonstration of new approaches to the delivery of child welfare services. Expansion of IV-E child welfare waivers could reduce fiscal restraints on innovation, encourage controlled experimentation on promising practices, and advance the evidence-based practices that are needed to promote system reform and institutionalize quality services and best practices.[17]

A total of 23 states and the District of Columbia have taken advantage of the opportunity to waive federal funding restrictions. Although some states have withdrawn from the waiver process, eight states have completed waiver projects and eight states are still implementing waivers. More recently, 12 states submitted additional waiver requests to the federal government in late 2003 and early in 2004. This growing interest in waivers lends support to a growing body of evidence documenting how the right service intervention coupled with federal support and the opportunity to reinvest savings from improved performance can be a powerful tool in helping child welfare systems improve outcomes for children without additional cost to the federal government.

In addition, as waiver innovations begin to demonstrate how to help prevent a child's removal and placement into foster care and reduce the amount of time a removed child spends in care before going to a permanent home, they offer the potential to directly reduce IV-E costs over time. For example, currently approved waivers that authorize expenditures for a complete set of services to meet a family's needs and prevent a removal to foster care (California), or funded strategies that hasten reunification through drug rehabilitation services (Illinois and New Hampshire), subsidize private guardianships for willing caregivers (Delaware, Illinois, Maryland, Montana, New Mexico, North Carolina, and Oregon) and fund post-adoption services to reduce re-entry into foster care (Maine) carry the greatest opportunity for earning IV-E savings while getting the right results for kids.

Turning Around Performance: State Improvements Through Accountable, Flexible Funding

The permanency challenges identified through the CFSR process offer useful examples of where state-initiated innovation has been key to performance turnarounds. Three of the national performance standards—failed by most of the states posting results for their CFSR—include reduced time to reunification, reduced time to adoption, and reducing the number of placements while in care. By using the waiver process to gain flexibility in the use of federal funding streams for foster care several states have begun to make progress in getting the right results while maintaining cost neutrality or even reducing costs.

Delaware: Intensive Services for Substance Affected Families

Central in any approach designed to return children home more quickly is an aggressive strategy to address the needs of biological parents with substance abuse problems. To date, four states have implemented waiver demonstrations to address barriers in substance abuse treatment: Delaware, Illinois, Maryland and New Hampshire. Of these waivers, only Delaware has completed their waiver and publicized their findings. In Delaware, substance abuse counselors worked with child protective services staff to identify eligible families and arrange for immediate services. As of February 2002, the experimental group receiving immediate access to services showed 31 percent fewer days in foster care.[18] While the results around reunification and completion of "case plans" proved inconclusive, the reduced number of care days associated with early, aggressive services offers promise that expanding the service array funded with federal foster care dollars can lead to better results for children and family at a reduced cost to taxpayers.

Illinois and Maryland: Expanding Permanence for Kinship Caregivers

The fact that IV-E supports only adoption subsidies has been consistently cited as a barrier to permanence, especially for relative caregivers who may be reluctant to terminate the parental rights of a family member. To date, a number of states have pursued waivers testing the effect of providing federal dollars for assisted legal, permanent guardianship, including Illinois, Maryland, Montana, New Mexico, North Carolina, and Oregon. Of these, the earliest applicants were Illinois and Maryland. By the end of the initial demonstration periods, Maryland courts were able to transfer over 300 children to permanent homes and Illinois courts transferred 6,800 children from state custody to IV-E subsidized private guardianship. Because of the design of the demonstration's cost-claiming procedures, Illinois retained more than $28 million in federal reimbursements to reinvest in system improvements, which would otherwise have been unavailable in the absence of the waiver. Maryland also was able to realize administrative savings and maintain cost neutrality for the federal government.

Connecticut: Mental Health Services for High End Kids

Connecticut used the waiver process to test reforms in the most intensive part of their child welfare population: children in need of residential mental health services not funded through IV-E. Connecticut completed its demonstration in 2002, and reduced the duration and placements in highly restrictive settings for children with serious behavioral problems. In addition, children returned home from residential stays showed significant improvements in their behavior, and the waiver sites offered a greater diversity and intensity of mental health services than those children served by providers outside of the waiver-funded structure. While the numbers served were relatively small (159 in total; 77 in the experimental group and 82 children in the control group), the lessons learned suggest important opportunities for rethinking more responsive mental health services designed and funded through conventional child welfare funding streams.

In other states, such as California, North Carolina, and Ohio, waivers have been used to provide maximum flexibility in the use of federal funds for both working to prevent placements in foster care when possible, and for improving foster care services. These waivers illustrate a similar principle: states are looking for ways to improve system performance through greater flexibility and added accountability with federal funding.

California: Intensive Services

California sought flexibility in providing services to children prior to removal or while in foster care. At the front end, the program invested heavily in seven counties in services designed to prevent placements in foster care when possible. An additional seven counties implemented individually targeted, flexible services including family group conferencing designed for children and adolescents who often fail in traditional placements. Results for this demonstration are expected this month.

North Carolina: Capped Funding and Flexibility

Selected counties have the option to use IV-E funds more flexibly to support an array of initiatives to ensure safe, permanent outcomes for children at imminent risk of placement or who are already in placement. North Carolina evaluated its flexible funding waiver by matching 19 waiver counties to 19 comparison counties based on size and demographics. The evaluators found that the probability of placement for children in the demonstration counties declined more than for children in the comparison counties.[19]

Ohio: Capped Funding and Flexibility

Selected counties received fixed amounts of federal funding and the authority to waive federal restrictions on how the money is spent in order to better serve families and meet the specific needs of children in care. Demonstration counties have flexibility to use funds to implement a range of managed care strategies including developing capitated contracts for services, establishing utilization review and quality assurance systems, and improving case management and coordination.

Conclusion: Federal Financing Reform and Improving Safety, Permanence and Stability for Children

There is wide consensus that the increased effort to create accountability in child welfare service delivery is a welcome change. While child welfare professionals, advocates and academics have questioned technical components inherent in the methodology of collecting, analyzing and reporting on results, the broader theme of accountability is uniformly embraced. Policymakers, child welfare administrators and other stakeholders from the child welfare community know more about the quality of services provided to children than at any other time since the inception of the federal government's role in the nation's child welfare system.

But the fact that states are documenting failures that existing federal financing policy is ill-equipped to address raise important policy questions: What are the federal financing policy options that will support and strengthen state innovation and improved outcomes for kids, rather than discourage them? Where should the federal government draw the fine line between giving states flexibility to do more with federal funds and holding them accountable? Given the magnitude of the problems and the still-emerging evidence on waivers and state innovations, how can increased flexibility and loosening the "straitjacket" best be designed to significantly improve outcomes for children in a majority of states?

As federal, state and local policymakers grapple with the answers to these and other questions, one thing is clear: The federal goal of safety and permanence for foster children is often at odds with the federal financing of child welfare services. Moreover, absent a special waiver, states are increasingly finding that efforts to turn around their troubled foster care systems are hampered by the existing, inflexible federal financing rules. Without additional tools states will be limited in their ability to make improvements to their foster care systems, leaving thousands of children to languish unnecessarily. These questions are not merely academic debates. Indeed, the safety, the productivity and the future of America's more than half a million children in foster care depend on finding the answers.

ENDNOTES

[1] United States Department of Health and Human Services, Administration on Children, Youth and Families *Child Maltreatment 2001* (Washington, DC, 2003).
[2] Urban Institute, *The Cost of Protecting Vulnerable Children III: What Factors Affect States' Fiscal Decisions?* (2002). The report reflects a total of $19.9 billion, including all federal, state and local funding streams which finance some aspect of child welfare service delivery.
[3] *Ibid.*
[4] 42 U.S.C. §1320a-2a. Pub.L. 103-432 Title II, §203(a).
[5] 42 U.S.C. §679b(1).
[6] 42 U.S.C. §679b(2).
[7] ACYF-CB-IM-01-07 (August 16, 2001).
[8] United States Department of Health and Human Services, Administration on Children, Youth and Families, Children's Bureau, *Safety, Permanency and Well-Being: Child Welfare Outcomes 1998, 1999 & 2000* (Washington, DC, 2003).
[9] United States Department of Health and Human Services, Administration on Children, Youth and Families, Children's Bureau, *Results of the 2001 and 2002 Children and Family Services Review* (Washington, DC, 2003).
[10] Bishop, P.M., McDonald, Grazian, Testa and Gatowski, *The Need for Uniformity and National Statistics and Improvements in Outcome Indicators for Child and Family Service Reviews: Lessons Learned from Child Welfare Reform in Illinois*, Whittier Journal of Child and Family Advocacy, 1 (2002).
[11] Testa, M. "Encouraging Child Welfare Innovation through IV-E Waivers". Paper presented at the Title IV-E Child Welfare Dialogues. School of Social Work, University of Wisconsin at Madison, February 13, 2004.
[12] 42 U.S.C. §620 et seq.; 42 U.S.C. § 670 et seq.; & 42 U.S.C. §672(a)(b)(2).
[13] General Accounting Office, *Parental Substance Abuse: Implications for Children, the Child Welfare System, and Foster Care Outcomes*, (Washington, DC, 1997).
[14] 45 CFR 1356.60 (b) (2).
[15] United States Department of Health and Human Services, Administration on Children, Youth and Families, Children's Bureau, *Child Welfare Outcomes 1998 Annual Report, Section IV Key Findings and Implications.* (Washington, DC, 1998).
[16] Children and Family Research Center. *Illinois Subsidized Guardianship Waiver Demonstration: Final Evaluation Report.* (Urbana, IL: School of Social Work, University of Illinois at Urbana-Champaign, 2003). School of Social Work *Maryland Subsidized Guardianship Demonstration Project, Evaluation, Final Report.* (Baltimore, MD: School of Social Work, University of Maryland, 2003).
[17] Testa, M. (2004). "Encouraging Child Welfare Innovation through IV-E Waivers". Paper presented at the Title IV-E Child Welfare Dialogues. School of Social Work, University of Wisconsin at Madison, February 13, 2004.
[18] Congressional Research Service, *Child Welfare Waiver Demonstrations*, (Washington DC, 2003).
[19] Usher, C.L., Wildfire, J.B., Brown, E.L., Duncan, D.F., Meier, A., Salmon, M.A., Painter, J. & Gogan, H.C. *Evaluation of the Title IV-E Waiver Demonstration in North Carolina.* (Chapel Hill, NC: Jordan Institute for Families, the University of North Carolina, 2002).

Fostering Results **is a national, nonpartisan public education project to raise awareness of issues facing children in foster care. It is funded by a grant from The Pew Charitable Trusts to the Children and Family Research Center in the School of Social Work at the University of Illinois, Urbana-Champaign. The opinions expressed in this report are those of the authors and do not necessarily reflect the views of The Pew Charitable Trusts.**

http://www.fosteringresults.org

About the Authors:

Jess M. McDonald, Co-Director of *Fostering Results* is a nationally recognized child welfare expert and the former director of the Illinois Department of Children and Family Services, where he was widely praised for leading a set of reforms that made Illinois a national model for child welfare service delivery. As Director of IDCFS, McDonald is best known for running a child welfare system which led the nation in adoptions for three consecutive years. McDonald's public service has been recognized by the White House, the National Association of Social Workers, the National Association of Public Child Welfare Administrators and Motorola.

The Honorable Nancy Sidote Salyers, Co-Director of *Fostering Results*, has spent a 25-year legal career working on behalf of children and families, including serving as presiding judge of the Cook County Juvenile Court's Child Protection Division, which was widely regarded as a model court for collaborations forged with agencies, academics, child advocates and the community. Through reforms launched during Salyers' tenure, for the first time in the one hundred year history of the court, more child cases were closed than opened, significantly decreasing previous backlogs. Judge Salyers has been recognized nationally for her work, including awards from the White House, the National Child Support Enforcement Association and the National Court Appointed Special Advocates Association.

Mike Shaver, Deputy Director of *Fostering Results* has extensive experience in child welfare policy and advocacy. As Deputy Director, Shaver manages our national outreach campaign, oversees the communications function and supervises the development of research materials. Prior to joining *Fostering Results*, Mr. Shaver served as the Associate Deputy Director for Budget, Research and Planning at the Illinois Department of Children and Family Services, where he coordinated cross divisional work, leading efforts to plan and negotiate performance based contracting with private agencies. The Department was recognized for its efforts in 2000 when it was awarded the prestigious Harvard Innovations in Government Award.