

**SECTION 11 - CHILD PROTECTION, FOSTER CARE, AND
ADOPTION ASSISTANCE**

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INTRODUCTION

Child welfare services aim to improve the conditions of children and their families and to improve or provide substitutes for functions that parents have difficulty performing. Child welfare services encompass a broad range of activities, including protection of abused or neglected children, support and preservation of families, care of the homeless and neglected, support for family development, and provision of out-of-home care, including adoption. Services may help the family cope with problems or they may protect children while the family learns to perform appropriate parenting roles.

It is generally agreed that it is in the best interests of children to live with their families. To this end, experts emphasize both the value of preventive and rehabilitative services and the need to limit the duration of foster care placements.

However, if children must be removed, a major principle of professional social work is the provision of permanent living arrangements, either by returning children to their homes in a timely fashion or by moving children into adoption or other permanent arrangements.

Many private, nonprofit and government entities work to provide child welfare services to families in need. The primary responsibility for child welfare services in the government, however, rests with the States. Each State has its own legal and administrative structures and programs that address the needs of children. The Federal Government has also been involved in efforts to improve the welfare of children in specific areas of national concern since the early 1900s. The largest Federal programs are authorized under titles IV-B and IV-E of the Social Security Act, are administered by the U.S. Department of Health and Human Services (HHS), and are under the jurisdiction of the House Committee on Ways and Means. Additional non-Social Security Act Federal programs include grants to States, local governments and nongovernmental agencies for prevention and treatment of child abuse and neglect, advocacy centers for victims of sexual abuse, services for abandoned infants and children with AIDS, promotion of adoption, child abuse-related training for judicial personnel, federally administered research and demonstration, Indian child welfare programs, family violence programs, and a number of other small programs. Of these non-Social Security Act programs, most have annual funding of less than \$25 million. In addition, services related to child welfare may be provided at State discretion under the Social Services Block Grant (title XX of the Social Security Act), described in section 10, and States also use funds under the Temporary Assistance for Needy Families program, described in section 7, for activities related to child welfare. Finally, a tax credit of up to \$10,160 in 2003 (and indexed for future years) is available to adoptive parents to offset some of the initial expenses associated with adoption (including for children with special needs); see section 13.

This section will focus specifically on Child Welfare, Foster Care, and Adoption Assistance Programs authorized under titles IV-B and IV-E of the Social Security Act.

FEDERAL CHILD WELFARE PROGRAMS TODAY

The Social Security Act contains the primary sources of Federal funds available to States for child welfare, foster care, and adoption activities. These funds include both discretionary authorizations (for which the amount of funding available is determined through the annual appropriations process) and entitlements (under which the Federal Government has a binding obligation to make payments to any person or unit of government that meets the eligibility criteria established by law). The programs include the title IV-B Child Welfare Services, Promoting Safe and Stable Families, and Mentoring Children of Prisoners programs; and the title IV-E Foster Care, Adoption Assistance, and Foster Care Independence programs.

Table 11-1 lists these programs, and describes their funding. Table 11-2 provides data on the level of Federal funds provided to States under titles IV-B and

IV-E for fiscal years 1989-2001, and the HHS projections for fiscal years 2002-2008.

TABLE 11-1 -- MAJOR FEDERAL PROGRAMS DEDICATED TO THE SUPPORT OF CHILD WELFARE ACTIVITIES¹

Program	Budgetary classification	Federal support of total
Title IV-E Foster Care Program		
Foster care assistance payments	Entitlement	Open-ended Federal match at Medicaid rate
Placement services and administrative costs	Entitlement	Open-ended Federal match of 50 percent ²
Training expenses	Entitlement	Open-ended Federal match of 75 percent
Title IV-E Adoption Assistance Program		
Adoption assistance payments	Entitlement	Open-ended Federal match at Medicaid rate
Nonrecurring adoption expenses	Entitlement	Open-ended Federal match of 50 percent (up to \$2,000 per adoption)
Placement services and administrative costs	Entitlement	Open-ended Federal match of 50 percent
Training expenses	Entitlement	Open-ended Federal match of 75 percent
Title IV-E Independent Living		
Chafee Foster Care Independence Program ³	Entitlement	80 percent Federal funding, total capped at State allotment
Education and Training Vouchers ⁴	Discretionary	80 percent Federal funding, total capped at State allotment
Title IV-B Child Welfare Services Program		
Subpart 1 - Child welfare services	Discretionary	Federal match of 75 percent, total capped at State allotment
Subpart 2		
Promoting Safe and Stable Families ⁵	Entitlement	Federal match of 75 percent, total capped at State allotment
	Discretionary	Federal match at 75 percent, total capped at State allotment
Mentoring Children of Prisoners ⁶	Discretionary	Federal match of 75 percent in the first two fiscal years in which the grant is awarded and 50 percent in the third and each succeeding year, total capped at State allotment

¹ Other Federal entitlement funds also may be used to support these services. For example, States use the capped entitlements funds available through the Temporary Assistance for Needy Families (TANF) program and the Social Services Block Grant (SSBG).

² Seventy-five percent matching was available from fiscal year 1994 through fiscal year 1997 for certain costs related to data collection.

TABLE 11-1 -- MAJOR FEDERAL PROGRAMS DEDICATED TO THE
SUPPORT OF CHILD WELFARE ACTIVITIES¹-continued

³The Chafee Foster Care Independence Program (CFCIP) was established by Public Law 106-169 in 1999 and replaced the previously existing Independent Living program. During fiscal years 1991 through 1999, States were required to provide 50 percent matching for any Federal funding claim that exceeded \$45 million. When CFCIP was enacted, the Federal share of expenditures became 80 percent.

⁴The education and training vouchers program was established through Public Law 107-133 in 2001.

⁵Public Law 107-133 added a discretionary funding component to the Promoting Safe and Stable Families Program.

⁶The mentoring children of prisoners program was established by Public Law 107-133.

Source: Congressional Research Service.

Funds available to States from the title IV-B programs may be used for services to families and children without regard to family income. Federal matching funds for foster care maintenance payments under title IV-E are provided only in those cases in which the child would have been eligible for the old Aid to Families with Dependent Children (AFDC) program if still in the home. All children determined to have “special needs” related to their being adopted, as defined under title IV-E, are eligible for reimbursement of certain non-recurring costs of adoption under the Title IV-E Adoption Assistance Program. However, only AFDC- or Supplemental Security Income (SSI)-eligible “special-needs” children qualify for federally-matched adoption assistance payments available under title IV-E. Funds available to States for the Title IV-E Chafee Foster Care Independence Program may be used for services which facilitate the transition of children from foster care to independent living, regardless of whether they are eligible for foster care assistance under title IV-E.

In addition to the programs described above, title IV-B authorizes funds for research and demonstration activities and for direct Federal grants to public and private entities for child welfare staff training. Under title IV-E, incentive payments are authorized for States that increase their number of adoptions of foster children, including children with special needs, above specified baselines.

Table 11-3 provides HHS data and projections on participation under the title IV-E programs; data on participation in title IV-B programs are not available. Table 11-4 shows the Congressional Budget Office (CBO) projections for Federal foster care and adoption assistance caseloads and outlays for fiscal years 2003-2008. According to CBO, between 2003 and 2008, the federally-funded foster care caseload is projected to decline from 250,000 to 228,000 (9 percent). Over the same time period, title IV-E foster care outlays are expected to increase 14 percent, from \$4.6 billion to \$5.2 billion. Also over the same time period, the adoption assistance caseload is projected to increase from 317,000 to 451,000 (42 percent), while total adoption assistance outlays are estimated to increase from \$1.5 billion to \$2.5 billion (66 percent).

TABLE 11-2 -- FEDERAL FUNDING TO STATES FOR CHILD WELFARE ACTIVITIES UNDER TITLES IV-B AND IV-E OF THE SOCIAL SECURITY ACT, 1995-2008

[Dollars in millions]

Fiscal year	Title IV-B-1		Title IV-B-2			Title IV-E foster care			Title IV-E adoption assistance		Total
	Child Welfare Services	Promoting Safe and Stable Families ¹	Total ²	Maintenance payments	Admin./ Training ³	SACWIS (operation and development)	Chafee Foster Care Independence Program ⁴	Total ⁵	Assistance payments	Admin./ Training	
1995	292	150	3,066	1,599	1,355	112	70	411	306	105	3,989
1996	277	225	3,098	1,503	1,322	273	70	483	361	122	4,153
1997	292	240	3,692	1,725	1,620	347	70	590	429	161	4,884
1998	291	255	3,704	1,922	1,669	113	70	697	512	185	5,017
1999 ⁶	292	275	4,012	1,963	1,952	97	70	843	621	222	5,492
2000	292	295	4,256	2,015	2,125	116	140	1,012	726	286	5,995
2001	292	305	4,382	2,070	2,190	122	140	1,197	902	295	6,316
2002	292	375	4,519	2,033	2,317	169	140	1,342	1,037	305	6,668
2003 ⁷	290	404	4,690	2,061	2,448	181	182	1,525	1,192	333	7,091
2004 ⁷	292	505	4,917	2,103	2,586	228	200	1,692	1,338	354	7,606
2005 ⁷	292	505	5,044	2,165	2,647	232	200	1,871	1,495	376	7,912
2006 ⁷	292	505	5,276	2,248	2,791	237	200	2,064	1,664	400	8,337
2007 ⁷	292	⁸	5,516	2,336	2,939	241	200	2,269	1,845	424	8,285
2008 ⁷	292	⁸	5,770	2,431	3,092	247	200	2,491	2,040	451	8,761

¹ In FY 1998, FY 1999, FY 2000, and FY 2001 \$16 million, \$18 million, \$19 million and \$21 million, respectively, lapsed.
² This total includes administration, SACWIS (Statewide Automated Child Welfare Information System), and training expenditures, as well as maintenance payments.

³ Includes administration, child placement services, and training costs.

⁴ Beginning in FY 2003, this includes funding for the discretionary Education and Training Vouchers program.

⁵ This total includes administration and training expenditures and maintenance payments.

TABLE 11-2 -- FEDERAL FUNDING TO STATES FOR CHILD WELFARE, FOSTER CARE, AND ADOPTION
ACTIVITIES UNDER TITLES IV-B AND IV-E OF THE SOCIAL SECURITY ACT, 1995-2008,
UNDER CURRENT LAW -continued

⁶ Beginning in FY 1999, Title IV-E foster care and adoption assistance State claims data include Puerto Rico. In addition, IV-E maintenance payment claims (both foster care and adoption assistance) include claims for child welfare demonstration projects.

⁷ Estimate based on current law. Except that for 2003 amounts shown for Title IV-B programs and the Chafee Foster Care Independence Program are, as for prior years, appropriated levels.

⁸ Not authorized.

Note- Totals may differ from sum of amounts because of rounding.

Source: U.S. Department of Health and Human Services.

TABLE 11-3--PARTICIPATION IN FOSTER CARE, ADOPTION,
AND INDEPENDENT LIVING ACTIVITIES UNDER TITLE IV-E
OF THE SOCIAL SECURITY ACT, 1988-2008

Fiscal year	Title IV-E foster care maintenance payments ¹	Title IV-E adoption assistance payments ¹	Title IV-E foster care independence program ²
1988	132,757	34,698	18,931
1989	156,871	40,666	44,191
1990	167,981	44,024	44,365
1991	202,687	54,818	45,284
1992	222,315	66,197	57,360
1993	231,100	78,000	57,918
1994	245,000	91,200	71,081
1995	260,800	106,200	73,137
1996	273,600	124,700	85,261
1997	289,400	146,900	84,309
1998	306,500	168,400	87,446
1999 ³	302,400	195,200	95,134
2000	287,800	228,300	96,982
2001	264,900	257,800	97,954
2002	254,000	285,600	99,441
2003 ⁴	245,400	317,000	NA
2004 ⁴	240,600	348,700	NA
2005 ⁴	238,100	381,800	NA
2006 ⁴	237,600	416,200	NA
2007 ⁴	237,300	451,500	NA
2008 ⁴	237,300	488,600	NA

¹ Average monthly number of recipients.

² The figures are estimates of the number of children receiving independent living services. The estimates from 1988 through 1998, and for 2002, utilized the best available data submitted by the States. Estimates for 1999-2001 are based on a methodology that utilized the average monthly number of children receiving Title IV-E foster care maintenance payments.

³ Beginning in FY 1999, data for average monthly number of recipients include Puerto Rico.

⁴ Estimate based on current law.

NA - Not Available

Source: U.S. Department of Health and Human Services.

TITLE IV-B CHILD WELFARE PROGRAMS

Grants to States for child welfare services

The Child Welfare Services Program under subpart 1 of title IV-B permanently authorizes 75 percent Federal matching grants to States for services that protect the welfare of children. These services: address problems that may result in neglect, abuse, exploitation or delinquency of children; prevent the unnecessary separation of children from their families and restore children to their families, when possible; place children in adoptive families when appropriate; and assure adequate foster care when children cannot return home or be placed for

adoption. There are no Federal income eligibility requirements for the receipt of child welfare services.

TABLE 11-4 -- CBO BASELINE CASELOAD AND OUTLAY
PROJECTIONS FOR THE FEDERAL FOSTER CARE AND ADOPTION
ASSISTANCE PROGRAMS, FISCAL YEARS 2003-2008

Program	2003	2004	2005	2006	2007	2008
Foster Care:						
Title IV-E caseload (in thousands)	250	246	241	237	232	228
Average monthly maintenance payments (Federal Share)	\$625	\$653	\$682	\$712	\$744	\$777
Federal outlays (in millions):						
Maintenance Payments	\$1,856	\$1,895	\$1,943	\$1,992	\$2,040	\$2,088
Administration and child placement services	2,292	2,375	2,407	2,489	2,576	2,670
Training	249	251	252	254	255	256
Demonstrations	195	199	203	208	213	218
Total Outlays	4,592	4,719	4,806	4,943	5,086	5,232
Adoption Assistance:						
Title IV-E caseload (in thousands)	317	347	374	400	426	451
Average monthly payments (Federal share)	\$320	\$332	\$345	\$357	\$369	\$382
Federal outlays (in millions):						
Assistance Payments	\$1,162	\$1,324	\$1,489	\$1,653	\$1,823	\$2,001
Administrative and child placement services	278	301	326	351	375	400
Training	45	49	54	58	62	66
Total Outlays	1,486	1,675	1,869	2,061	2,260	2,467
Total Outlays ¹	6,208	6,534	6,816	7,145	7,486	7,839

¹ Includes \$130 million for 2003 and \$140 million in each of the succeeding years for the Foster Care Independence Program.

Note - Numbers may not add to totals due to rounding.

Source: Congressional Budget Office, March 2003 baseline.

Under legislation originally enacted in 1980 (Public Law 96-272), States are limited in the amount of their title IV-B allotments that may be used for child day care, foster care maintenance payments, and adoption assistance payments. Specifically, States may use no more than their portion of the first \$56.6 million in Federal title IV-B appropriations for these three activities. The intent of this restriction is to devote as much title IV-B funding as possible to supportive services that could prevent the need for out-of-home placement. In November 2003, HHS issued a Program Instruction (ACYF-CB-PI-03-07) showing each State's title IV-B subpart 1 funding limit for foster care, adoption assistance, or work-related child care and instructing States to ensure that their estimated expenditures for those items, which are included in annual and 5-year planning documents, do not exceed these limits.

Between 1977 and 1990, the annual authorization level for the Child Welfare Services Program remained flat at \$266 million. The authorization level was

increased to \$325 million under Public Law 101-239 beginning with fiscal year 1990. Appropriations for the program - the amount of money Congress actually made available for spending each year - increased from \$163.6 million in fiscal year 1981 to \$294.6 million in fiscal year 1994. Appropriations decreased, to \$292 million in fiscal year 1995 and \$277.4 million in fiscal year 1996, and have generally remained at \$292 million since fiscal year 1997 (see Table 11-2). Table 11-5 details the State-by-State distribution of child welfare service funds for selected fiscal years. Child welfare service funds are distributed to States on the basis of their under 21 population and per capita income.

TABLE 11-5 -- STATE -BY-STATE ALLOCATIONS FOR TITLE IV-B
(SUBPART 1) -- CHILD WELFARE SERVICES,
SELECTED FISCAL YEARS 1994-2003

[Dollars in thousands]							
State	1994	1996	1998	2000	2001	2002	2003
Alabama	5,623	5,106	5,244	5,248	5,130	5,298	5,263
Alaska	754	725	776	352	436	396	302
Arizona	5,034	5,015	5,291	4,972	5,214	5,237	5,030
Arkansas	3,424	3,178	3,349	3,299	3,296	3,313	3,292
California	31,732	31,049	33,893	34,127	34,036	34,280	34,052
Colorado	3,866	3,719	3,959	3,846	4,095	3,939	3,910
Connecticut	2,120	2,052	2,075	1,884	2,027	2,078	2,064
Delaware	726	713	688	700	705	778	773
District of Columbia	447	345	333	319	302	367	365
Florida	13,146	12,781	13,806	14,202	14,213	14,402	14,307
Georgia	8,426	8,032	8,479	8,674	8,740	8,892	8,834
Hawaii	1,204	1,117	1,207	1,195	1,158	1,231	1,223
Idaho	1,703	1,622	1,753	1,737	1,732	1,778	1,765
Illinois	11,773	11,067	11,633	11,550	11,446	11,455	11,380
Indiana	6,952	6,367	6,613	6,601	6,583	6,750	6,706
Iowa	3,475	3,223	3,310	3,289	3,249	3,244	3,223
Kansas	3,068	2,873	3,001	3,054	3,042	3,030	3,011
Kentucky	5,030	4,624	4,806	4,644	4,719	4,685	4,654
Louisiana	6,527	5,910	6,015	5,836	5,780	5,748	5,708
Maine	1,482	1,378	1,443	1,369	1,350	1,361	1,358
Maryland	4,343	4,156	4,453	4,455	4,488	4,567	4,537
Massachusetts	4,708	4,579	4,624	4,623	4,615	4,592	4,561
Michigan	10,885	10,075	10,118	10,102	10,039	10,179	10,075
Minnesota	5,092	4,785	4,913	4,636	4,870	4,631	4,584
Mississippi	4,293	3,949	4,051	3,964	3,912	3,912	3,875
Missouri	6,146	5,727	6,055	6,063	5,993	6,024	5,985
Montana	1,207	1,158	1,201	852	866	851	893
Nebraska	2,071	1,879	1,991	1,989	1,954	1,910	1,893
Nevada	1,401	1,379	1,625	1,785	1,855	1,846	1,834
New Hampshire	1,087	1,096	1,137	1,133	1,143	1,169	1,161
New Jersey	5,224	5,368	5,679	5,716	5,687	5,997	5,958

TABLE 11-5 -- STATE -BY-STATE ALLOCATIONS FOR TITLE IV-B
(SUBPART 1) -- CHILD WELFARE SERVICES,
SELECTED FISCAL YEARS 1994-2003-continued

[Dollars in thousands]

State	1994	1996	1998	2000	2001	2002	2003
New Mexico	2,510	2,418	2,530	1,984	1,925	1,935	1,826
New York	15,452	14,148	14,817	14,532	14,228	14,941	14,843
North Carolina	8,112	7,728	8,179	8,410	8,413	8,313	8,232
North Dakota	945	858	893	743	723	721	716
Ohio	12,878	11,853	11,996	11,392	11,815	11,768	11,690
Oklahoma	4,406	4,133	4,325	3,093	2,664	2,671	2,309
Oregon	3,556	3,321	3,582	3,551	3,502	3,452	3,435
Pennsylvania	12,148	11,076	11,515	11,341	11,209	11,450	11,375
Rhode Island	1,054	984	993	995	998	1,028	1,022
South Carolina	4,948	4,544	4,613	4,680	4,632	4,744	4,713
South Dakota	1,075	991	1,028	807	860	772	706
Tennessee	6,210	5,792	5,959	5,934	5,913	6,080	6,040
Texas	23,795	22,401	23,889	24,496	24,680	24,240	24,083
Utah	3,474	3,284	3,475	3,503	3,494	3,376	3,348
Vermont	715	674	710	685	674	708	704
Virginia	6,373	6,114	6,444	6,455	6,482	6,583	6,540
Washington	5,699	5,231	5,679	5,703	5,729	5,563	5,515
West Virginia	2,486	2,189	2,243	2,156	2,120	2,083	2,070
Wisconsin	6,022	5,574	5,742	5,741	5,667	5,614	5,546
Wyoming	724	638	671	659	645	619	616
Indian Tribes	¹	¹	¹	4,216	4,473	4,444	5,279
American Samoa	193	183	187	185	184	182	181
Guam	351	329	338	334	331	326	324
Northern Mariana Islands	142	136	138	137	137	135	135
Puerto Rico	8,105	7,480	7,722	7,627	7,543	6,042	6,003
Virgin Islands	280	263	269	267	265	261	259
Adjustments ²	----	----	----	97	4	----	----
Total	294,624	277,390	291,459	291,939	291,986	291,986	290,088

¹ For years preceding fiscal year 2000, Indian tribal allotments are included in the state grants.

² The \$97,000 adjustment in 2000 was a payment for a judgment against HHS, and the \$4,000 adjustment in 2001 was to rectify a grant error from fiscal year 2000.

Note: Totals may differ from sum of State amounts because of rounding.

Source: U.S. Department of Health and Human Services.

Because of minimal reporting requirements, no reliable data are available on the exact number of children or families served, their characteristics, or the services provided with child welfare service funds. The U.S. General Accounting Office reported in September 2003 that, based on its own surveys, States spent about 28 percent of Child Welfare Services funds (title IV-B, subpart 1) in fiscal year 2002 on salaries for child welfare agency staff, primarily social workers who perform such activities as child protective services investigations, recruitment of foster parents, and making referrals for families in need of services (GAO, 2003). Another 17 percent was used for administration and management, 16 percent for

child protective services (e.g., telephone hotlines, emergency shelters, and investigative services), and 11 percent for foster care maintenance payments. GAO further found that 42 percent of funding in fiscal year 2002 was targeted toward children in foster care and their parents, another 17 percent was targeted toward children at risk of abuse or neglect and their parents, and additional funds were spent on a combination of these populations. About 5 percent of subpart 1 funding was targeted toward children waiting for adoption, or adopted children and adoptive parents, and 4 percent of subpart 1 funding was targeted toward such populations as delinquent youth or foster parents. GAO reported that HHS conducts little specific oversight of States' use of subpart 1 funds, and does not generally monitor State compliance with the statutory provision limiting the use of these funds for foster care, adoption assistance, or work-related child care.

A 1997 study funded by HHS provided some information on the number and characteristics of children and families served by the child welfare system in 1994, and examined changes in this population since a similar study was conducted of children and families served in 1977 (U.S. Department, 1997). This study looked at children served by all components of the child welfare system, regardless of funding source, and found a significant decline in the number of children receiving services from the child welfare system, from an estimated 1.8 million children in 1977 to an estimated 1 million in 1994. Of these totals, about the same number of children in each of the 2 years were in foster care (543,000 in 1977 and 502,000 in 1994). However, HHS found a sharp drop in the number of children receiving services while still living at home, and a substantial increase in the percent of children receiving services as a result of abuse or neglect (45 percent in 1977 compared with 80 percent in 1994). The report suggests that child welfare agencies in 1994 were dealing with more difficult cases that required more extensive services and therefore were forced to set priorities and narrow their focus from a broader population of children and families to those in more immediate crisis. It is also worth noting that this study was conducted just prior to the full implementation of the Promoting Safe and Stable Families program.

Grants to States for promoting safe and stable families

Grants to States for family preservation and family support services were originally authorized as a capped entitlement under subpart 2 of title IV-B, beginning in fiscal year 1994. States already had the flexibility to expend their child welfare services funds available under subpart 1 of title IV-B for family support and preservation activities, but few States used a significant share of such funds for these two categories of services. Entitlement funding was authorized for five years at the following levels: \$60 million in fiscal year 1994; \$150 million in 1995; \$225 million in 1996; \$240 million in 1997; and either \$255 million in 1998 or the 1997 level adjusted for inflation, whichever was greater. The Adoption and Safe Families Act (Public Law 105-89), enacted in November 1997, reauthorized and changed the name of this program to Promoting Safe and Stable Families (PSSF). Entitlement ceilings were set at the following levels: \$275 million for fiscal year 1999, \$295 million for 2000, and \$305 million for 2001. The Promoting Safe and Stable

Families Amendments of 2001 (Public Law 107-133) reauthorized the program for five years (fiscal years 2002 through 2006) at \$305 million per year in mandatory funds and also authorized an additional \$200 million per year in discretionary funding, for a total authorization of \$505 million per year. Of this discretionary authorization, Congress appropriated \$70 million in fiscal year 2002 and \$99.4 million in fiscal year 2003. The 2001 reauthorization also allowed for PSSF funds that are certified as unused by a State to be reallocated to other States.

From the mandatory ceiling amounts, \$6 million is reserved each fiscal year for use by the Secretary of HHS to fund research, training, technical assistance, and evaluation of PSSF activities. In addition, \$10 million is reserved each fiscal year for a grant program for State courts (described below). Indian tribes are allotted one percent of the mandatory PSSF funds. From any discretionary funds appropriated, the following set-asides are made: 3.3 percent for evaluations, research, training, and technical assistance, 3.3 percent for State court improvement grants, and 2 percent for Indian tribes.

After these set-asides are made, the remaining funds are allocated among States according to their relative shares of children receiving food stamps, subject to a 25 percent non-Federal match. Table 11-6 shows State allotments of Promoting Safe and Stable Families funds in fiscal years 1999-2003.

States must submit a plan to HHS that provides a detailed account of how the money will be used. Prior to the enactment of Public Law 105-89, at least 90 percent of the funds had to be used for two categories of services: family preservation services and community-based family support services. Public Law 105-89 added two additional categories: time-limited family reunification services, and adoption promotion and support services. No more than 10 percent of funds can be used for administration.

The Federal statute does not specify a percentage or minimum amount of funds that must be spent on any particular category of service, but says that States must devote "significant portions" of their expenditures to each of the four categories. HHS has issued annual program instructions specifying that States must have a "strong rationale" for spending less than 20 percent of their allotments on each of the four categories of services.

Family preservation services are intended for children and families, including extended and adoptive families that are at risk or in crisis. Services include: programs to help reunite children with their biological families, if appropriate, or to place them for adoption or another permanent arrangement; programs to prevent placement of children in foster care, including intensive family preservation services; programs to provide follow-up services to families after a child has been returned from foster care; respite care to provide temporary relief for parents and other care givers (including foster parents); services to improve parenting skills; and services to support infant "safe haven" programs (added by Public Law 107-133).

TABLE 11-6 -- STATE BY STATE ALLOCATIONS FOR TITLE IV-B
(SUBPART 2) PROMOTING SAFE AND STABLE FAMILIES,
FISCAL YEARS 1999-2003 ¹

State	1999	2000	2001	2002	2003
Alabama	4,998,474	5,467,218	5,676,189	7,223,812	8,126,370
Alaska	447,625	529,555	578,120	792,286	802,952
Arizona	4,774,662	5,070,424	4,879,258	6,346,894	6,128,987
Arkansas	2,412,199	2,716,339	2,995,798	4,412,657	4,792,316
California	37,749,671	40,544,805	42,820,130	55,883,291	54,344,637
Colorado	2,362,463	2,496,711	2,558,014	3,366,643	3,229,794
Connecticut	2,138,651	2,349,394	2,435,537	3,417,595	3,451,772
Delaware	522,229	586,057	618,571	813,972	751,375
District of Columbia	920,117	1,031,541	1,095,861	1,575,506	1,663,618
Florida	13,105,452	14,020,393	14,081,307	17,701,135	16,972,981
Georgia	7,559,881	8,335,896	8,972,963	12,352,474	12,613,263
Hawaii	1,019,589	1,222,967	1,395,807	2,184,128	2,264,404
Idaho	746,041	812,739	854,866	1,067,760	1,179,032
Illinois	10,046,684	11,393,553	12,156,022	16,476,219	16,215,135
Indiana	3,978,885	3,909,002	3,936,876	5,562,410	6,032,973
Iowa	1,641,290	1,760,182	1,772,922	2,382,460	2,374,904
Kansas	1,666,158	1,811,435	1,690,873	2,174,220	2,084,006
Kentucky	4,003,753	4,411,229	4,630,500	6,409,881	6,721,320
Louisiana	6,888,444	7,195,319	7,399,328	10,130,810	10,752,766
Maine	969,853	1,066,598	1,129,206	1,587,519	1,522,755
Maryland	3,680,469	4,079,010	4,345,321	5,827,063	5,359,587
Massachusetts	3,978,885	4,149,338	4,194,263	5,593,489	5,479,505
Michigan	8,952,491	9,485,814	10,076,821	13,731,216	13,663,718
Minnesota	2,934,428	2,998,745	2,973,941	3,801,649	3,947,255
Mississippi	4,327,037	4,532,892	4,542,968	6,024,915	6,044,140
Missouri	5,172,550	5,577,218	5,669,371	7,571,740	7,792,604
Montana	646,569	714,863	771,293	1,065,149	1,114,473
Nebraska	1,019,589	1,078,461	1,173,889	1,679,725	1,676,252
Nevada	920,117	1,049,293	1,042,018	1,294,455	1,277,233
New Hampshire	497,361	523,548	538,497	721,274	744,582
New Jersey	5,147,682	5,616,230	5,851,720	7,727,122	7,353,201
New Mexico	2,262,991	2,485,020	2,577,951	3,483,414	3,574,752
New York	²	²	²	0	27,803,878
North Carolina	5,520,703	6,068,954	6,593,769	8,607,159	9,721,261
North Dakota	348,152	379,765	408,390	600,246	604,581
Ohio	9,972,080	10,110,000	9,593,174	12,224,628	12,147,563
Oklahoma	3,232,844	3,490,646	3,601,289	5,024,273	5,157,022
Oregon	2,437,067	2,631,579	2,679,320	3,692,435	3,952,543
Pennsylvania	9,574,192	10,468,059	10,963,891	15,044,630	15,056,585
Rhode Island	895,249	989,602	1,054,981	1,504,529	1,607,744
South Carolina	3,556,128	3,927,057	4,271,814	6,022,201	6,176,202
South Dakota	472,493	533,640	576,418	836,500	908,525
Tennessee	5,669,911	5,999,983	6,379,011	8,775,755	9,126,213

TABLE 11-6 -- STATE BY STATE ALLOCATIONS FOR TITLE IV-B
(SUBPART 2) PROMOTING SAFE AND STABLE FAMILIES,
FISCAL YEARS 1999-2003¹ -continued

State	1999	2000	2001	2002	2003
Texas	24,793,426	26,985,190	26,826,968	34,112,074	31,891,353
Utah	1,143,929	1,225,329	1,297,522	1,886,385	1,895,953
Vermont	522,229	536,382	531,165	688,968	725,014
Virginia	4,874,134	5,300,937	5,461,822	7,107,738	6,748,131
Washington	4,351,905	4,833,043	4,933,484	6,290,048	5,995,213
West Virginia	2,287,859	2,486,708	2,714,953	3,748,510	3,835,571
Wisconsin	3,158,240	3,270,921	3,113,707	3,935,636	3,975,572
Wyoming	323,284	349,572	349,495	468,447	488,150
American Samoa	171,567	179,043	181,698	221,474	214,477
Guam	302,757	319,890	325,976	409,423	401,092
Northern Mariana Islands	129,247	133,608	135,157	160,845	154,278
Puerto Rico	6,722,614	7,212,312	7,386,246	7,860,670	7,799,503
Virgin Islands	243,510	256,282	260,818	324,543	316,814
Subtotal	238,195,810	256,710,291	265,077,269	349,930,000	376,755,900
Set-asides:					
Indians	2,750,000	2,950,000	3,050,000	4,450,000	5,037,000
Research & Eval	6,000,000	6,000,000	6,000,000	8,294,696	9,278,550
Courts	10,000,000	10,000,000	10,000,000	12,310,000	13,278,550
Subtotal	18,750,000	18,950,000	19,050,000	25,054,696	27,594,100
Lapsed funds ²	18,054,190	19,339,709	20,872,731	1,304	--
Total	275,000,000	295,000,000	305,000,000	374,986,000	404,350,000

¹ Amounts shown for fiscal years 1999 through 2002 are final awards. Amounts for fiscal year 2003 are statutory allotments.

² Through fiscal year 2001, lapsed funds largely represent the statutory allotment amount to New York, which has not chosen to receive this program money. Public Law 107-133 allows for the re-allotment of any unclaimed funds beginning with fiscal year 2002. Thus, New York's final 2002 award equals \$0 and the funds it would have received went to other States instead of lapsing (returning to Federal Treasury).

Note: Totals may differ from sum of State amounts because of rounding.

Source: U.S. Department of Health and Human Services

Family support services are intended to reach families that are not yet in crisis and to prevent child abuse or neglect from occurring. Family support services are generally community-based activities designed to promote the well-being of children and families, to increase the strength and stability of families (including adoptive, foster, and extended families), to increase parents' confidence and competence, to provide children with a stable and supportive family environment, to enhance child development, and to strengthen parental relationships and promote healthy marriages (added by Public Law 107-133). Examples include parenting skills training, respite care to relieve parents and other care givers, structured activities involving parents and children to strengthen their relationships, drop-in centers for families, information and referral services, and early developmental screening for children.

As added by Public Law 105-89, time-limited reunification services are services and activities intended to facilitate the safe and appropriate reunification of children who have been removed from home and placed in foster care with their parents in a timely fashion; i.e., within 15 months of having entered foster care. Reunification services for children and their families include counseling, substance abuse treatment services, mental health services, assistance to address domestic violence, temporary child care and therapeutic services such as crisis nurseries, and transportation to and from these activities. Adoption promotion and support services, also added by Public Law 105-89, are services and activities designed to encourage more adoptions out of the foster care system, including pre- and post-adoptive services and activities designed to expedite adoptions and support adoptive families.

In regulations proposed on October 4, 1994 and made final on November 18, 1996, HHS set forth a series of child and family services “principles” that were intended to guide State implementation of the program. According to HHS, these principles emphasize the paramount importance of safety for all family members, including victims of child abuse and neglect and victims of domestic violence and their dependents. In the preamble to its regulations, HHS stated that family preservation “does NOT mean that the family must stay together or ‘be preserved’ under all circumstances.” The principles also were intended to support a family-focused approach while allowing for individual needs and a service delivery approach that stresses flexibility, accessibility, coordination, and respect for cultural and community strengths.

The Secretary of HHS is required to evaluate activities under subpart 2 of title IV-B. In September 1994, the Secretary funded three evaluation projects: a study of the implementation of family preservation and family support programs; a national evaluation of family preservation and reunification programs; and a national evaluation of family support programs. Summaries of the findings are found below.

James Bell Associates released the final report (2003) on the family preservation and family support services implementation study, reporting on State and local planning efforts, the relationship of planning to service delivery, and the design of programs. The report stated that services did not fall neatly into the categories defined in the legislation, particularly for family preservation and family support, and, as was discussed in the interim report, the majority of services were in general more characteristic of family support programs. However, the final report revealed that program sites appear to be moving toward a greater balance in service provision among the four categories. This is also evidenced in the budget planning documents submitted by States to HHS, which show that funds have been shifted from family support programs to programs focusing on time-limited family reunification and adoption promotion and support.

The final evaluation of family preservation and reunification (Westat, Chapin Hall Center for Children, James Bell Associates, 2002) studied programs in four States (Kentucky, New Jersey, Tennessee, and Pennsylvania); three sites used the Homebuilders model, and one used a broader, home-based model. The evaluation found no significant differences between the experimental and control groups for

rates of foster care placement, days in care, case closings, or subsequent maltreatment. In two of the four States, caretakers in the experimental groups tended to report greater improvement in their lives than those in the control group. The evaluation's findings of minimal effects and benefits of family preservation programs are similar to those from previous evaluations and research. The evaluation cautioned that these results should not be taken to mean that family preservation programs serve no useful purpose, but rather that they should indicate that these programs may need to undergo several changes, such as providing more targeted services to various subgroups and rethinking program objectives.

The final evaluation of family support programs (Abt Associates, 2001) found varied results on the effectiveness of these programs. The evaluation's analysis of existing research on family support programs found that focusing on specific at-risk groups, such as children with special needs or teenage parents with young children, and providing support services in groups managed by professional staff, rather than home visits by paraprofessionals, were shown to have positive effects on parents and children. Additionally, in order to positively affect children's cognitive development and school readiness, family support services must be provided directly to children rather than through parenting education. However, although certain family support strategies have proven to be effective with specific populations, no single program approach was determined to be effective across all populations.

Some additional information on States' use of PSSF funds was included in the September 2003 report by GAO on title IV-B in general (referred to earlier). Through surveys, GAO found that States spent almost half of their subpart 2 funds in fiscal year 2002 on family support and prevention activities and another 12 percent on family preservation. About 14 percent was used for adoption activities and post-adoption services and 9 percent was used for family reunification.

Court Improvement Program

A portion of the Promoting Safe and Stable Families funds is reserved for a grant program to the highest State courts to assess and improve certain child welfare proceedings. The court set-aside equals \$10 million in mandatory funds and 3.3 percent of any discretionary funds appropriated for each of fiscal years 2002-2006. A 25 percent non-Federal match is required.

Courts use their grant funds to assess their procedures and effectiveness in determinations regarding foster care placement, termination of parental rights (TPR), and recognition of adoptions. Courts also can use these grant funds to implement changes found necessary as a result of the assessments. According to HHS, as of fiscal year 2003, 50 States and the District of Columbia were participating in this program.

According to a review conducted for HHS on court improvement activities during 1995-98, States conducted thorough assessments of their judicial systems and came up with various recommendations (James Bell Associates, 1999). Categories where improvement was most commonly recommended were:

representation of parties, timeliness of decisions, management information systems, quality of court hearings, judicial expertise, multidisciplinary training for court participants, coordination between the courts and child welfare agency or service providers, treatment and participation of parties, and resources for courts and social services. The activities most commonly implemented included: development of training and educational materials; pilot programs; revision of legislation, court rules and judicial directives; development of automated case tracking systems, public relations campaigns and local work groups; supplemental assessments or studies; increased number of attorneys, judges and other court personnel; hiring of court improvement coordinating staff; and improved treatment of parties. The report found that court improvement changes were still at an early stage, partially because initial assessments took longer to complete than expected and also because reforms requiring new legislation or staff take time to implement. However, the report concluded that the Court Improvement Program had raised the visibility of courts within the child welfare system and provided States with flexibility and resources to address court-related challenges.

Mentoring Children of Prisoners

The Promoting Safe and Stable Families Amendments of 2001 (Public Law 107-133) created new program authority to provide mentoring services to children of prisoners. This program is authorized to be funded at \$67 million for each of fiscal years 2002 and 2003 and for such sums as necessary in succeeding years. Funding for this program is separate from the \$505 million authorized for PSSF activities. This program received initial funding of \$10 million in fiscal year 2003. HHS may provide grants of up to \$5 million each to State or local governments, community- and faith-based organizations, and tribes or tribal groups in areas where there are significant numbers of children of prisoners. Grantees must use non-Federal resources to make a minimum 25 percent in-kind or cash match of Federal funds for the first two years of a grant award and a minimum of 50 percent match in succeeding years. Two and a half percent of annually appropriated funds for this program are reserved for evaluation.

Child welfare research, training, studies

In addition to providing funds to the States for services, title IV-B authorizes the Secretary of HHS to make direct grants for research and demonstration, training, and studies. Specifically, section 426 authorizes direct grants from HHS to public and private organizations and institutions of higher education for research and demonstration projects related to child welfare, and for training projects for personnel in the child welfare field. For fiscal year 2003, \$7.4 million was appropriated for child welfare training, but no funding was provided for research and demonstration under section 426.

Section 429A was added to title IV-B by the welfare reform legislation enacted in 1996 (Public Law 104-193). This provision authorized and appropriated funds for HHS to conduct a national longitudinal study of children at risk for abuse or neglect, and of children who have been identified as victims of abuse or neglect.

For this study, the welfare reform law appropriated \$6 million for each of fiscal years 1996-2002; however, Congress subsequently rescinded the appropriations for each year, with the understanding that adequate funding was available for the study in the broader appropriation for social services and income maintenance research.

In response to the section 429A provision, HHS has undertaken the National Survey of Child and Adolescent Well-Being (NSCAW). HHS anticipates that this study will provide nationally representative data on children and families that come into contact with the child welfare system, which will enable analysis of child and family well-being outcomes in relation to the experience of children and families with the child welfare system, as well as characteristics of the families, the community environment, and other factors. The study is being conducted over a 6-year period (1997-2003) and includes a sample of more than 6,000 children, ages 0-14, from 100 child welfare agencies nationwide.

In addition to child-level data, NSCAW is collecting data from State and local administrators, and findings from this component of the study were reported in June 2001. Of the 46 State administrators participating in the survey, two-thirds reported that the Adoption and Safe Families Act of 1997 (Public Law 105-89) has caused improvements or changes in at least one of the following areas: child safety, permanency, collaboration with the courts, and data collection. State administrators reported that formal collaborations have increased between agencies and groups serving child welfare clients, and that participation in multidisciplinary teams has increased, involving more partners (including families) and beginning at earlier stages of a case. Local agencies described a dynamic system; 40 percent of local agencies had developed new initiatives in the previous 12 months. The Adoption and Safe Families Act resulted in shortened permanency planning time frames for almost all local agencies, greater emphasis on safety for about 60 percent, and increased emphasis on adoption for children in kinship foster care for the majority of local agencies. Local agencies agreed that regulations, paperwork, and the number of hours worked per case had increased, with no decrease in the actual number of cases. Local agencies reported less impact from interethnic adoption provisions enacted by Congress in the 1990s, reporting some increased training on this issue but no increase in transracial foster or adoptive placements for 77 percent of local agencies.

THE TITLE IV-E FOSTER CARE PROGRAM

Eligibility criteria

The Foster Care Program under title IV-E is a permanent entitlement that provides open-ended matching payments to States for the costs of maintaining certain children in foster care, and associated administrative, child placement, and training costs. Several eligibility criteria apply to the foster children on whose behalf Federal reimbursement is available to States. First, children must have been removed from families that would have been eligible for Aid to Families with Dependent Children (AFDC), as the program existed in their State on July 16, 1996. Although welfare reform legislation enacted in 1996 (Public Law 104-193) repealed

the AFDC Program, its eligibility criteria continue to be used for determining children's eligibility under title IV-E. Under Public Law 104-193 as originally enacted, foster children would be eligible under title IV-E if their families met the AFDC criteria of June 1, 1995; however, technical corrections enacted in 1997 changed this date to July 16, 1996 (Public Law 105-33). The welfare reform legislation replaced AFDC with a block grant to States called Temporary Assistance for Needy Families (TANF), and requires all States participating in TANF to certify that they will operate a foster care and adoption assistance program under title IV-E.

States are required to provide foster care maintenance payments to AFDC-eligible children removed from the home of a relative if the child received or would have received AFDC prior to removal from the home and if the following also apply: (1) the removal and foster care placement were based on a voluntary placement agreement signed by the child's parents or guardians or a judicial determination that remaining in the home would be contrary to the child's welfare; (2) reasonable efforts were made to eliminate the need for removal or to return the child home (unless certain exceptions apply, which are described later in the section); and (3) care and placement of the child are the responsibility of the State. Children whose expenses are eligible for reimbursement under title IV-E also are deemed eligible for Medicaid. Finally, States may claim reimbursement on behalf of eligible children who have been placed in licensed or approved foster family homes or child care institutions, which can be public or private, including both for-profit and nonprofit. Public child care institutions can accommodate no more than 25 children, although no limitation applies to the size of private institutions. Detention facilities for children determined to be delinquent are not eligible for Federal reimbursement under title IV-E.

Not all foster children meet the Federal eligibility criteria just described. Table 11-7 shows, for each of fiscal years 1999 through 2001, the average monthly number of foster children in each State who were eligible for Federal subsidies under title IV-E, and the total number of foster children in each State who were in care on September 30 of the given fiscal year. While these two sets of numbers are not directly comparable, they can be used to give rough estimates of the percent of foster children who are supported solely with State and/or local funds.

Financing structure

The Federal matching rate for foster care maintenance payments for a given State is that State's Medicaid matching rate, which is inversely related to State per capita income, may vary annually, and can range from 50 to 83 percent. States may claim open-ended Federal matching at a rate of 50 percent for their child placement services and administrative costs, including costs of data collection. States may claim open-ended Federal matching at a rate of 75 percent for costs of training personnel employed (or preparing for employment) by State or local agencies administering the program and for training current and prospective foster and adoptive parents. During fiscal years 1994-97, States also were able to receive Federal matching at the 75 percent rate for certain costs related to the development

of Statewide Automated Child Welfare Information Systems (SACWIS); currently, these costs are matched at the 50 percent rate.

TABLE 11-7-- TITLE IV-E AND TOTAL FOSTER CARE CASELOADS,
BY STATE, FISCAL YEARS 1999-2001

State	1999		2000		2001	
	IV-E ¹	Total ²	IV-E ¹	Total ²	IV-E ¹	Total ²
Alabama	1,305	5,511	1,441	5,621	1,647	5,859
Alaska	487	2,248	409	2,193	392	1,993
Arizona	3,634	7,034	3,098	6,475	3,090	6,234
Arkansas	1,624	2,919	2,705	3,045	2,739	2,959
California	78,222	117,937	74,469	112,807	65,960	107,168
Colorado	2,653	7,639	2,552	7,533	2,673	7,138
Connecticut	4,528	7,487	3,292	6,996	2,788	7,440
Delaware	378	1,193	410	1,098	405	1,023
District of Columbia	1,297	3,466	1,960	3,054	1,619	3,339
Florida	8,842	34,292	9,395	36,608	6,852	32,477
Georgia	4,209	11,991	4,191	11,204	4,658	12,414
Hawaii	1,101	2,205	1,126	2,401	1,195	2,584
Idaho	510	959	568	1,015	491	1,114
Illinois	28,592	38,975	23,289	32,079	20,210	28,460
Indiana	3,963	8,933	3,293	7,482	2,589	8,383
Iowa	2,810	4,854	2,796	5,068	2,281	5,202
Kansas	2,356	6,774	2,252	6,569	2,270	6,409
Kentucky	3,019	5,942	3,161	6,017	3,248	6,141
Louisiana	2,908	5,581	2,555	5,406	2,547	5,024
Maine	2,013	3,154	2,453	3,191	2,484	3,226
Maryland	5,091	13,455	5,764	13,113	5,612	12,564
Massachusetts	7,340	11,169	3,935	11,619	4,399	11,568
Michigan	9,338	20,300	9,923	20,034	9,313	20,896
Minnesota	4,115	8,996	4,069	8,530	3,873	8,167
Mississippi	1,000	3,196	1,034	3,292	839	3,261
Missouri	5,621	12,577	5,695	13,181	5,770	13,349
Montana	950	2,156	940	2,180	737	2,008
Nebraska	1,477	5,146	1,643	5,674	1,211	6,254
Nevada	1,345	NA	1,335	1,615	983	1,789
New Hampshire	625	1,385	791	1,311	563	1,288
New Jersey	6,124	9,494	6,238	9,794	6,366	10,666
New Mexico	1,183	1,941	1,505	1,912	1,289	1,757
New York	38,049	51,159	33,529	47,118	28,916	43,365
North Carolina	4,854	11,339	4,118	10,847	3,864	10,130
North Dakota	486	1,143	492	1,129	454	1,167
Ohio	4,936	20,078	5,074	20,365	4,725	21,584
Oklahoma	4,039	8,173	5,111	8,406	5,201	8,674
Oregon	3,193	9,278	3,715	9,193	3,490	8,966
Pennsylvania	15,054	22,690	12,548	21,631	11,334	21,237

TABLE 11-7-- TITLE IV-E AND TOTAL FOSTER CARE CASELOADS,
BY STATE, FISCAL YEARS 1999-2001-continued

State	1999		2000		2001	
	IV-E ¹	Total ²	IV-E ¹	Total ²	IV-E ¹	Total ²
Puerto Rico	5,110	7,760	5,613	NA	5,438	8,476
Rhode Island	629	2,621	743	2,302	751	2,414
South Carolina	1,146	4,545	1,339	4,525	1,587	4,774
South Dakota	340	1,101	413	1,215	463	1,367
Tennessee	6,327	10,796	6,290	10,144	6,078	9,679
Texas	6,757	16,326	7,123	18,190	7,609	19,739
Utah	730	2,273	763	1,805	797	1,957
Vermont	1,151	1,445	1,159	1,318	997	1,360
Virginia	3,260	6,778	3,327	6,789	3,251	6,866
Washington	2,603	8,688	2,694	8,945	3,127	9,101
West Virginia	823	3,169	855	3,388	881	3,298
Wisconsin	4,037	5,853	4,329	6,697	4,311	7,290
Wyoming	242	774	311	815	309	965
Total	302,422	564,898	287,824	542,939	264,670	540,563

¹ Based upon the average monthly caseload of Title IV-E foster care children.

² Based upon the number of foster children in care on September 30 of the fiscal year.

Note-NA indicates that insufficient data was provided and is not included in the totals.

Source: Table prepared by the Congressional Research Service based on information received from the U.S. Department of Health and Human Services.

Foster care expenditures and participation rates

The average estimated monthly number of children in title IV-E foster care grew by 131 percent between 1988 and 1998, from 132,757 to 306,500 (Table 11-3). However, between 1998 and 2002, the number declined 17 percent, to 254,000, and is projected to continue a gradual decline to 237,300 in 2008. Also between the years 1998 and 2002, while the caseload grew smaller, Federal spending on title IV-E foster care increased 22 percent, from \$3.7 billion to an estimated \$4.5 billion (Table 11-2). Table 11-8 provides a State breakdown of foster care expenditures in fiscal year 2002, showing maintenance payments, child placement services and administration, information systems, training, and expenditures under waiver demonstrations. Note that California, New York, Pennsylvania, Illinois and Ohio accounted for 56 percent of total Federal foster care expenditures in fiscal year 2002. California alone accounted for 26 percent of all Federal foster care expenditures in that year.

Federal expenditures for child placement services, administrative costs, training, and information systems have grown more rapidly (increasing by 390 percent from fiscal year 1989 to fiscal year 2002) than expenditures for foster care maintenance payments (which grew by 214 percent during that time period). In fiscal year 1989, expenditures for child placement services, administration, training, and information systems equaled \$507 million, or 44 percent of total Federal foster care expenditures. In fiscal year 2002, Federal expenditures for child placement services, administration, training, and information systems totaled almost

\$2.5 billion, or 55 percent of total Federal expenditures for foster care. HHS regulations give the following examples of allowable child placement services and administrative costs for foster care under title IV-E: referral to services, preparation for and participation in judicial determinations, placement of the child, development of the case plan, case reviews, case management and supervision, recruitment and licensing of foster homes and institutions, rate setting, and a proportionate share of agency overhead. In addition, Federal matching is available for certain expenses related to data collection and automation of child welfare information systems (see below). Expenditures for child placement services and administration also include expenditures made on behalf of children before and during the time a title IV-E eligibility determination is made; as a result, Federal reimbursement is provided for expenditures made for some children who, ultimately, are determined not eligible for title IV-E maintenance payments.

In response to concerns about the rapid growth in administrative costs, the 101st Congress enacted legislation as part of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508) that was intended to provide better information on State reimbursement for administrative costs. Under Public Law 101-508, "child placement services" was added as a separate category for which States could claim reimbursement, in addition to administrative costs. Prior to this provision, child placement services were included among administrative costs and not identified separately. HHS reports that of claims filed for child placement and administrative costs in fiscal year 2001, 45 percent were for case planning and management activities, 19 percent were for preplacement activities, 4 percent were for eligibility determinations, and the remaining 32 percent were for other activities including traditional administrative and overhead costs.

Foster care payment rates

Table 11-9 shows each State's "basic" monthly foster care payment rates in 1994, 1998, and 2000 for children ages 2, 9, and 16, as reported in surveys conducted by the Child Welfare League of America. States are allowed to set the payments at any level; thus, as the Table shows, the rates vary widely. The basic monthly foster care rates shown in the Table are those paid for family foster care, and differ from rates paid for group or congregate care.

The family foster care rates shown in the table are only generally comparable due to variations among States regarding the items that are covered under the basic rate, additional services that are provided by supplements (which are not shown in this table), and the States' administrative structures. Room and board is covered in all of the basic family foster care rates shown; some of the rates shown also include amounts for supervision or clothing. States include other items in their basic rates, such as child care, respite care, transportation, personal allowance, school supplies, recreational and community activities, and incidentals. In addition, many States and counties supplement their basic rates for items such as education, child care, respite care, level of need, clothing, transportation, health and medical care (other than

TABLE 11-8 -- ESTIMATED FEDERAL IV-E FOSTER CARE EXPENDITURES, FISCAL YEAR 2002¹

State	Net Maintenance Payments ²	Child placement services and administration	SACWIS (operation and development)	Training	Demonstrations ³	Total
Alabama	6,507,161	14,618,219	3,124,669	2,562,604	0	26,812,653
Alaska	1,913,686	6,511,597	596,552	1,773	0	9,023,608
Arizona	20,894,326	15,420,921	989,568	2,682,946	0	39,987,761
Arkansas	12,854,952	11,654,634	932,967	7,241,169	0	32,683,722
California	402,213,699	615,485,943	65,999,351	76,786,660	10,785,467	1,171,271,120
Colorado	13,391,878	28,337,609	4,537,856	861,675	232,896	47,361,914
Connecticut	13,090,111	34,458,341	0	2,660,269	-33,830	50,174,891
Delaware	1,419,222	6,936,833	1,812,853	447,244	50,713	10,666,865
District of Columbia	15,840,750	8,984,393	255,261	0	0	25,080,404
Florida	27,503,714	78,852,099	14,355,767	6,085,126	0	126,796,706
Georgia	28,631,456	29,389,502	-31,494	3,643,191	0	61,632,655
Hawaii	3,853,508	11,926,549	0	1,265,419	0	17,045,476
Idaho	1,866,335	3,277,786	390,020	156,919	0	5,691,060
Illinois	56,315,965	88,536,604	15,735,747	7,740,502	152,876,835	321,205,653
Indiana	25,880,981	13,968,129	3,104,489	351,494	3,569,525	46,874,618
Iowa	11,513,059	7,686,597	276,079	1,036,458	0	20,512,193
Kansas	5,003,426	21,473,067	0	1,887,476	0	28,363,969
Kentucky	28,129,898	14,878,936	1,729,494	9,432,353	0	54,170,681
Louisiana	22,355,413	23,793,603	703,251	5,998,406	0	52,850,673
Maine	25,233,345	3,429,040	1,676,618	3,448,729	-364,022	33,423,710
Maryland	58,320,081	64,374,960	5,790,465	6,786,518	5,934,922	141,206,946
Massachusetts	31,330,039	24,206,179	-717,174	0	0	54,819,044
Michigan	73,661,114	68,995,838	404,804	772,405	1,039,754	144,873,915
Minnesota	22,634,258	33,882,375	6,706,450	11,254,576	0	74,477,659
Mississippi	2,015,038	2,982,091	4,771,549	131,534	88,762	9,988,974
Missouri	24,900,065	35,833,790	383,305	5,993,052	0	67,110,212
Montana	5,821,743	3,763,391	25,217	39,448	106,587	9,756,386

TABLE 11-8 -- ESTIMATED FEDERAL IV-E FOSTER CARE EXPENDITURES, FISCAL YEAR 2002¹ -continued

State	Net Maintenance Payments ²	Child placement services and administration	SACWIS (operation and development)	Training	Demonstrations ³	Total
Nebraska	11,955,428	7,065,678	91,370	2,853,150	0	21,965,626
Nevada	3,854,147	6,418,259	2,788,043	772,640	0	13,833,089
New Hampshire	5,077,968	4,830,262	499,832	1,279,298	112,968	11,800,328
New Jersey	32,553,577	40,589,881	113,956	3,833,196	0	77,090,610
New Mexico	3,383,627	7,446,405	0	5,031,922	32,593	15,894,547
New York	296,058,821	161,251,697	11,754,680	10,560,977	0	479,626,175
North Carolina	17,962,589	28,927,733	0	1,779,029	14,953,122	63,622,473
North Dakota	4,959,357	7,473,996	-4,704	676,720	0	13,105,369
Ohio	118,955,006	89,323,470	0	13,221,456	451,444	221,951,376
Oklahoma	15,317,644	7,767,556	1,416,586	4,665,330	0	29,167,116
Oregon	13,435,092	16,015,115	345,423	795,715	1,290,854	31,882,199
Pennsylvania	189,695,986	139,008,103	1,457,005	15,091,730	0	345,252,824
Puerto Rico	13,435,698	0	0	0	0	13,435,698
Rhode Island	4,501,167	6,863,286	2,158,784	336,443	0	13,859,680
South Carolina	12,464,415	17,162,958	2,350,180	3,353,688	0	35,331,241
South Dakota	2,781,489	2,720,716	207,500	84,888	0	5,794,593
Tennessee	15,543,551	6,769,456	2,253,423	-356,825	0	24,209,605
Texas	75,205,354	66,374,527	0	6,485,577	0	148,065,458
Utah	3,078,789	14,200,750	834,607	1,975,024	0	20,089,170
Vermont	9,074,824	2,408,969	0	1,311,417	0	12,795,210
Virginia	27,219,581	47,463,399	1,451,781	5,091,709	0	81,226,470
Washington	16,290,322	32,170,806	3,229,208	1,450,897	-10,000	53,131,233
West Virginia	18,600,506	2,113,177	1,774,879	763,250	0	23,251,812
Wisconsin	26,117,466	45,931,332	5,269,992	2,725,514	0	80,044,304
Wyoming	1,289,792	1,062,819	472,100	62,338	0	2,887,049
Total	1,881,907,419	2,035,019,376	172,018,309	243,113,029	191,118,590	4,523,176,723

¹ Amounts shown are for claims submitted by the States and do not reflect deferrals or disallowances. Actual outlays may vary.

² Net maintenance payments are the claimed maintenance payments minus those State child support collections that are used to make maintenance payments.

³ Demonstration projects must be cost neutral to the Federal government. These are expenditures that would otherwise be claimed under other categories (such as maintenance or administrative costs) but were spent as a part of the State's demonstration project.

Source: U.S. Department of Health and Human Services.

Medicaid or State-funded medical assistance), and special emotional, behavioral, medical, or psychological needs.

Public Law 96-272 (1980) stipulated that title IV-E foster care payments could be made for children in public institutions, whereas previously under title IV-A (AFDC), payments were limited to children in private nonprofit institutions or foster family homes. To qualify for Federal payments, these public institutions may not accommodate more than 25 children. Facilities operated primarily for the detention of delinquents, including forestry camps and training schools, are ineligible for Federal funds. Legislation enacted in 1996 (Public Law 104-193) also allows participation of for-profit institutions. It is generally agreed that the costs associated with institutional care are substantially higher than the cost of family foster care. However, definitive data are not available.

History of Federal protections for children in foster care

The 1980 legislation that established the current framework of titles IV-B and IV-E contained several provisions intended to protect foster children and children at risk of foster care placement. Under the 1980 law as originally enacted, States were not eligible for all of their Federal title IV-B funds unless the following protections had been implemented: (1) a one-time inventory of children who had been in foster care more than 6 months to determine the appropriateness of and necessity for their current foster care placement, whether the child should be returned home or freed for adoption, and the services needed to achieve this placement goal; (2) a statewide information system containing the status, demographic characteristics, location, and placement goals of every child in care for the preceding 12 months; (3) a case review system to assure procedural safeguards for each child in foster care, including a 6-month court or administrative review and an 18-month dispositional hearing to assure placement in the least restrictive (most family-like) setting available, in close proximity to the child's original home, and consistent with the child's best interest; and (4) a reunification program to return children to their original homes.

These provisions were originally contained in section 427 of the Social Security Act. Effective for fiscal years beginning after April 1, 1996, however, these protections are required of States as a component of their State plans under section 422 of the act. This change was enacted under the Omnibus Budget Reconciliation Act of 1993 (Public Law 103-66). In addition, the Adoption and Safe Families Act (Public Law 105-89) made significant changes in the case review system, including a requirement that dispositional hearings (renamed permanency hearings) be held at 12 months after placement and a requirement that States initiate procedures to terminate parental rights after a child has been in foster care a certain period of time (see below).

Since April 1, 1996, States have been required to implement preplacement preventive services as a component of their State plans. In addition, under Public Law 103-66, States are required to review their policies and procedures related to abandoned children and to implement any changes necessary to enable permanent placement decisions to be made expeditiously for such children.

States must comply with certain State plan requirements under title IV-B that are intended to protect all children in foster care. The law reinforces these protections by specifically requiring that they be provided in the case of children for whom Federal reimbursement is claimed under title IV-E. In addition, the law requires States to establish specific goals for title IV-E-eligible children who will remain in foster care more than 24 months, and to describe the steps the State will take to meet these goals.

Mandatory procedural safeguards: “reasonable efforts”

The 1980 legislation required that in every case, “reasonable efforts” must be made to prevent placement of a child in foster care and to reunify a foster child with her parents. The Adoption and Safe Families Act (Public Law 105-89), enacted in November 1997, modified this provision. First, the law now specifies that a child's health and safety must be of “paramount” concern in all efforts made by the State to preserve or reunify the child's family. States continue to be required to make reasonable efforts to preserve or reunify the family, but the 1997 law established exceptions to this requirement. Specifically, States are not required to make such efforts if a court finds that a parent had killed another of their children, or committed felony assault against the child or a sibling, or if their parental rights to another child had previously been involuntarily terminated.

In addition, the law establishes that efforts to preserve or reunify a family are not required if the court finds that a parent had subjected the child to “aggravated circumstances.” Each State may define these circumstances in State law; the act cites abandonment, torture, chronic abuse, and sexual abuse as examples. Moreover, the law does not preclude judges from using their discretion to protect a child's health and safety regardless of whether the specific circumstances are cited in Federal law. If the court determines that reasonable efforts to preserve or reunify a child and family are not required, the law now requires that a permanency hearing be held within 30 days of the child entering foster care, and that reasonable efforts be made to place the child for adoption or in an alternative permanent setting in a timely manner.

Notwithstanding the exceptions allowed under the Adoption and Safe Families Act, reasonable efforts to preserve or reunify a family are still required in most cases. The Social Security Act establishes this requirement in two separate provisions. First, in order for a State to be eligible for title IV-E funding, its plan must specify that reasonable efforts will be made prior to a child's placement in foster care to prevent the need for placement or to help the child return home, unless the exceptions described above apply (section 471(a)(15)). Second, for every title IV-E-eligible child placed in foster care, a judicial determination must be made and documented that reasonable efforts were made to prevent placement into foster care in that particular case, unless an exception applies (section 472(a)(1)).

TABLE 11-9 -- FOSTER CARE BASIC MONTHLY MAINTENANCE RATES FOR CHILDREN AGES 2, 9, AND 16, SELECTED YEARS 1994-2000

State	Age 2			Age 9			Age 16		
	1994	1998	2000	1994	1998	2000	1994	1998	2000
Alabama	205	230	230	229	254	254	241	266	266
Alaska ¹	588	652	644	523	580	572	621	689	679
Arizona ²	297	297	297	286	286	286	365	365	365
Arkansas	300	400	400	325	425	425	375	475	475
California ³	345	375	375	400	436	436	484	528	528
Colorado	319	349	349	319	392	349	379	423	423
Connecticut ¹	567	622	670	586	642	690	637	708	760
Delaware ⁴	342	410	447	342	410	447	440	511	620
District of Columbia ^{1,3}	431	445	445	431	445	445	519	536	536
Florida	296	345	369	296	355	380	372	425	455
Georgia ¹	300	338	365	300	338	365	300	338	365
Hawaii ⁵	529	529	529	529	529	529	529	529	529
Idaho	228	228	228	250	250	250	338	358	358
Illinois	322	343	360	358	382	400	390	415	434
Indiana ^{3,6}	405	486	486	462	536	536	518	603	603
Iowa ^{1,3}	306	387	387	322	409	409	382	474	474
Kansas ^{1,5}	205	205	512	277	277	512	351	351	512
Kentucky	263	375	599	285	350	599	330	398	660
Louisiana	298	331	331	331	365	365	364	399	399
Maine ^{1,5}	296	296	438	304	304	447	353	353	501
Maryland	535	535	535	535	535	535	550	550	550
Massachusetts ⁷	410	448	454	410	464	471	486	515	522
Michigan ^{1,8}	383	398	409	383	398	409	454	493	506
Minnesota ¹	377	458	473	377	458	473	487	561	577

Mississippi	175	325	325	205	355	355	250	390	400
Missouri ⁹	212	316	216	259	364	264	286	392	292
Montana ^{1,5}	330	330	415	330	330	415	416	416	507
Nebraska ⁵	326	326	222	394	394	292	461	461	352
Nevada	281	403	403	281	403	403	337	494	494
New Hampshire ⁵	314	314	373	342	342	406	404	404	479
New Jersey	272	294	406	288	312	437	340	368	508
New Mexico	308	308	308	341	341	341	367	367	367
New York ¹⁰	367	367	405	441	441	487	510	510	563
North Carolina	315	315	315	365	365	365	415	415	415
North Dakota	265	317	344	318	359	389	424	469	507
Ohio ¹¹	413	603	274	413	603	274	413	603	274
Oklahoma	300	300	300	360	360	360	420	420	420
Oregon	315	356	370	327	370	385	404	457	475
Pennsylvania ²	315	315	315	368	368	368	473	473	473
Rhode Island ¹²	279	308	315	279	285	295	341	348	355
South Carolina	212	212	332	239	239	359	305	305	425
South Dakota	259	353	382	317	353	382	382	424	459
Tennessee ^{1,3}	335	336	346	262	262	270	385	385	397
Texas ^{1,5}	476	476	516	476	476	516	476	476	516
Utah ¹	300	326	395	300	326	395	300	326	395
Vermont ³	416	360	360	416	360	360	504	440	440
Virginia	256	270	294	300	316	344	376	400	436
Washington	292	338	351	359	410	427	425	481	500
West Virginia	161	400	400	202	400	400	242	400	400
Wisconsin	276	289	299	301	315	326	361	374	387
Wyoming	400	400	400	400	400	400	400	400	400
Average monthly rates ¹⁴	328	373	387	348	388	404	406	447	462

TABLE 11-9 -- FOSTER CARE BASIC MONTHLY MAINTENANCE RATES FOR CHILDREN AGES 2, 9, AND 16, SELECTED YEARS 1994-2000--continued

¹ These States provided family foster care maintenance rates which were converted to monthly rates using the formula: (daily rate) x 30. Alaska's base rate changes for regular foster care became effective July 1, 1998.

² Neither 1998 or 2000 data were available. Data shown are for 1994.

³ 2000 data were not available. Data shown are for 1998.

⁴ The foster care maintenance rates provided for 1998 are midpoints. Delaware has a range of payments for each age.

⁵ 1998 data were not available. Data shown are for 1994.

⁶ Basic monthly payment rates for 1998 are State averages of rates set at the county level. They are estimated from daily maintenance payments of \$16.20, \$17.88, \$20.10 and \$27.35 respectively. For 2000, each county sets an individual scale. There is no State rate. Foster parents can negotiate with their county director.

⁷ Every child in foster care also receives a \$50 birthday payment and a \$100 holiday payment.

⁸ Michigan has two age ranges for payment rates in family foster care: 0 to 12 and 13 to 18.

⁹ All licensed foster homes who have been through the 27 hours of STARS training and meet the 5 competencies receive an additional \$100 per month per eligible child (transitional, behavioral, medical).

¹⁰ New York State has two levels of regular family foster care payments. In 2000, the payments for age 2 were \$444, for age 9 were \$523, and for age 16 were \$523 for the metro region (New York City, Nassau, Suffolk, Westchester, and Rockland Counties). Data for 2000 in the Table represent payments rates for all other counties.

¹¹ Ohio's foster care rates range depending on the county; the rates provided in the Table are the overall average for 88 counties, converted from Ohio's daily rate to a monthly rate. Rates are determined by the county agency, but must be within the approved uniform Statewide standards for per diem foster care maintenance rates. In 2000, the rates for temporary care provided to children in State custody for regular family foster care range from \$9 to \$118 per day or \$274 to \$3589 per month.

¹² Regular family foster care basic monthly maintenance rates apply to age ranges. The amount presented for age 2 applies to ages 0 to 3; the amount for age 9 applies to ages 4 to 11; the amount for age 16 applies to ages 12 and up.

¹³ In addition to payment rates, foster children also receive a semiannual clothing allotment of \$96 (ages 3 to 4), \$138 (ages 5 to 12) or \$198 and routine transportation (ages 13 and older).

¹⁴ Average monthly rate data for 1998 and 2000 do not include all the States. Data for 1998 are based on 41 States. Data for 2000 are based on 44 States.

Source: Child Welfare League of America.

The term “reasonable efforts” is not defined in law or regulations. Instead, U.S. Department of Health and Human Services (HHS) regulations have required State plans to include a description of the services provided to prevent removal or to reunify families. The regulations provide an illustrative list of the types of preplacement preventive and reunification services that may be offered. This list includes: 24-hour emergency caretaker and homemaker services; day care; crisis counseling; emergency shelters; access to available emergency financial assistance; respite care; home-based family services; self-help groups; services to unmarried parents; provision of or arrangement for mental health; drug and alcohol abuse counseling; vocational counseling or vocational rehabilitation; and postadoption services.

Because “reasonable efforts” is not defined by statute, Federal courts have been active in defining reasonable efforts in individual cases. Over the 20 years since enactment of Public Law 96-272, numerous lawsuits have been filed by foster children, parents, and advocacy groups against State and local child welfare systems, challenging their failure to make reasonable efforts to preserve or reunify families. Many of these cases have been broad in scope, and some Federal courts have become involved in the overall child welfare system, although this traditionally has been an area of exclusive State jurisdiction.

As a result of the U.S. Supreme Court's decision in one such case (*Suter v. Artist M.*, 1992), Congress enacted legislation in 1994 (Public Laws 103-382 and 103-432). These laws added a new section to the Social Security Act, which was inadvertently enacted twice, as section 1123 and section 1130A. The provision establishes that, in any action brought to enforce a provision of the Social Security Act, the provision is not to be deemed unenforceable because of its inclusion in a section of the act requiring a State plan. Congress explicitly stated that it does not intend to limit or expand any grounds for determining the availability of private actions to enforce State plan requirements. The provision also is not intended to alter the Court's decision in *Suter* that the reasonable efforts requirement is not enforceable in a private right of action.

Mandatory procedural safeguards: case planning and case reviews

The law specifies case review provisions that apply to all foster children, as required by the title IV-B State plan, and to title IV-E-eligible children in order for States to claim Federal reimbursement for expenditures made on their behalf. The case review process must include a written case plan that: describes the child's placement, including its safety and appropriateness; describes a plan for assuring the child receives safe and proper care and that services are provided to enable the child to return home or to another permanent setting; includes the child's health and education records; describes services to help the child prepare for independent living, if the child is age 16 or older; and for children with permanency plans of adoption or another permanent arrangement, documents the steps taken or planned by the agency to place the child in accordance with that plan. Children must have a case plan that is designed to achieve a safe setting, that is the least restrictive (most

family-like) and most appropriate setting available, in close proximity to the child's parent's home, and is consistent with the child's best interest and special needs.

The law also requires an administrative or judicial review at least every 6 months for children in foster care to determine the continuing need and appropriateness of the foster care setting, compliance with the case plan, progress made toward improving the conditions that caused the child to be placed in foster care, and projecting a date by which the child can be returned home or placed for adoption or legal guardianship.

The mandatory case review process also includes a judicial permanency hearing, to be held no later than 12 months after a child has entered foster care (as amended by Public Law 105-89), and every subsequent 12 months. This hearing determines the child's permanency plan; i.e., whether the child should be returned to the parents, placed for adoption (in which case, the State also will initiate proceedings to terminate parental rights), referred for legal guardianship, or placed in another planned, permanent arrangement (if other options, including placement with a fit and willing relative, are not in the child's best interest). Prior to enactment of Public Law 105-89 in 1997, long-term foster care also was a specified permanency plan. Also as amended in 1997, the law provides that States may make efforts to reunify a child and family concurrently with efforts to place the child for adoption or guardianship. This practice, referred to as "concurrent planning," allows States to develop a backup plan, to save time in case efforts to restore the original family are unsuccessful.

The permanency hearing also must ensure safeguards for children placed outside their home State; must determine the independent living services needed for foster children aged 16 and older; and must ensure safeguards for the parental rights pertaining to children in foster care. A child's foster parents, preadoptive parents, or relative caretakers must be given notice and an opportunity to be heard at any review or hearing held with respect to the child.

Mandatory procedural safeguards: filing for termination of parental rights (TPR)

One of the most significant provisions of the 1997 Adoption and Safe Families Act requires States to initiate proceedings to terminate parental rights for certain foster children. There was no comparable provision in prior law. Specifically, the act requires States to initiate or join TPR proceedings for children who have been in foster care for 15 of the most recent 22 months, or for infants determined under State law to be abandoned, or in any case in which the court has found that a parent has killed another of their children or committed felony assault against the child or a sibling. States can opt not to initiate such proceedings if the child is in a relative's care, or if the State agency has documented in the child's case plan a compelling reason to determine that TPR would not be in the child's best interest, or if the State had not provided necessary services to the family. According to final regulations issued by HHS on January 25, 2000, exceptions to the TPR requirement must be made on a case-by-case basis; States may not establish blanket exceptions for categories of children. For purposes of the TPR provision and the 12-month permanency hearing, children are considered to have entered foster care

on the first date that the court finds they have been subjected to abuse or neglect, or 60 days after their removal from home, whichever occurs first.

THE TITLE IV-E ADOPTION ASSISTANCE PROGRAM

The Title IV-E Adoption Assistance Program is an open-ended entitlement program required of States that participate in TANF. Like the IV-E Foster Care Program, the IV-E Adoption Assistance Program funds three distinct types of activities: assistance payments for qualified children who are adopted, administrative payments for expenses associated with placing children in adoption, and training of professional staff and parents involved in adoptions.

Under the Adoption Assistance Program, which is permanently authorized, States develop adoption assistance agreements with parents who adopt eligible children with special needs. Federal matching funds are provided to States that, under these agreements, provide adoption assistance payments to parents who adopt AFDC- or SSI-eligible children with special needs. In addition, the program authorizes Federal matching funds for States that reimburse the nonrecurring adoption expenses of adoptive parents of special-needs children (regardless of AFDC or SSI eligibility).

Definition of special needs

A special-needs child is defined in the statute as a child with respect to whom the State determines there is a specific condition or situation, such as age, membership in a minority or sibling group, or a mental, emotional, or physical disability, which prevents placement without special assistance. Before a child can be considered to be a child with special needs, the State must determine that the child cannot or should not be returned to the biological family, and that reasonable efforts have been made to place the child without providing adoption assistance. States have discretion in defining special-needs eligibility criteria and individually determining whether a child is eligible. For example, some States add religion or not being able to place the child without subsidy to the definition of special needs.

Adoption assistance agreements and payments

An adoption assistance agreement is a written agreement between the adoptive parents, the State IV-E agency, and other relevant agencies (such as a private adoption agency) specifying the nature and amount of assistance to be given. Under the adoption assistance agreement, States may make federally subsidized monthly adoption assistance payments for AFDC- and SSI-eligible children with special needs who are adopted.

The amount of adoption assistance payments is based on the circumstances of the adopting parents and the needs of the child. No means test can be used to determine eligibility of parents for the program; however, States do consider the adoptive parents' income in determining the payment. Payments may be adjusted periodically if circumstances change, with the concurrence of the adopting parents. However, the payments may not exceed the amount the family would have received

on behalf of the child under foster care. Adoption assistance payments may continue until the child is age 18, or, at State option, age 21 if the child is mentally or physically disabled. Payments are discontinued if the State determines that the parents are no longer legally responsible for the support of the child. Federally subsidized payments may start as soon as an agreement is signed and the child has been placed in an adoptive home.

Not all families of adopted IV-E eligible children with special needs actually receive adoption assistance payments. The adoptive parents' circumstances may be such that an adoption subsidy is not needed or wanted. Adopted AFDC- or SSI-eligible children with special needs are also eligible for Medicaid if an adoption assistance agreement is in effect, regardless of whether adoption assistance payments are being made. Pursuant to the 1985 budget reconciliation legislation, a child for whom an adoption assistance agreement is in effect is eligible for Medicaid from the State in which the child resides regardless of whether the State is the one with which the adoptive parents have an adoption assistance agreement.

States also have the option under the Medicaid Program to provide Medicaid coverage for other special-needs children (those not eligible for AFDC or SSI) who are adopted under a State-funded adoption subsidy program. According to the Association of Administrators of the Interstate Compact on Adoption and Medical Assistance (AAICAMA), all States but two currently take this option, with regard to children for whom they have an adoption assistance agreement in effect. (The two that do not take this option are Connecticut and New Mexico.) In addition, AAICAMA reports that 32 States provide Medicaid to children living in their States who have State-funded adoption assistance agreements from other States, and another 9 States provide Medicaid to children with State-funded adoption assistance agreements from other States, but only if those States are members of the Interstate Compact on Adoption and Medical Assistance. As of February 2003, an additional three States were in the process of developing reciprocity policies.

The Adoption and Safe Families Act (Public Law 105-89) contains additional requirements regarding health insurance coverage for special-needs adopted children who are not eligible for title IV-E adoption assistance. Specifically, the 1997 law requires States to provide health insurance coverage to non-title IV-E children for whom they have an adoption assistance agreement in effect, if the children have special needs for medical, mental health or rehabilitative care. This health coverage can be through Medicaid or another program, as long as benefits are comparable. In addition, the law prohibited States from receiving adoption incentive payments (described below), or from receiving waivers of title IV-B or IV-E provisions (also described below), unless they provided health coverage for non-title IV-E children who are living in their State, but who are covered by an adoption assistance agreement from another State.

The structure of adoption subsidy programs varies across States. Some States offer basic maintenance payments and also allow additional payments for certain activities (such as family counseling) or for certain groups of children (such as children with severe disabilities). Other States offer one level of payment to everyone with no special allowances. Some States allow parents to request changes

in payment levels on a regular basis if circumstances change for a child; others allow very little change once the adoption agreement is signed. Some States start payments as soon as placement is made; others not until the adoption is finalized. (Table 11-10 shows basic adoption subsidy rates by State for 2002, as published by the North American Council on Adoptable Children in May 2003.)

Not all children who receive adoption subsidies from States are eligible for Federal title IV-E funds. HHS reports that in 2001, 74 percent of children adopted from foster care received Federal title IV-E adoption assistance and 14 percent received State-funded adoption assistance; the remainder did not receive ongoing adoption assistance. The non-IV-E children's adoption subsidies are paid solely by the State in which their adoption agreement was signed.

Nonrecurring adoption costs

The Adoption Assistance Program also authorizes Federal matching funds for States to pay the one-time adoption expenses of parents of special-needs children (regardless of AFDC or SSI eligibility). In order to be eligible, the child must be a child with special needs, as defined in section 473(c) of the Social Security Act and described above.

Through the program, parents may receive reimbursement of up to \$2,000 per child for these nonrecurring adoption expenses, and States may claim 50 percent Federal matching for these reimbursements. Qualified adoption expenses are defined as reasonable and necessary adoption fees, court costs, attorney fees, and other expenses that are directly related to the adoption of a child with special needs. States may vary in the maximum amount they allow parents to receive under this provision.

All States and the District of Columbia have implemented the program; Delaware does not operate a separate program for reimbursing these one-time expenses. Table 11-10 shows State-by-State data on maximum reimbursement rates for nonrecurring expenses, as reported by the North American Council on Adoptable Children in May 2003. It should be noted that these are maximum payment rates, which are not necessarily the amounts received by an individual family; a 1996 survey by the American Public Human Services Association found that the average reimbursements did not equal the maximum for many States. In addition, parents adopting children from public child welfare agencies may not necessarily claim these reimbursements because many costs incurred in public agency adoptions are already covered under the States' adoption programs.

Adoption assistance expenditures

The number of children receiving adoption assistance payments and the Federal expenditures for these payments have increased significantly since the program began. In fiscal year 1981, only six States participated in the program, with payments being made for an average of 165 children per month. In fiscal year 2002, 50 States plus the District of Columbia and Puerto Rico participated, and an average of 285,600 children (Table 11-3) were served per month. Federal expenditures for adoption assistance payments have increased from less than \$400,000 in fiscal year

1981 to \$1.3 billion in fiscal year 2002, and are expected to reach almost \$2.5 billion by fiscal year 2008 (Table 11-2). HHS data indicate that expenditures for child placement services and administration for the Adoption Assistance Program also have increased significantly in recent years. In fiscal year 1981, claims totaled \$100,000; in fiscal year 2002 they totaled \$305 million and are expected to be \$451 million in fiscal year 2008.

TABLE 11-10 -- ADOPTION ASSISTANCE BASIC RATES AND
MAXIMUM NONRECURRING EXPENSE ALLOWANCE, BY AGE, 2002

State	Basic Rates			Nonrecurring Expenses
	Age 2	Age 9	Age 16	
Alabama	\$230	\$254	\$266	\$1,000
Alaska	580 to 820	580 to 820	580 to 820	2,000
Arizona	358	358	419	2,000
Arkansas	400	425	475	1,500
California	375	436	528	400
Colorado	293	293	352	800
Connecticut	615	652	719	1,200
Delaware	397	397	511	2,000 (pre paid)
District of Columbia	718	718	791	2,000
Florida	295	304	364	1,000
Georgia	388	411	433	2,000
Hawaii	529	529	529	2,000
Idaho	251	275	394	2,000
Illinois	369	410	445	1,500
Indiana	406	464	464	1,500
Iowa	428	452	505	2,000
Kansas	400	400	400	2,000
Kentucky	600	600	660	1,000
Louisiana	265	292	319	1,000
Maine	432 to 513	441 to 522	494 to 577	2,000
Maryland	535	535	535	2,000
Massachusetts	448	464	542	400
Michigan	444	444	547	2,000
Minnesota	247	277	337	2,000
Mississippi	325	355	400	1,000
Missouri	225	275	304	2,000
Montana	428	428	520	2,000
Nebraska	222	291	351	1,500
Nevada	402	402	494	250
New Hampshire	552	601	709	2,000
New Jersey	412	444	516	2,000
New Mexico	408	441	467	2,000
New York	460 Metro; 419 Upstate	541 Metro; 504 Upstate	626 Metro; 583 Upstate	2,000

TABLE 11-10 -- ADOPTION ASSISTANCE BASIC RATES AND
 MAXIMUM NONRECURRING EXPENSE ALLOWANCE, BY AGE,
 2002-continued

State	Basic Rates			Nonrecurring Expenses
	Age 2	Age 9	Age 16	
North Carolina	315	365	415	2,000
North Dakota	351	397	517	2,000
Ohio	250	250	250	2,000
Oklahoma	270	324	378	1,200
Oregon	Based on FC rate	Based on FC rate	Based on FC rate	2,000
Pennsylvania	Varies by county	Varies by county	Varies by county	2,000
Puerto Rico	NA	NA	NA	NA
Rhode Island	311	289	352	1,000
South Carolina	332	359	425	250
South Dakota	397	397	477	1,500
Tennessee	527	402	532	2,000
Texas	521	521	521	2,000
Utah	390	390	390	2,000
Vermont	426	472	524	2,000
Virginia	294	344	436	2,000
Washington	323	398	472	1,500
West Virginia	400	400	400	2,000
Wisconsin	302	329	391	2,000
Wyoming	399	399	399	2,000

Note- Some States reported their rates in per diem and weekly amounts. For comparison, all State data are presented in monthly rates. Rates are rounded to the nearest dollar.

NA - Not available.

Source: North American Council on Adoptable Children

Table 11-11 below shows estimated Federal adoption assistance expenditures in fiscal year 2002, by State, broken down by assistance payments, administration, training, and expenditures under waiver demonstrations. Table 11-12 shows average monthly participation in adoption assistance, by State, in fiscal years 1999, 2000, and 2001.

TABLE 11-11 -- ESTIMATED FEDERAL ADOPTION ASSISTANCE
EXPENDITURES UNDER TITLE IV-E, FISCAL YEAR 2002¹

State	Assistance payments	State and local administration	Training	Demonstrations ²	Total
Alabama	2,127,222	1,121,983	1,036,897	0	4,286,102
Alaska	5,093,740	493,015	8,642	0	5,595,397
Arizona	16,623,044	2,465,586	0	0	19,088,630
Arkansas	3,431,028	1,074,649	15,106	0	4,520,783
California	175,110,389	43,610,659	2,488,187	0	221,209,235
Colorado	13,019,079	3,356,610	1,404,426	0	17,780,115
Connecticut	11,709,542	2,747,447	2,237,039	0	16,694,028
Delaware	1,258,511	524,775	191	61,438	1,844,915
District of Columbia	6,629,225	2,243,504	0	0	8,872,729
Florida	27,235,513	14,000,999	838,151	0	42,074,663
Georgia	19,808,127	5,468,006	4,452,292	0	29,728,425
Hawaii	5,423,937	855,101	39,497	0	6,318,535
Idaho	1,661,809	651,096	241	0	2,313,146
Illinois	63,010,254	9,264,473	477,306	0	72,752,033
Indiana	22,239,452	1,983,619	0	0	24,223,071
Iowa	20,301,301	2,625,138	167,045	0	23,093,484
Kansas	7,837,190	1,523,909	0	0	9,361,099
Kentucky	11,118,107	1,000,723	1,418,808	0	13,537,638
Louisiana	8,450,854	2,437,060	659,342	0	11,547,256
Maine	7,234,075	1,868,208	2,007,071	647,734	11,757,088
Maryland	407,505	69,324	0	0	476,829
Massachusetts	22,111,805	3,503,580	0	0	25,615,385
Michigan	84,714,041	5,981,312	0	0	90,695,353
Minnesota	10,678,931	3,737,224	1,858,089	0	16,274,244
Mississippi	2,958,111	617,119	0	0	3,575,230
Missouri	15,058,443	4,911,896	0	0	19,970,339
Montana	2,919,831	1,682,677	21,330	0	4,623,838
Nebraska	5,237,492	392,480	0	0	5,629,972
Nevada	2,407,104	848,568	370,032	0	3,625,704
New Hampshire	1,131,571	369,428	6,087	0	1,507,086
New Jersey	13,961,389	10,686,728	107,761	0	24,755,878
New Mexico	7,788,417	2,000,543	0	133,666	9,922,626
New York	180,126,737	5,818,074	337,972	0	186,282,783
North Carolina	16,960,778	837,048	53,055	0	17,850,881
North Dakota	1,579,157	479,426	0	0	2,058,583
Ohio	50,527,340	77,445,773	9,721,571	0	137,694,684
Oklahoma	10,661,363	4,268,494	970,073	0	15,899,930
Oregon	16,462,585	1,818,995	0	0	18,281,580
Pennsylvania	35,001,132	14,160,109	3,729,848	0	52,891,089
Puerto Rico	195,202	0	0	0	195,202
Rhode Island	5,371,733	389,202	339,676	0	6,100,611

TABLE 11-11 -- ESTIMATED FEDERAL ADOPTION ASSISTANCE
EXPENDITURES UNDER TITLE IV-E, FISCAL YEAR 2002¹-continued

State	Assistance payments	State and local administration	Training	Demonstrations ²	Total
South Carolina	10,086,093	1,206,178	1,432,013	0	12,724,284
South Dakota	1,463,317	157,770	0	0	1,621,087
Tennessee	9,782,846	1,013,129	-233	0	10,795,742
Texas	37,001,113	5,682,969	788,314	291,458	43,763,854
Utah	4,453,675	917,213	339,398	0	5,710,286
Vermont	4,698,144	1,370,438	649,690	0	6,718,272
Virginia	9,452,460	297,430	3,580,319	0	13,330,209
Washington	15,218,875	3,693,532	39,054	0	18,951,461
West Virginia	5,058,237	2,960,898	973,293	0	8,992,428
Wisconsin	22,957,498	5,056,479	0	0	28,013,977
Wyoming	501,473	88,030	0	0	589,503
Total	1,036,256,797	261,778,626	42,567,583	1,134,296	1,341,737,302

¹ Amounts shown are for claims submitted by the States and do not reflect deferrals or disallowances. Actual outlays may vary.

² States' estimates used for fourth quarter. Demonstration projects must be cost neutral to the Federal government. These are expenditures that otherwise would have been claimed under the assistance payments, administration or training categories.

Source: U.S. Department of Health and Human Services.

TABLE 11-12 -- TITLE IV-E ADOPTION ASSISTANCE AVERAGE
MONTHLY CASELOADS, BY STATE, FISCAL YEARS 1999-2001

State	1999	2000	2001
Alabama	429	522	625
Alaska	731	888	1,059
Arizona	2,161	2,856	3,466
Arkansas	688	1,294	1,443
California	24,786	29,972	37,294
Colorado	2,992	3,622	3,881
Connecticut	1,748	1,907	2,236
Delaware	267	323	406
District of Columbia	485	536	467
Florida	8,900	9,347	9,868
Georgia	3,570	4,514	5,459
Hawaii	675	901	1,109
Idaho	271	418	517
Illinois	16,242	22,095	25,912
Indiana	3,574	4,228	5,064
Iowa	2,670	3,138	3,529
Kansas	2,975	3,393	3,604
Kentucky	1,148	1,403	1,854
Louisiana	1,874	1,948	2,406
Maine	754	889	1,066
Maryland	2,179	2,567	3,199
Massachusetts	4,552	5,303	5,026
Michigan	14,213	15,663	17,445

TABLE 11-12 -- TITLE IV-E ADOPTION ASSISTANCE AVERAGE
MONTHLY CASELOADS, BY STATE, FISCAL YEARS 1999-2001-
continued

State	1999	2000	2001
Minnesota	2,246	3,115	3,751
Mississippi	419	579	732
Missouri	3,341	4,136	4,806
Montana	501	608	745
Nebraska	877	952	1,115
Nevada	419	543	703
New Hampshire	313	230	330
New Jersey	3,788	4,038	4,301
New Mexico	1,377	1,689	1,945
New York	32,759	35,295	36,339
North Carolina	3,506	4,214	3,628
North Dakota	202	244	307
Ohio	12,355	13,674	14,962
Oklahoma	1,671	2,068	2,621
Oregon	4,081	4,468	5,540
Pennsylvania	5,706	6,048	6,776
Puerto Rico	92	124	144
Rhode Island	1,053	1,168	1,247
South Carolina	1,679	1,986	2,363
South Dakota	363	432	485
Tennessee	1,790	2,253	2,368
Texas	6,969	8,229	9,347
Utah	951	1,278	1,478
Vermont	667	732	809
Virginia	2,011	2,280	2,290
Washington	4,563	5,619	6,459
West Virginia	386	813	1,059
Wisconsin	3,211	3,682	4,071
Wyoming	68	90	139
Total	195,243	228,307	257,790

Source: Table prepared by the Congressional Research Service based on information received from the U.S. Department of Health and Human Services.

THE TITLE IV-E ADOPTION INCENTIVES PAYMENT PROGRAM

The Adoption and Safe Families Act (ASFA) of 1997 (Public Law 105- 89) established a new provision intended to promote adoption through incentive payments to States that increase their number of foster child adoptions, with additional incentives for the adoption of special-needs foster children with adoption assistance agreements under title IV-E. This discretionary program was authorized to grant payments for adoptions finalized in each of fiscal years 1998 through 2002; funds to make these grants were authorized through fiscal year 2003. Incentive payments equaled \$4,000 for each foster child whose adoption was finalized (over a

certain State-specific baseline) and an additional \$2,000 for each special-needs child whose adoption was finalized (over a State-specific baseline). For adoptions finalized in fiscal year 1998, the baseline was the State's average number of adoptions in fiscal years 1995-97. For adoptions finalized in fiscal years 1999-2002, the State's baseline was the highest number of adoptions in any preceding year, beginning with fiscal year 1997. Table 11-13 shows each state's baseline and number of incentive-qualifying adoptions for fiscal years 1998, 2000, and 2002. Qualifying adoptions shown in this Table are those of children who were in foster care before their adoption and are not necessarily the same as adoptions made with the involvement of public child welfare agencies. Through fiscal year 2002, States earned a total of \$159.7 million in adoption incentive payments. Table 11-14 shows the adoption incentive payments, by State, in fiscal years 1999 through 2003 which are payments for adoptions completed in each of fiscal years 1998 through 2002.

Public Law 105-89 originally authorized appropriations of \$20 million annually for fiscal years 1999-2003 for adoption incentive payments. In addition, discretionary budget caps were adjusted to help ensure that the funds were actually appropriated for each year. However, in several years, the amount of incentive payments that States earned exceeded the \$20 million level and Congress provided additional funds in several years to ensure States received their full incentive earnings. For example, States earned \$42.5 million for adoptions finalized in fiscal year 1998; \$51.5 million for adoptions finalized in fiscal year 1999; and \$33.2 million for adoptions finalized in fiscal year 2000. However, States earned adoption incentives of \$17.6 million and \$14.9 million for adoptions finalized in fiscal years 2001 and 2002, respectively.

Congress enacted Public Law 108-145 in December 2003 reauthorizing annual appropriations of \$43 million for the Adoption Incentives program for fiscal years 2004 through 2008, to reward States for increased adoptions finalized in fiscal years 2003 through 2007. Under this latest version of the program, States continue to be rewarded for all increased adoptions of foster children, above a baseline, and the incentive payment remains at \$4,000 for each adoption above the baseline. However, the baseline is updated to the number of such adoptions in fiscal year 2002 (for adoptions finalized in fiscal year 2003), and the highest previous year beginning with fiscal year 2002 (for adoptions finalized in fiscal year 2004 and subsequent years). States also continue to be rewarded for increased adoptions of special needs children, and this additional payment remains at \$2,000. However, the special needs payment is now limited only to adoptions of special needs children who are under age 9 at the time the adoption is finalized, and the baseline is set at the number of such adoptions in fiscal year 2002 (for adoptions finalized in fiscal year 2003), and the highest previous year beginning with fiscal year 2002 (for adoptions finalized in FY2004 and subsequent years). Public Law 108-145 creates

TABLE 11-13 -- BASELINE AND NUMBER OF INCENTIVE-QUALIFYING ADOPTIONS, BY STATE, SELECTED FISCAL YEARS 1998-2002

States	FY1998 Number			FY2000 Number			FY2002 Number					
	Total	of Incentive- Qualifying Adoptions ²		Total	of Incentive- Qualifying Adoptions ²		Total	of Incentive- Qualifying Adoptions ²				
		IV-E	Total		IV-E	Total		IV-E	Total			
Alabama	139	41	119	23	237	79	200	56	237	79	249	103
Alaska	108	85	95	80	278	229	202	181	278	229	192	148
Arizona	357	277	327	0	931	643	851	611	931	643	788	482
Arkansas	138	122	251	194	353	278	311	274	353	278	295	83
California	3,287	2,414	3,958	3,030	8,852	7,502	8,221	6,570	8,852	7,502	8,647	7,596
Colorado	417	310	560	470	711	578	679	503	711	578	835	486
Connecticut	207	172	229	0	499	230	499	186	499	230	562	377
Delaware	39	23	33	13	117	89	103	61	117	89	133	75
District of Columbia	110	37	96	96	236	129	236	129	236	129	195	69
Florida	987	398	1,549	646	1,605	786	1,605	719	1,605	786	2,246	1,264
Georgia	493	247	672	367	1,029	551	984	497	1,029	551	1,081	634
Hawaii	85	63	297	190	297	190	259	180	297	190	349	182
Idaho	44	36	14	0	110	92	102	81	110	92	92	74
Illinois	2,200	1,470	4,656	3,861	7,031	6,242	5,670	5,056	7,031	6,242	3,585	3,219
Indiana	495	322	774	660	1,143	711	1,143	711	1,143	711	881	435
Iowa	350	298	517	359	751	491	751	437	751	491	882	459
Kansas	349	215	229	165	558	449	435	296	558	449	501	313
Kentucky	211	148	204	88	542	313	384	175	542	313	551	397
Louisiana	268	220	236	171	469	346	469	341	469	346	466	336
Maine	108	96	112	100	405	361	405	361	405	361	297	219
Maryland	342	165	420	347	801	628	513	398	801	628	922	742
Massachusetts	1,116	601	1,137	2	1,161	657	861	332	1,161	657	808	447
Michigan	1,905	1,634	2,254	1,938	2,979	2,492	2,800	2,360	2,979	2,492	2,845	2,288

Minnesota	258	176	427	349	615	530	615	530	615	530	627	547
Mississippi	114	45	169	134	290	256	290	256	290	256	175	0
Missouri	557	415	616	404	1,205	832	1,205	832	1,205	832	1,273	879
Montana	115	89	144	86	264	159	228	137	264	159	244	161
Nebraska	185	99	35	18	289	153	282	153	289	153	294	151
Nevada	149	94	0	0	244	172	229	155	244	172	251	167
New Hampshire	45	36	50	0	95	70	95	67	95	70	114	111
New Jersey	621	366	755	533	1,043	806	834	661	1,043	806	1,370	1,118
New Mexico	147	110	197	0	369	330	346	288	369	330	272	246
New York	4,716	4,403	4,822	4,332	4,979	4,697	4,225	3,932	4,979	4,697	3,160	2,866
North Carolina	467	296	303	220	1,244	961	1,244	961	1,244	961	1,324	882
North Dakota	47	34	83	29	138	64	92	29	138	64	119	55
Ohio	1,287	1,143	1,263	1,225	2,002	1,912	1,777	1,612	2,002	1,912	2,185	2,096
Oklahoma	338	242	456	304	995	625	995	566	995	625	985	347
Oregon	445	335	665	519	1,071	850	831	649	1,071	850	1,115	874
Pennsylvania	1,224	1,050	1,494	1,140	1,700	1,480	1,700	1,480	1,700	1,480	1,993	1,233
Rhode Island	261	166	222	132	292	189	260	139	292	189	256	158
South Carolina	256	146	465	260	465	311	378	247	465	311	343	210
South Dakota	56	36	58	36	92	55	87	39	92	55	142	116
Tennessee	328	233	295	196	555	377	403	278	555	377	758	545
Texas	880	510	1,365	976	2,278	1,430	2,010	1,430	2,278	1,430	2,295	1,353
Utah	225	130	250	89	369	174	302	174	369	174	344	166
Vermont	75	67	116	92	138	121	105	95	138	121	133	114
Virginia	298	190	158	109	491	333	246	167	491	333	417	307
Washington	607	425	759	431	1,207	991	1,110	713	1,207	991	1,031	885
West Virginia	182	80	211	86	360	227	350	175	360	227	361	234
Wisconsin	467	379	589	455	712	641	712	641	712	641	939	766
Wyoming	15	5	30	5	46	36	46	26	46	36	46	31
Puerto Rico ⁴	0	0	0	0	164	25	57	12	164	25	176	34
Total	28,120	20,694	34,736	24,960	54,807	42,873	48,737	36,959	54,807	42,873	50,144	37,080

TABLE 11-13 -- BASELINE AND NUMBER OF INCENTIVE-QUALIFYING ADOPTIONS, BY STATE,
SELECTED FISCAL YEARS 1998-2002-continued

¹The FY1998 baseline drew on the 3-year average for adoptions from FY1995-FY1997.
²Qualifying adoptions shown in this Table are those of children who were in foster care before their adoption and are not necessarily the same as adoptions made with the involvement of public child welfare agencies.
³The baseline in years after FY1998 is the highest number of adoptions in any preceding year, beginning with FY1997.
⁴Puerto Rico did not participate in the adoption incentive program in fiscal year 1998.
Source: U.S. Department of Health and Human Services.

TABLE 11-14 -- ADOPTION INCENTIVES PAYMENTS, BY STATE, FISCAL YEARS 1999-2003
[Dollars in Thousands]

State	1999	2000	2001	2002	2003	Total
Alabama	\$ 0	\$ 108	\$ 192	\$ 186	\$ 96	\$ 582
Alaska	0	166	382	400	0	948
Arizona	0	1,326	684	384	0	2,394
Arkansas	596	194	206	176	0	1,172
California	3,916	11,698	12,434	4,388	0	32,436
Colorado	892	820	0	0	496	2,208
Connecticut	88	500	384	0	547	1,519
Delaware	0	28	336	112	64	540
District of Columbia	0	136	346	0	0	482
Florida	2,744	0	370	0	3,520	6,634
Georgia	956	1,796	0	0	374	3,126
Hawaii	1,102	0	0	0	208	1,310
Idaho	0	312	0	34	0	346
Illinois	14,606	14,262	0	0	0	28,868
Indiana	1,792	0	1,578	0	0	3,370
Iowa	790	1,062	28	0	524	2,404
Kansas	0	842	0	0	0	842

Kentucky	0	630	176	796	204	1,806
Louisiana	0	292	662	0	0	954
Maine	24	530	1,164	0	0	1,718
Maryland	676	576	0	1,510	712	3,474
Massachusetts	84	0	0	0	0	84
Michigan	2,004	1,108	1,920	980	0	6,012
Minnesota	1,022	654	460	0	82	2,218
Mississippi	398	402	326	0	0	1,126
Missouri	236	1,150	2,054	0	366	3,806
Montana	116	128	258	188	0	690
Nebraska	0	56	434	28	20	538
Nevada	0	354	86	94	28	562
New Hampshire	20	114	160	0	158	452
New Jersey	870	0	572	1,126	1,932	4,500
New Mexico	200	440	504	176	0	1,320
New York	424	0	0	0	0	424
North Carolina	0	1,282	1,924	0	320	3,526
North Dakota	144	220	0	0	0	364
Ohio	0	1,136	1,146	1,500	1,100	4,882
Oklahoma	596	2,234	564	0	0	3,394
Oregon	1,248	410	514	1,362	224	3,758
Pennsylvania	1,260	0	992	0	1,172	3,424
Rhode Island	0	378	0	0	0	378
South Carolina	1,064	0	0	0	0	1,064
South Dakota	8	122	20	32	322	504
Tennessee	0	428	168	806	1,148	2,550
Texas	2,872	2,990	498	1,072	68	7,500
Utah	100	404	0	0	0	504

TABLE 11-14 -- ADOPTION INCENTIVES PAYMENTS, BY STATE, FISCAL YEARS 1999-2003--continued
 [Dollars in Thousands]

State	1999	2000	2001	2002	2003	Total
Vermont	214	146	0	0	0	360
Virginia	0	212	0	922	0	1,134
Washington	620	918	876	944	0	3,358
West Virginia	128	384	248	144	18	922
Wisconsin	640	302	562	0	1,158	2,662
Wyoming	60	96	10	0	0	166
Puerto Rico	0	142	0	218	66	426
Total	\$ 42,510	\$ 51,488	\$ 33,238	\$ 17,578	\$ 14,927	\$ 159,741

Source: U.S. Department of Health and Human Services.

a third incentive payment, equal to \$4,000 for each increased adoption of foster children who are age 9 or older at the time of adoption. States must exceed their baseline number of such "older child" adoptions to earn this payment, set at the number of such adoptions in fiscal year 2002 (for adoptions finalized in fiscal year 2003), and the highest previous year beginning with fiscal year 2002 (for adoptions finalized in fiscal year 2004 and subsequent years). The older child adoption incentive payment is independent of the basic foster child incentive payment, so that a State can earn a payment on the basis of an increase in its older child adoptions, but not necessarily be eligible for an incentive payment based on its total number of foster child adoptions. Under the revised program, a State can receive a special needs incentive payment (for children with special needs who are under age 9) only if they also qualify for an incentive payment on the basis of either an increase in total foster child adoptions or older child adoptions.

THE TITLE IV-E FOSTER CARE INDEPENDENCE PROGRAM

In 1986, title IV-E was amended by Public Law 99-272 (Consolidated Omnibus Budget Reconciliation Act of 1985) to include section 477, which established the Independent Living Program to assist youth who would eventually be emancipated from the foster care system. Several surveys conducted during the mid-1980s showed that a significant number of homeless shelter users had been recently discharged from foster care, prompting Congress to establish a program to help youngsters in foster care establish their independence.

Initially, an annual entitlement amount of \$45 million was established for 1987 and 1988 to provide States with the resources to create and implement independent living services. These services were designed to assist title IV-E-eligible children age 16 and over make a successful transition from foster care to independent adult living when they became ineligible for foster care maintenance payments at age 18. In 1988, the program was expanded under Public Law 100-647, which permitted States to provide independent living services to all youth in foster care aged 16 to 18 (not just title IV-E-eligible youth); States could also provide follow-up services to youth up to 6 months after their emancipation from foster care. Under Public Law 101-508, States had the option of serving individuals up to age 21 in the Independent Living Program. Funds were allocated on the basis of each State's share of children receiving title IV-E foster care in 1984.

Public Law 101-239 increased the amount of Federal entitlement funds available to the States for the Independent Living Program to \$50 million for fiscal year 1990, \$60 million for fiscal year 1991, and \$70 million for fiscal year 1992. Beginning in fiscal year 1991, States were required to provide 50 percent matching for any Federal funding claimed that exceeded the original \$45 million funding level. In 1993, Congress permanently extended the authority for independent living under Public Law 103-66.

In response to continuing concerns about the adjustment problems faced by older children leaving foster care, the 106th Congress enacted the Foster Care Independence Act of 1999 (Public Law 106-169). The law replaced section 477

with new language and renamed the program the John H. Chafee Foster Care Independence Program, in honor of the Rhode Island Senator who was one of the law's sponsors and who died before it was enacted. As amended in 1999, the Foster Care Independence Program is intended to help States provide services to children who are likely to remain in foster care until age 18 (no minimum age is specified for participation in the program), as well as former foster children between the ages of 18 and 21. To participate in the program, States must submit a 5-year plan to HHS and must certify that, among other things, no more than 30 percent of program funds will be used for room and board for 18-20 year olds and that services will be coordinated with related Federal and State youth programs, including transitional living youth projects funded under the Juvenile Justice and Delinquency Prevention Act, abstinence education, housing programs, programs for disabled youth, and school-to-work activities. The law also allows foster care youth to accumulate assets up to \$10,000 without losing their Title IV-E eligibility status and it permits States to extend Medicaid coverage to former foster children between 18 and 21 years of age. As of the end of 2003, 9 States included this optional coverage in their Medicaid plans.

States have flexibility in the use of their Foster Care Independence Program funds within the general purposes outlined in the law. These purposes include helping eligible children make the transition to self-sufficiency through such services as assistance in obtaining a high school diploma, career exploration, vocational training, job placement and retention, training in daily living skills, training in budgeting and financial management skills, substance abuse prevention, and preventive health activities.

The revised Foster Care Independence Program is a capped entitlement with an annual ceiling set at \$140 million, which is double the entitlement ceiling level prior to enactment of Public Law 106-169. States are entitled to an amount based on their share of the Nation's foster care population, in the most recent year for which information is available. However, no State may receive less than the greater of \$500,000 or the amount received by the State in fiscal year 1998. The law contains a ratable reduction provision to ensure total State allotments do not exceed the national ceiling of \$140 million. The law also requires a 20 percent non-Federal match.

In 2001, under Public Law 107-133, Congress authorized an additional \$60 million in discretionary funds for education and training vouchers. Youths otherwise eligible for the Foster Care Independence Program, as well as youths who are adopted from foster care after reaching 16 years of age, are eligible for education and training vouchers worth up to \$5,000 per year for the cost of attendance at an institution of higher education. States may allow youths participating in the education and training voucher program when they reach age 21 to remain eligible for the program until age 23, so long as they are enrolled in a postsecondary education or training program and making satisfactory progress toward completion. For fiscal year 2003, the first year in which this program was funded, Congress appropriated \$41.7 million for the vouchers

Table 11-15 shows FY2003 allotments to States under the Foster Care Independence Program, both for the general program and for education and training vouchers.

TABLE 11-15 -- STATE-BY-STATE TITLE IV-E FOSTER CARE INDEPENDENCE PROGRAM ALLOTMENTS, FISCAL YEAR 2003

State	Allotment	Education and Training Vouchers	Total
Alabama	\$ 1,424,559	\$ 433,609	\$ 1,858,168
Alaska	517,913	157,643	675,556
Arizona	1,472,642	448,245	1,920,887
Arkansas	739,431	225,069	964,500
California	26,242,256	7,987,650	34,229,906
Colorado	1,820,708	554,189	2,374,897
Connecticut	1,792,958	545,743	2,338,701
Delaware	500,000	75,363	575,363
District of Columbia	1,091,992	242,690	1,334,682
Florida	7,917,723	2,410,006	10,327,729
Georgia	3,009,395	916,003	3,925,398
Hawaii	637,044	193,904	830,948
Idaho	500,000	80,969	580,969
Illinois	7,033,085	2,140,739	9,173,824
Indiana	2,268,529	690,498	2,959,027
Iowa	1,262,606	384,314	1,646,920
Kansas	1,538,906	468,414	2,007,320
Kentucky	1,637,226	498,341	2,135,567
Louisiana	1,358,131	365,892	1,724,023
Maine	772,443	235,117	1,007,560
Maryland	2,998,630	912,727	3,911,357
Massachusetts	2,904,616	884,111	3,788,727
Michigan	7,490,475	2,279,960	9,770,435
Minnesota	1,980,507	602,829	2,583,336
Mississippi	730,819	222,448	953,267
Missouri	3,180,677	968,138	4,148,815
Montana	500,000	147,230	647,230
Nebraska	1,487,234	452,686	1,939,920
Nevada	500,000	136,090	636,090
New Hampshire	500,000	93,639	593,639
New Jersey	2,631,426	800,957	3,432,383
New Mexico	500,000	124,876	624,876
New York	11,585,958	3,309,917	14,895,875
North Carolina	2,425,696	735,715	3,161,411
North Dakota	500,000	83,591	583,591
Ohio	5,253,762	1,599,147	6,852,909

TABLE 11-15 -- STATE-BY-STATE TITLE IV-E FOSTER CARE
INDEPENDENCE PROGRAM ALLOTMENTS, FISCAL YEAR 2003-
continued

State	Allotment	Education and Training Vouchers	Total
Oklahoma	2,173,319	661,517	2,834,836
Oregon	1,639,378	479,336	2,118,714
Pennsylvania	5,201,373	1,583,200	6,784,573
Rhode Island	588,722	179,196	767,918
South Carolina	1,162,373	353,804	1,516,177
South Dakota	500,000	107,692	607,692
Tennessee	2,351,538	715,764	3,067,302
Texas	4,654,993	1,416,892	6,071,885
Utah	530,592	161,502	692,094
Vermont	500,000	101,649	601,649
Virginia	1,747,745	531,981	2,279,726
Washington	2,177,865	662,901	2,840,766
West Virginia	792,537	241,234	1,033,771
Wisconsin	2,541,480	773,579	3,315,059
Wyoming	500,000	73,834	573,834
Puerto Rico	2,130,738	648,557	2,779,295
Set Aside for Technical Assistance ¹	2,061,628	623,750	2,685,378
Total	\$139,961,628	\$41,724,845	\$181,686,473

¹ HHS used slightly less than the full statutory set-aside amount for fiscal year 2003, which accounts for the totals falling just below the appropriated amounts of \$140 million in mandatory funds and \$41,727,000 in discretionary funds.

Source: Table prepared by the Congressional Research Service based on information received from the U.S. Department of Health and Human Services.

As originally enacted in 1986, section 477 instructed HHS to conduct a study of independent living services, which was done in two phases by Westat, Inc. (Cook, 1990, 1992). Looking at youths who emancipated from foster care between January 1987 and July 1988, Westat reported that they were a troubled population, with low rates of education or job experience and high rates of emotional disturbance, drug abuse, health problems, and pregnancy.

Later research conducted by the University of Wisconsin had similar findings (Courtney & Piliavin, 1998). Looking at Wisconsin youths 12-18 months after they emancipated from foster care in 1995, researchers found that 37 percent had still not completed high school and 12 percent had been homeless at least once since their discharge from foster care. While 81 percent had held at least one job since their discharge, only 61 percent reported being employed at the time of their interview, suggesting that job retention was a problem for some. Of females, 40 percent were receiving public assistance, as were 23 percent of the males. Access to medical care was a problem for 44 percent of the youths, usually because of a lack of health insurance. While almost half of the youths had received mental health services when still connected to the child welfare system, 21 percent reported receiving such

services after they left foster care. Although they were not reunited with their biological families by the child welfare system, many of the youths had contact with their original families after their discharge from foster care, with about one-third actually living with their families. At the same time, 40 percent reported continued and frequent contact with their foster parents. About 18 percent of the youths had been incarcerated at some point since their discharge.

The U.S. General Accounting Office (GAO) reported in 1999 that State and local administrators felt they could not provide youths who were leaving foster care with all the support they needed to make a successful transition to independent adult living. Also in 1999, HHS released a report reviewing the history of the Independent Living Program over the 10 years from 1987 through 1996 (U.S. Department, 1999b). This report found that many eligible youth did not receive independent living services at all. Specifically, in 30 States that reported data for fiscal year 1996, 37 percent of eligible youth received no services. Of those youth served in fiscal year 1996, 65 percent were either 16 or 17 years old, while 22 percent were 18 and the remainder were 19 or 20. Half the youth were white, and slightly more than half were females. African-American youth comprised 38 percent and Hispanic youth 9 percent. Half of the youth served had been in foster care less than 2 years, while 20 percent had been in care 5 years or longer. Slightly more than a quarter of the youth had special needs, and 9 percent were parents or pregnant.

To enable assessments of State independent living activities, Public Law 106-169 directed the Secretary of HHS to develop a series of outcome measures, including the following: educational attainment, high school diploma, employment, avoidance of dependency, homelessness, nonmarital childbirth, incarceration, and high-risk behaviors. The Secretary was directed to identify data elements that can be used to track the number and characteristics of children receiving independent living services, the type and quantity of services provided, and State performance on the outcome measures. HHS reported to Congress in September 2001 on its plan for this data system and piloted data collection instruments in seven states (HHS, 2001). The Department expects States to collect some characteristic data needed through their existing data collection systems, but is developing additional characteristic, services and outcome data items that will be unique. State collection of these data is expected to begin in October 2006 with the first State reports submitted to HHS in 2007. Once this data collection plan is in effect, States must submit the required reports or face financial penalties. In addition, the law requires the Secretary to conduct evaluations of innovative State Independent Living Programs or programs that have potential national significance. The law reserves 1.5 percent of each year's appropriation for such evaluation, technical assistance, performance measurement, and data collection.

STATE ACCOUNTABILITY AND FEDERAL OVERSIGHT

Federal child welfare law requires States to comply with a series of provisions that are intended to protect children who have been placed in foster care or who are at risk of foster care placement. States are required to comply with these provisions to be eligible to receive Federal funds, but the extent to which the Federal Government actually holds States accountable has been an issue of ongoing concern. On January 25, 2000, HHS published final regulations establishing a new system, mandated by Congress, for monitoring and enforcing the implementation by States of Federal child welfare laws. The new regulations took effect on March 27, 2000. In addition, the law establishes specific penalties for violations of certain provisions intended to eliminate ethnic or geographic barriers to adoption. Finally, the Adoption and Safe Families Act in 1997 (Public Law 105-89) mandated that HHS establish a series of outcome measures to be used to rate the performance of State child welfare programs, and to report annually on State performance in meeting these outcome measures. HHS published the outcome measures on August 20, 1999, and has issued annual reports for 1998 through 2000. The Federal review system, the penalties applicable to violations of ethnic or geographic discrimination provisions, and the outcome measures used to measure State performance are described in detail below.

HISTORY OF FEDERAL REVIEW EFFORTS

The history of Federal child welfare review efforts goes back to passage of the Adoption Assistance and Child Welfare Act of 1980 (Public Law 96-272). Many of the original foster child protections were established by that legislation as part of section 427 and were voluntary incentives for States to meet to receive their full allotment of title IV-B funds. In addition, the 1980 law established eligibility requirements that were used to determine which children could qualify for federally subsidized foster care and adoption assistance payments. These eligibility criteria contained provisions that were intended to work together with the “section 427 requirements” to protect children in foster care.

In the early 1980s, HHS developed and operated review systems for monitoring State compliance with section 427 protections and with the Federal foster care requirements under title IV-E. However, child welfare advocates, State and Federal officials, and Members of Congress grew dissatisfied with the early review systems for various reasons, both procedural and programmatic, and beginning in 1989, Congress suspended the collection of penalties resulting from these reviews.

Procedural concerns included a lack of formal regulations, frequently resulting in confusion about the standards that States were expected to meet. Reviews were conducted retrospectively, sometimes for fiscal years that had long past, so that current practices were not examined. Exacerbating this problem was the late release of final reports by HHS, so their findings and recommendations were sometimes irrelevant by the time they were issued. State officials had limited

ongoing contact with Federal regional office staff, so that formal reviews were seen as adversarial and punitive, rather than collaborative and potentially helpful. The reviews were often seen as time consuming, labor intensive, and burdensome for the States.

Of greater concern, however, was the perception that the reviews did not result in improved services for children and families. Both section 427 and title IV-E eligibility reviews focused on paper compliance with legal requirements. Moreover, States were sometimes held accountable for circumstances beyond their control, such as the schedule or actions of the courts. Reviews were criticized for focusing on isolated components of a State's child welfare system, rather than the system as a whole. When problems were identified, penalties were imposed but little technical assistance was provided. The review system contained no mechanism for helping States improve the quality of their child welfare programs, and also was criticized for failing, in some cases, to identify problems in State programs.

In 1989, Congress imposed the first in a series of moratoriums, prohibiting HHS from collecting penalties associated with these reviews. Finally, in 1994, Congress enacted two significant provisions as part of the Social Security Act amendments of that year (Public Law 103-432). First, Congress restructured title IV-B so that the foster child protections previously contained in section 427 were no longer voluntary incentives, but rather mandatory components of the State title IV-B plan. Second, Congress mandated the development of a new system to review State conformity with Federal requirements, including State plan requirements, under titles IV-B and IV-E.

The 1994 legislation directed HHS to develop a review system that would incorporate the concepts of technical assistance and corrective action. Specifically, HHS was directed to specify the Federal requirements that would be subject to review and the criteria that would be used to determine if a State was substantially meeting those requirements. The law further directed HHS to specify a method for determining the amount of financial penalties that would be imposed in cases of substantial nonconformity. However, Congress also mandated that before such penalties could be imposed, States must be given an opportunity to implement a corrective action plan, and required that HHS provide the States with necessary technical assistance.

FEDERAL CONFORMITY REVIEW SYSTEM

The 1994 legislation directed HHS to promulgate regulations establishing the new review system by July 1, 1995, to take effect on April 1, 1996. After pilot testing the system in several States, HHS proposed regulations in the Federal Register of September 18, 1998, and issued them as final on January 25, 2000, with an effective date of March 27, 2000. Two types of reviews were established: child and family services reviews of activities funded by both titles IV-B and IV-E to determine system wide State compliance with Federal law; and title IV-E eligibility

reviews to determine the eligibility of State expenditures for foster care or related activities for Federal reimbursement under title IV-E.

Child and family services reviews: the process

The child and family services review primarily measures outcomes and results, and allows States to undertake corrective action if they are not found in substantial conformity with the law. HHS established three outcomes for children and families and seven specific criteria as indicators of States' conformity with Federal law:

1. Child safety
 - children are first and foremost protected from abuse and neglect, and
 - children are safely maintained in their own homes whenever possible and appropriate;
2. Permanency for children
 - children have permanency and stability in their living situations, and
 - the continuity of family relationships and connections is preserved for children;
3. Child and family well-being
 - families have enhanced capacity to provide for their children's needs,
 - children receive appropriate services to meet their educational needs, and
 - children receive adequate services to meet their physical and mental health needs.

In addition, the review system measures State performance on the following seven systemic factors that reflect a State's capacity to deliver services leading to improved outcomes for children and families. These factors are:

1. Statewide information system on children in foster care;
2. Case review system for all children in foster care;
3. Standards to protect the health and safety of children in foster care and an identifiable quality assurance system;
4. Staff development and training program;
5. Service array for children and families;
6. Agency responsiveness to the community; and
7. Foster and adoptive parent licensing, recruitment, and retention.

The child and family services review is conducted by a joint Federal-State team, and a full review consists of two steps: first, a statewide assessment conducted by the State members of the team, and second, an onsite review conducted by the joint Federal-State team. The statewide assessment examines each of the seven systemic factors listed above; assesses State performance in each of the three child and family outcomes listed above, using statewide data, and analyzes the State's performance in meeting national standards established for these outcomes;

assesses characteristics of the State agency that enable it to deliver services that lead to improved outcomes; and assesses the State's strengths and areas that require further examination during the onsite review.

HHS has developed national numerical standards to measure State performance on several of the criteria related to child and family outcomes, based on data reported by the States through the National Child Abuse and Neglect Data System (NCANDS) and the Adoption and Foster Care Analysis and Reporting System (AFCARS). The standards are set at the 75th percentile of all States' performance in all or parts of 1997 and 1998, and States are required to meet these standards to demonstrate substantial conformity with Federal law. Both the standards, and the outcomes for which standards are established, may change over time, as the availability and quality of data change. As most recently revised by HHS, the national standards are as follows (State performance in meeting these standards is summarized in Table 11-17):

For the child safety outcome:

- percent of children with substantiated or indicated child abuse or neglect reports, for whom a subsequent abuse or neglect report is substantiated or indicated: standard – no more than 6.1 percent;
- percent of foster children who are the subject of substantiated or indicated abuse or neglect by a foster parent or facility staff: standard – no more than 0.57 percent.

For the child permanency outcome:

- of children who entered foster care during a review period, the percent who reentered within 12 months of a prior foster care episode: standard – no more than 8.6 percent;
- of children in foster care less than 12 months, the percent who had no more than two placement settings: standard – no less than 86.7 percent;
- of foster children who were reunified with their parents, the percent who were reunified in less than 12 months: standard – no less than 76.2 percent;
- of foster children who were adopted, the percent who left foster care in less than 24 months: standard – no less than 32 percent.

Sources of information to determine whether a State is in substantial conformity with Federal law include at a minimum: specific case records on children and families served by the agency; interviews with the children and families; interviews with caseworkers, foster parents, and service providers for the cases selected for review; and interviews with “key stakeholders,” including individuals involved in developing the State's child and family services plan, courts, administrative review bodies, guardians ad litem, and other individuals or organizations with responsibility for representing the best interests of children.

The onsite review examines a sample of cases (drawn randomly from AFCARS and NCANDS data) that may range in size from 30 to 50. The sample

size may be increased to ensure that all program areas (i.e., children in foster care, children and families receiving in-home services) are adequately represented. If discrepancies appear between the statewide assessment and the findings of the onsite review, the State may submit additional data or the State and HHS may jointly review additional cases, up to a specified maximum.

A State is considered in substantial conformity with regard to the three child and family outcomes (and seven associated criteria), if its performance meets the appropriate national standard; and if each of the outcomes is “substantially achieved” in 95 percent of cases examined during an onsite review (90 percent for an initial review). The compliance level for each of the cases, including the extent to which relevant statutory and regulatory requirements or assurances were met, is determined through a review of the written records and interviews with the involved children and families, case managers, and any major service providers.

A State is determined in substantial conformity with the seven systemic factors if the Statewide Assessment, and subsequent on-site review interviews with stakeholders, indicate the required service capacity is in place and that no more than one of the specified statutory or regulatory requirements associated with each of those seven factors fails to function. (Table 11-18 lists each of the factors with its associated requirements.)

If a State is found not to be in substantial conformity with any of the outcome or systemic factors, the HHS regulations require development and implementation of a corrective action plan before financial penalties may be assessed. The plan must be approved by HHS. States subject to a mandatory program improvement plan must report quarterly to HHS on their progress, and have a specified time in which to complete the plan, based on the seriousness and complexity of the remedies required to correct program deficiencies. In general, the maximum time allowed to complete the program improvement plan is 2 years, although HHS may grant 1-year extensions in rare circumstances. Priority goes to correcting deficiencies that affect child safety, which must be addressed in less than 2 years.

For States that are not in substantial conformity, HHS must determine the amount of Federal funds to be withheld from that State as a penalty. HHS will not actually withhold these funds while an approved program improvement plan is in effect, if the State is actively implementing the plan. HHS can suspend the withholding of funds for no longer than 3 years, or the amount of time allowed for completing the improvement plan, whichever is shorter. Ultimately, funds are withheld for those States that fail to complete their plan by the specified date, or for States that fail to submit quarterly progress reports, or if reports indicate that the State is not making satisfactory progress toward achieving the steps outlined in the plan.

The amount of Federal funds to be withheld from a particular State can vary, depending on the extent of the State's nonconformity. Penalties are calculated as a percentage of the following pool of funds: the State's allotment of title IV-B funds (both subparts 1 and 2) for the year(s) to which the withholding applies; and 10 percent of the State's Federal reimbursement claims for administrative costs related to foster care under title IV-E, for the years to which the withholding applies.

In the case of a first finding of substantial nonconformity, the amount to be withheld equals 1 percent of the pooled amount described above, for each of the seven criteria associated with child and family outcomes and for each of the seven systemic factors subject to review. For example, if a State does not substantially achieve two of the seven child and family outcome indicators, then 2 percent of the pooled amount of funds it would otherwise receive would be withheld. Likewise, if a State is not in substantial conformity with one of the systemic factors, then 1 percent of the pooled amount would be withheld. The maximum penalty is 14 percent of the pooled amount (i.e., 1 percent for each of the 14 factors).

If a State completes a program improvement plan but is found to be in substantial nonconformity during a second full review, the amount of pooled funds to be withheld increases to 2 percent for each of the child and family outcomes or systemic factors that are not achieved, for a maximum penalty of 28 percent. In the case of a third finding of nonconformity, after completion of a program improvement plan, the penalty increases to 3 percent for each factor, for a maximum of 42 percent. If a State refuses to develop a program improvement plan altogether, it is subject to the maximum 42 percent withholding. Once funds are withheld from a State, the withholding continues until a subsequent full review finds the State in substantial conformity or until the State successfully completes a program improvement plan developed as a result of the subsequent review.

All States are required to complete an initial full review under the regulation within the 4-year period that began March 27, 2000. Those States that are found to be in substantial conformity must complete a subsequent full review every 5 years, and submit a completed statewide assessment 3 years after their last onsite review. This assessment must be reviewed by the State and HHS to determine the State's continuing substantial conformity, but is not subject to formal HHS approval. If an initial or subsequent full review finds that a State is not in substantial conformity, the State must develop and implement a program improvement plan and must begin a subsequent full review 2 years after the plan is approved.

If HHS has any information suggesting that a State is no longer operating in substantial conformity, it may conduct an inquiry and request data from the State and may, depending on the outcome of the inquiry, require a full or partial review at any time, regardless of when the State was last reviewed. Moreover, if HHS learns that a State is not complying with a title IV-B or IV-E requirement that is outside the scope of the child and family services review, it may conduct an inquiry and institute a partial review at any time, which could result in a mandatory program improvement plan and potentially a financial penalty.

Final determinations of substantial nonconformity, and withholding or reduction of funds, may be appealed to the HHS Departmental Appeals Board within 60 days of the State receiving notice of the nonconformity. States may seek judicial review of an adverse decision by the Board in Federal district court.

Child and family services reviews: the results

Reviews were conducted in 32 States (including the District of Columbia) during fiscal years 2001 and 2002, with 13 scheduled for fiscal year 2003

(including Puerto Rico) and the final seven scheduled for fiscal year 2004. A HHS summary of the first 32 States indicates that State performance has been strongest on safety-related outcomes and has needed the most improvement in the outcomes related to permanency and well-being. On systemic factors, State performance has been the weakest in areas related to the case review system. No State so far has been found in substantial conformity on all outcomes and factors; therefore, most States are in some stage of developing or implementing a program improvement plan. HHS has posted on its web site the final reports of most States that have completed a child and family services review.

Tables 11-16 through 11-18 summarize the results of the 32 child and family service reviews (CFSRs) conducted in fiscal years 2001 and 2002. Table 11-16 shows the number of States that were or were not in substantial conformity on the safety, permanency, and well-being outcomes and the number of States that showed a particular indicator as a strength or an area needing improvement. Table 11-17 shows the number of States that met the national numerical standards established for the safety and permanency outcomes (see discussion above for explanation of standards), and Table 11-18 shows the number of States that were in substantial conformity on the seven systemic factors and the associated required elements.

TABLE 11-16 -- SUMMARY OF FY2001 AND FY2002 CHILD AND FAMILY SERVICES REVIEW FINDINGS ON SAFETY, PERMANENCY, AND WELL-BEING OUTCOMES

Outcomes and Indicators	States in Substantial Conformity	States not in Substantial Conformity	Strength	Area Needing Improvement
Safety Outcome 1: Children are, first and foremost, protected from abuse and neglect.	5	27	--	--
Item 1. Timeliness of initiating investigations	--	--	15	17
Item 2. Repeat maltreatment	--	--	13	19
Safety Outcome 2: Children are safely maintained in their own homes whenever possible and appropriate.	4	28	--	--
Item 3. Services to protect children and prevent removal	--	--	16	16
Item 4. Risk of harm to children	--	--	11	21
Permanency Outcome 1: Children have permanency and stability in their living situations.	0	32	--	--
Item 5. Foster care re-entries ¹	--	--	8 (2001)	8 (2001)
	--	--	8 (2002)	8 (2002)
Item 6. Stability of foster care placements	--	--	5	27

TABLE 11-16 -- SUMMARY OF FY2001 AND FY2002 CHILD AND FAMILY SERVICES REVIEW FINDINGS ON SAFETY, PERMANENCY, AND WELL-BEING OUTCOMES-continued

Outcomes and Indicators	States in Substantial Conformity	States not in Substantial Conformity	Strength	Area Needing Improvement
Item 7. Permanency goal for child	--	--	5	27
Item 8. Reunification, guardianship, relative placement ¹	--	--	8 (2001) 3 (2002)	9 (2001) 12 (2002)
Item 9. Adoption	--	--	5	27
Item 10. Other planned permanent living arrangement	--	--	14	18
Permanency Outcome 2: The continuity of family relationships and connections is preserved for children.	5	27	--	--
Item 11. Proximity of foster care placement	--	--	31	1
Item 12. Placement with siblings	--	--	24	8
Item 13. Visiting with parents and siblings in care	--	--	12	20
Item 14. Preserving connections	--	--	17	15
Item 15. Relative placement	--	--	18	14
Item 16. Relationship of child in care with parents	--	--	17	15
Well-Being Outcome 1: Families have enhanced capacity to provide for their children's needs.	0	32	--	--
Item 17. Needs/services of child, parents, foster parents	--	--	1	31
Item 18. Child/family involvement in case planning	--	--	5	27
Item 19. Worker visits with child	--	--	10	22
Item 20. Worker visits with parents	--	--	7	24
Well-Being Outcome 2: Children receive appropriate services to meet their educational needs.	7	25	--	--
Item 21. Educational needs of children	--	--	7	25
Well-Being Outcome 3: Children receive adequate services to meet their physical and mental health needs.	1	31	--	--
Item 22. Physical health of child	--	--	12	20
Item 23. Mental health of child	--	--	2	30

¹ Data elements 5 and 8 were modified between the 2001 and 2002 reviews, and are not comparable from one year to the next. Therefore, they are reported here separately for the two years.

Note- Results are based on 32 States.

Source: U.S. Department of Health and Human Services.

TABLE 11-17 -- SUMMARY OF FY2001 AND FY2002 CHILD AND FAMILY SERVICES REVIEW FINDINGS ON NATIONAL STANDARDS FOR SAFETY AND PERMANENCY OUTCOMES

Indicator	National Standard	States Meeting the National Standard
Percent of children experiencing a recurrence of maltreatment	6.1% or less	13
Percent of children who are abused or neglected by a foster care parent or facility staff	0.57% or less	17
Percent of children who reenter foster care within 12 months of a prior foster care episode	8.6% or less	16
Percent of children reunited with their families within 12 months	76.2% or more	11
Percent of children adopted within 23 months	32% or more	9
Percent of children who had no more than 2 placement settings	86.7% or more	9

Note-Results are based on 32 States.

Source: U.S. Department of Health and Human Services.

TABLE 11-18 -- SUMMARY OF FY2001 AND FY2002 CHILD AND FAMILY SERVICES REVIEW FINDINGS ON SYSTEMIC FACTORS

Systemic Factor	States in Substantial Conformity	Required Element	States that Met Requirement
Statewide information system	32	Information system that can identify specific information for each child in foster care	28
Case review system	12	Written case plan developed jointly with parents	6
		Periodic reviews of case plans	28
		Permanency hearings for children	16
		Process for termination of parental rights	19
		Notification of foster and pre-adoptive parents of hearings and reviews	21
Quality assurance system	27	Standards for quality services	29
		Identifiable quality assurance system	21
Staff and provider training	23	Initial staff training	24
		Ongoing staff training	19
		Training for foster and adoptive parents	27
Service array	21	Array of services	22
		Accessibility of services	9
		Ability to individualize services	21
Agency responsiveness to community	31	Collaboration with other agencies	31
		Develops annual progress reports	25
		Coordinates services and benefits with other agencies	27

TABLE 11-18 -- SUMMARY OF FY2001 AND FY2002 CHILD AND FAMILY SERVICES REVIEW FINDINGS ON SYSTEMIC FACTORS-continued

Systemic Factor	States in Substantial Conformity	Required Element	States that Met Requirement
Foster and adoptive parent licensing, recruitment, retention	27	Standards for foster and adoptive homes	31
		Standards applied to all homes	27
		Criminal background checks	30
		Diligent recruitment	12
		Use of cross-jurisdictional resources	28

Note-Results are based on 32 States.

Source: U.S. Department of Health and Human Services.

Title IV-E eligibility reviews

Like the child and family services reviews, title IV-E eligibility reviews are conducted by a Federal-State team and include an onsite review. From AFCARS data, HHS officials select a random sample of 80 cases, plus a 10 percent “oversample” of 8 additional cases, from the pool of children eligible for federally funded foster care maintenance payments. Cases from the oversample are used to replace any cases in the basic sample that are found to be invalid for some reason. The State submits to HHS the complete payment history for all cases in the sample and the oversample prior to the onsite review.

The Federal-State team reviews the sample to determine whether any cases are ineligible under title IV-E. In an initial review, a State is considered in substantial compliance with the law if no more than 8 cases (from the sample of 80) are determined to be ineligible. In a subsequent review, a State is considered in substantial compliance if no more than 4 cases (again, from a sample of 80) are found ineligible.

If a State is found in substantial compliance, it is not subject to another review for 3 years. If a State is not found in substantial compliance, it must develop a program improvement plan followed by a secondary review. The program improvement plan must be developed by the joint Federal-State team, identify weaknesses to be corrected and steps to correct them, and specify a timetable for achieving these steps. However, in contrast to the child and family services review, the program improvement plan for a title IV-E eligibility review can last no longer than 1 year, unless enactment of State legislation is required, in which case an extension of one legislative session may be granted.

In the secondary review, HHS draws a sample of 150 cases (plus a 10 percent oversample) from AFCARS data, for review by the joint Federal-State team. The team calculates for the sample both an ineligibility error rate and a dollar error rate. If neither of these error rates, or only one, is more than 10 percent, a disallowance is assessed for the ineligible cases in the sample. If both error rates exceed 10 percent,

an extrapolated disallowance is assessed based on the State's entire foster care population.

The following title IV-E State plan requirements and regulations, which relate to the eligibility of children and foster care providers, are subject to review:

1. For each child, there must be judicial finding that "reasonable efforts" were made by the State to prevent removal of the child and to finalize a permanency plan, and that remaining in the biological home would be "contrary to the welfare" of the child;
2. If a child was placed through a voluntary placement agreement, the agreement must meet specified criteria;
3. The State agency must have responsibility for the child's placement and care;
4. The child must be placed in a licensed foster family home or child care institution; and
5. The child must meet Aid to Families with Dependent Children (AFDC) requirements, as in effect on July 16, 1996.

Compliance with State plan requirements regarding licensing authorities and criminal background checks are also reviewed.

INTERETHNIC AND INTERJURISDICTIONAL ADOPTION PROVISIONS

States are separately subject to penalties if they violate certain provisions of law that were enacted to eliminate barriers to adoption. Specifically, States may not discriminate in adoption or foster care placements on the basis of race, color or national origin, and also may not deny or delay a child's adoptive placement when an approved family is available outside of the jurisdiction that has responsibility for handling the child's case. The law establishes specific penalties for violations of these provisions.

Interethnic provisions

Regarding discrimination on the basis of race or ethnicity, Congress initially enacted the Multiethnic Placement Act (MEPA) in 1994 (Public Law 103-382), which prohibited any agency or entity that received Federal assistance from discriminating on the basis of the child's or the potential adoptive or foster parents' race, color, or national origin. However, as enacted in 1994, MEPA originally allowed agencies to consider the child's cultural, ethnic, or racial background, and the capacity of the prospective parents to meet the child's needs, as one of the factors used to determine the child's best interest. The 1994 legislation also provided a right of action in U.S. district court for individuals who were aggrieved by a MEPA violation and deemed noncompliance with MEPA to be a violation of title VI of the Civil Rights Act. In addition, the 1994 law amended title IV-B of the Social Security Act to add, as a State plan requirement, that States must provide for the diligent recruitment of potential foster and adoptive families that reflect the ethnic and racial diversity of children who need homes.

In 1996 Congress revised the interethnic discrimination provisions as part of the Small Business Job Protection Act (Public Law 104-188). The 1996 law repealed the prior MEPA provision that allowed consideration of a child's cultural, ethnic, or racial background in making placement decisions. Further, the law amended title IV-E of the Social Security Act to provide that neither the State nor any other entity that receives Federal funds may discriminate in adoption or foster care placements on the basis of race, color or national origin. The law specified a penalty for violations of this State plan requirement equal to 2 percent of Federal title IV-E funds for a first violation, 3 percent for a second violation, and 5 percent for a third or subsequent violation. Private agencies that violate the interethnic provisions are required to pay back any Federal funds received. Under the current law, private individuals may continue to seek relief in U.S. district court. However, Public Law 104-188 provides that no action may be brought more than 2 years after the alleged violation occurs. None of these interethnic provisions affect the application of the Indian Child Welfare Act.

The final child welfare review regulations, published by HHS on January 25, 2000, did not establish a specific monitoring system for the antidiscrimination provisions of MEPA, as amended by the 1996 law. However, the regulations established a procedure for responding to reports of violations of these provisions, and for enforcing the law in cases where violations are found to have occurred. (In March 2003, HHS issued an information memorandum, "to reiterate support" for these antidiscrimination provisions and to note that penalties may be imposed in cases of violation.) Specifically, whenever HHS becomes aware of a possible violation, either through a child and family services review or filing of a complaint or any other mechanism, it refers the case to the Department's Office for Civil Rights (OCR) for investigation. If, on the basis of OCR's investigation, a violation actually has occurred, enforcement action will be taken, based on the nature of the violation.

If OCR (or a court) finds that a State has discriminated against an individual, on the basis of race, color, or national origin in the course of a foster or adoptive placement, a penalty is assessed for the quarter in which the State is notified of the violation. The penalty equals 2 percent of the State's total title IV-E funds for the quarter in the case of a first violation in a given fiscal year, and continues for subsequent quarters in that fiscal year until the State completes a corrective action plan or comes into compliance. In the case of a second violation in the same fiscal year, the penalty equals 3 percent, and 5 percent for a third or subsequent violation in a given fiscal year. Violations that remain uncorrected at the end of the fiscal year may be subject to another review and additional penalties.

If a MEPA violation results from a State's statute, regulation, policy, procedure, or practice, and no individual is directly affected, the State has 30 days to develop and submit a corrective action plan for HHS approval. If the State hasn't completed the plan and come into compliance within 6 months of HHS approving the plan, penalties are assessed. Findings of MEPA violations and related financial penalties may be appealed to the HHS Departmental Appeals Board, and States may seek judicial review of an adverse decision by the Board in Federal district court.

OCR has investigated alleged MEPA violations in a number of States and counties and these investigations usually have been resolved without fines through negotiation of corrective actions. In November 2003, however, HHS issued its first MEPA violation fines based on an OCR investigation in Hamilton County, Ohio. A \$1.8 million fine was assessed against that county and the State of Ohio based on OCR findings that the county denied or delayed adoption in 16 individual transracial cases and that it systematically applied additional requirements for parents interested in transracial placements, as well as considered the racial make-up of the neighborhoods in which prospective parents interested in transracial adoption lived. OCR also found that the State of Ohio had violated the law when it issued certain administrative rules governing transracial adoption and foster care.

Interjurisdictional provisions

As amended in 1997 by the Adoption and Safe Families Act (Public Law 105-89), title IV-E provides that States may not deny or delay a child's placement for adoption if an approved family is available outside the jurisdiction responsible for the child's case. Further, States must provide an opportunity for a fair hearing to anyone whose allegation of a violation of this provision is denied by the State or not acted upon promptly. The law (as amended by Public Law 105-200) specifies that the same penalty structure applicable to violations of the interethnic provisions described above also applies to violations of this provision.

HHS did not specifically address enforcement of this interjurisdictional provision in the January 25, 2000 child welfare monitoring regulations. However, the Department issued a program instruction on October 7, 2002 outlining the following procedures. If HHS becomes aware of a potential violation of the law's interjurisdictional provisions, it will conduct a partial review giving the State an opportunity to demonstrate compliance and allowing the State 6 months to complete a corrective action plan if a violation is found. If the State fails to come into compliance within 6 months, then penalties will be imposed as authorized in law. If an individual violation is found through the fair hearing process, HHS will impose a penalty after allowing the State an opportunity to exhaust legal remedies; however, there is no provision for a corrective action plan in this case.

STATE PERFORMANCE REPORTS

The Adoption and Safe Families Act (Public Law 105-89) required the Secretary of HHS, in consultation with Governors, State legislatures, State and local public officials, and child welfare advocates, to develop a set of outcome measures that could be used to assess State performance in operating programs under titles IV-B and IV-E. The law required that these outcome measures include length of stay in foster care, number of foster care placements, and number of adoptions. The law also required that HHS develop a system for rating State performance on these outcome measures and publish an annual report on each State's performance, examining the reasons for high and low performance and making recommendations

for how State performance could be improved. As of October 2003, the outcome reports for 1998, 1999, and 2000 had been issued.

HHS published preliminary outcomes and measures to be studied on February 2, 1999, and published a final list of child welfare outcomes and measures on August 20, 1999. Some of the outcomes and measures were revised for the 1999 outcome report (published in February 2002). See the notes for Table 11-19, which identifies the child welfare outcomes and measures, for further details on the changes.

TABLE 11-19 -- CHILD WELFARE PERFORMANCE OUTCOMES AND RELATED MEASURES

Outcome	Measure
Reduce recurrence of child abuse and or neglect	Of all children who were victims of substantiated or indicated child abuse and/or neglect during the first six months of the reporting period, what percentage had another substantiated or indicated report within a six-month period? ¹
Reduce the incidence of child abuse and/or neglect in foster care	Of all children who were in foster care during the reporting period (January 1 - September 30 for this outcome), what percentage was the subject of substantiated or indicated maltreatment by a foster parent or facility staff?
Increase permanency for children in foster care	For all children who exited foster care, what percentage left either to reunification, adoption, or legal guardianship? For children who exited foster care and were identified as having a diagnosed disability, what percentage left either to reunification, adoption, or legal guardianship? For children who exited foster care and were older than age 12 at the time of their most recent entry in to care, what percentage left either to reunification, adoption, or legal guardianship? ² Of all children exiting foster care to emancipation, what percentage was age 12 or younger at the time of entry into care? For all children who exited foster care, what percentage by racial/ethnic category left either to reunification, adoption, or legal guardianship?
Reduce time in foster care to reunification without increasing re-entry	Of all children who were reunified with their parents or caretakers at the time of discharge from foster care, what percentage was reunified in the following time periods: less than 12 months from the time of latest removal from home; at least 12 months, but less than 24 months; at least 24 months, but less than 36 months; at least 36 months, but less than 48 months; and 48 or more months?
Reduce time in foster care to adoption	Of all children who exited foster care to a finalized adoption, what percentage exited care in the following time periods: less than 12 months from the time of the latest removal from home; at least 12 months, but less than 24 months; at least 24 months, but less than 36 months; at least 36 months, but less than 48 months; and 48 or more months? ³

TABLE 11-19 -- CHILD WELFARE PERFORMANCE OUTCOMES AND RELATED MEASURES-continued

Outcome	Measure
Increase placement stability	Of all children served who had been in foster care for the time periods listed below, what percentage had no more than two placement settings during that time period: less than 12 months from the time of the latest removal from home; at least 12 months, but less than 24 months; at least 24 months, but less than 36 months; at least 36 months, but less than 48 months; and 48 or more months?
Reduce placements of young children in group homes or institutions	For all children who entered foster care during the reporting period and were age 12 or younger at the time of the most recent placement, what percentage was placed in a group home or institution?

¹ The previous time frame for this measure was 12 months. The time frame was changed to six months in order to better reflect actual maltreatment recurrence. Research indicates that most maltreatment recurrence during the first 12 months after a substantiated maltreatment report takes place within the first six months. This change was made beginning with the 1999 outcome report.

² In prior reports, the children studied were 12 years of age and older; the revised measure studies children older than age 12. This change was made because, in other outcome measures, 12-year-old children were grouped with younger rather than older children. This change was made beginning with the 1999 outcome report.

³ An additional measure regarding time to adoption from entry into care for children aged three or older was dropped. The measure was originally included because of a research finding that children who entered foster care at ages three and older tended to spend more time in care before adoption than younger children. The measure was dropped because data from 1998 and 1999 did not replicate this finding. HHS reports that another measure may be developed as more information becomes available regarding age at entry and time to adoption.

Source: Table prepared by the Congressional Research Service based on information received from the U.S. Department of Health and Human Services

FEDERAL WAIVERS OF TITLE IV-B AND IV-E PROVISIONS

To provide States flexibility to design innovative child welfare programs, Congress enacted a provision in 1994 (Public Law 103-432) that authorized the Secretary of HHS to approve up to 10 demonstration projects requiring waivers of provisions under titles IV-B and IV-E. This authority was established by section 1130 of the Social Security Act and was subsequently amended by the Adoption and Safe Families Act (ASFA) in 1997. ASFA allowed HHS to approve an additional 10 demonstration projects in each of fiscal years 1998-2002. The Secretary was authorized to waive any provision of either title IV-B or title IV-E if necessary to enable the State to carry out its demonstration project, with some exceptions, such as provisions that would compromise child safety. Demonstrations are limited to 5 years, although the Secretary may grant extensions of up to five years. They must include an evaluation component and be cost-neutral to the Federal Government. The authority to grant new waivers under this program had expired with fiscal year 2002 but in June 2003 was reauthorized through the end of fiscal year 2003 (P.L. 108-40) and in October 2003 through March 31, 2004 (P.L.

108-89).

As of December 2003 a total of 25 projects had been implemented in 17 States for waiver agreements that were approved between 1996 and 2001. All of the projects involve waivers of Title IV-E provisions. No new waivers have been approved since 2001. However, HHS issued an Information Memorandum in November 2003 calling for States to submit new proposals and it expects to approve new demonstration projects prior to the scheduled expiration of its waiver-granting authority in March 2004. States have broad discretion on the type of waiver projects they can propose and implement. To date States have undertaken projects in 8 categories: assisted guardianship/kinship permanence (7 States); capped IV-E allocations and flexibility to local agencies (4 States); services to substance-abusing caretakers (4 States); managed care payment systems (5 States); intensive service options (2 States); adoption services (1 State); tribal administration of IV-E funds (1 State); and enhanced training for child welfare staff (1 State).

Table 11-20 summarizes the 25 waiver projects that are ongoing or have been completed/terminated. Of these, 8 (located in 6 States) have been completed or were terminated early by the State and as of December 2003 there were 17 ongoing demonstration projects located in 12 States. Nine of the ongoing projects (in 7 States) were operating on the basis of a short-term extension pending HHS review of their final evaluation reports and a decision on a full 5-year extension.

As of December 2003, each of the 5 managed care projects had been completed (Michigan) or were ended by the State (Colorado, Connecticut, Washington, Maryland) and no State had requested an extension of these waivers. All 4 States (Indiana, North Carolina, Ohio, Oregon) that implemented capped IV-E allocation projects had also completed their initial demonstration projects but were continuing them after seeking waiver extensions. Five of the 7 States that implemented assisted guardianship/kinship permanence projects had completed the original demonstration and each sought an extension. As of December 2003, Delaware's guardianship project had been denied an extension; Illinois's guardianship project was extended for a full five years (effective January 1, 2004); guardianship projects in Maryland, North Carolina and Oregon were operating under short-term extensions of the waiver (and New Mexico and Montana continued their original projects). Four States implemented projects designed to test provision of services to substance abusing caretakers. As of December 2003, Delaware's request for an extension of its waiver for this project had been denied, Maryland had terminated its project in this area, and Illinois and New Hampshire continued implementation of these projects. Two States, California and Mississippi, implemented intensive services projects; as of December 2003, California had received approval to extend its project on a short term basis and Mississippi's project was ongoing. Maine implemented the sole adoption-related project and, as of December 2003, had been granted short-term approval to extend the project. Projects to test the tribal administration of Title IV-E funds (New Mexico) and for enhanced training for child welfare staff (Illinois) were also ongoing as of the end of 2003.

**TABLE 11-20--SUMMARY OF APPROVED STATE CHILD WELFARE
WAIVER DEMONSTRATIONS**

CALIFORNIA	Type: Intensive Services
Approved: August 19, 1997	Final Report: Expected April 2004
Summary: Seven counties are providing intensive services, including family preservation, placement prevention, and permanency, to children and families in order to prevent or shorten foster care placements. No outcome findings are currently available.	
COLORADO	Type: Managed Care
Approved: September 14, 1999	Final Report: Expected March 2007
Summary: The one county participating in this project (others are permitted to join) negotiated a payment rate with a child welfare service provider to deliver needed services, such as case coordination and residential services. No outcome findings are currently available.	
CONNECTICUT	Type: Managed Care
Approved: September 29, 1998	Final Report: June 2003
Summary: The State contracted with a lead service agency to provide services, such as case management, group care, home-based services, outpatient services, and aftercare, for youth aged 7 to 15 with significant behavioral problems and who were already in or authorized to be placed in residential care or a group home. No significant differences were found between the experimental and control groups for the percentage of children that experienced changes in custody, percentages of time during the first 12 months spent in residential treatment centers and group homes, and mental health status. Further analysis of this project is expected.	
DELAWARE	Type: Substance Abuse Services
Approved: June 17, 1996	Final Report: March 2002
Summary: Substance abuse counselors worked with child protective services (CPS) staff to identify eligible families and arrange for services. Outcome findings indicate a 31% reduction of days in foster care for experimental group children (204 days compared to 294 days in the control group). No statistically significant differences were found in length of time to achieve permanency or the percentage of cases closed due to case plan completion.	
DELAWARE	Type: Assisted Guardianship
Approved: June 17, 1996	Final Report: March 2002
Summary: Assisted guardianship was offered for Title IV-E eligible children who had been living in a foster placement for at least 1 year and had a strong attachment to the potential guardian. The State provided guardians with a payment equal to its foster care payment. This project was implemented statewide. Outcome findings for this project were limited; the State received a minimal response to mail surveys and interview requests. .	

TABLE 11-20--SUMMARY OF APPROVED STATE CHILD WELFARE
WAIVER DEMONSTRATIONS-continued

ILLINOIS	Type: Assisted Guardianship
Approved: September 18, 1996	Final Report: February 2003
Summary: The State offered guardians throughout the State a subsidy payment equal to that of an adoption assistance payment along with a variety of services. Children assigned to the guardianship-eligible group were significantly more likely than children in the control group to achieve permanency (77.9% v. 71.8%). The withdrawal of regular administrative oversight and casework services for the experimental group did not result in higher rates of child abuse and neglect reports. HHS granted Illinois a full 5-year extension of this project effective January 1, 2004.	
ILLINOIS	Type: Substance Abuse Services
Approved: September 19, 1999	Final Report: Expected December 2005
Summary: Parents are assigned a Recovery Coach, who assists the family during and after treatment to prevent relapse and facilitate reunification, along with typical child welfare and substance abuse treatment services. This project is being implemented in one county. The target population is custodial parents with a substance abuse problem and may include custodial parents who deliver drug-exposed infants. As of September 2002, 528 parents were in the experimental group, and 211 were in the control group. No outcome findings are yet available.	
ILLINOIS	Type: Enhanced Training
Approved: August 2, 2001	Final Report: Expected February 2008
Summary: The State will provide enhanced training to newly hired public and private sector child welfare professionals in order to enhance staff competency in assessing child and family needs, providing appropriate services, and decision-making. No outcome findings are currently available.	
INDIANA	Type: Capped IV-E
Approved: July 18, 1997	Final Report: September 2003
Summary: The State allows the counties to use up to \$9,000 annually per child (additional costs are borne by the county) to provide intensive services to children in order to improve child well-being and develop home- or community-based alternatives to institutional placements. From data available from December 2001, children in the experimental group remained in care for a significantly shorter period when compared to the control group (366 days v. 491 days). Also, reunifications were more likely among the experimental group (66%) than the control group (59%), and placement recidivism was less likely in the experimental group (15% had at least one new out-of-home placement) as compared to the control group (20%).	
MAINE	Type: Adoption Services
Approved: September 17, 1998	Final Report: Expected December 2004
Summary: This project consists of two parts: (1) training for public and private sector professionals about special needs adoptions and (2) the provision of an array of post-adoption services to families who adopt children with special needs. This project is being implemented statewide. Outcome findings are not yet available.	

TABLE 11-20--SUMMARY OF APPROVED STATE CHILD WELFARE
WAIVER DEMONSTRATIONS-continued

MARYLAND	Type: Assisted Guardianship
Approved: April 17, 1997	Final Report: August 2003
Summary: The State offers assisted guardianship for children who have been living with a relative or kinship caregiver for a minimum of 6 months. The caregiver would then become a legal guardian of the child and receive \$300 per month, an amount between the foster care subsidy (\$600) and the TANF child-only payment for kinship caregivers (\$211). Outcome findings revealed statistically significant differences between the control and experimental groups regarding case closure. As of January 2000, 29% of children in the experimental group had exited care, as compared to 23% of children in the control group.	
MARYLAND	Type: Managed Care
Approved: September 16, 1999	Final Report: Expected June 2005
Summary: The State contracted with one child placement agency to provide case management, placement, permanency planning, and support services to all referred children. As of November 2000, exit rates were not significantly different for the two groups, but the experimental group had a higher rate of adoptions than the control group.	
MARYLAND	Type: Substance Abuse Services
Approved: September 16, 1999	Final Report: Expected June 2005
Summary: Female primary caregivers with a child in foster care or at risk of having a child placed in foster care receive a variety of services from Family Support Services Teams (FSST), which are comprised of Chemical Addiction Counselors, local child welfare agency staff, treatment providers, parent aides, and mentors. No outcome findings are currently available.	
MICHIGAN	Type: Managed Care
Approved: December 19, 1997	Final Report: Expected June 2004
Summary: The State has contracted with providers in six counties to provide comprehensive services to children (ages 0 to 18) who meet any of the following criteria: previously in out-of-home-care; currently in out-of-home care and case suitable for reunification; at risk of placement; or in residential care but could be returned to community. No statistically significant differences have been found between the groups regarding number of placements, re-entry into care, or safety outcomes.	
MISSISSIPPI	Type: Intensive Services
Approved: September 17, 1998	Final Report: Expected December 2006
Summary: The State provides intensive services, both currently existing and newly developed, to children involved in the child welfare system as well as their parents, potential and current foster or adoptive parents, custodial relatives, and siblings. No outcome findings are currently available.	
MONTANA	Type: Assisted Guardianship
Approved: September 29, 1998	Final Report: Expected March 2007
Summary: Caretakers can become legal guardians of foster children who have been in their care for at least 6 months and have been designated as having special needs. The monthly subsidy amount can not exceed the amount of a foster care subsidy. No outcome findings are yet available.	

TABLE 11-20--SUMMARY OF APPROVED STATE CHILD WELFARE
WAIVER DEMONSTRATIONS-continued

NEW HAMPHIRE	Type: Substance Abuse Services
Approved: September 24, 1998	Final Report: Expected July 2005
Summary: Substance abuse specialists work with child welfare staff to provide screening, assessment, referrals and services for substance abuse issues. As of January 2003, only preliminary results were available; none of these results were statistically significant.	
NEW MEXICO	Type: Tribal Administration
Approved: June 14, 1999	Final Report: Expected December 2005
Summary: Up to five eligible Tribes may enter into an agreement with the State to be allowed to administer their own Title IV-E programs, including foster care, adoption assistance, independent living, and staff and parent training. Outcome data on this project are limited.	
NEW MEXICO	Type: Assisted Guardianship (State or Tribal)
Approved: June 14, 1999	Final Report: Expected December 2005
Summary: Children in State custody or in tribal custody (under a Joint Powers Agreement or the Tribal Administration of Title IV-E Funds waiver project) may be placed in assisted guardianships and the guardians may receive subsidy payments that do not exceed those for adoption assistance. Insufficient data are available for outcome analysis.	
NORTH CAROLINA	Type: Capped IV-E
Approved: November 14, 1996	Final Report: November 2002
Summary: The State granted individual counties the opportunity to receive a capped amount of Title IV-E funds that may be used to serve children and families to develop its own set of initiatives under the project. The probability of placement in out-of-home care declined at a greater rate in the experimental counties than in the control counties. Additionally, children in both the experimental and control counties showed similar rates of decline in length of stay, even though the risk factors for children entering into the experimental group became more severe as the project continued.	
NORTH CAROLINA	Type: Assisted Guardianship
Approved: November 14, 1996	Final Report: November 2002
Summary: The eight counties choosing to implement an assisted guardianship initiative in North Carolina's Capped Title IV-E Allocations waiver project are also considered part of this waiver project. Outcome findings for this initiative were not reported separately from the other North Carolina waiver project.	

**TABLE 11-20--SUMMARY OF APPROVED STATE CHILD WELFARE
WAIVER DEMONSTRATIONS-continued**

OHIO	Type: Capped IV-E
Approved: February 14, 1997	Final Report: June 2003
Summary: Fourteen counties were granted the ability to flexibly use capped allocations in order to provide – or establish contracts for – all services necessary to achieve safety, permanency, and well-being in children at risk of entering or already in foster care. Length of stay in foster care remained the same for both the experimental and control groups.	
OREGON	Type: Capped IV-E
Approved: October 31, 1996	Final Report: March 2003
Summary: Branch offices in the State may receive a portion of their foster care budgets to spend more flexibly and consider the following three options for the use of these funds: (1) foster care prevention, (2) expansion of established services, and (3) innovative service plans. Children in counties with some form of flexible funding were more likely to remain at home or return home within 12 months of placement than children in counties with no flexible funding. No significant differences were found between the groups in the rate of re-abuse within 1 year or in permanency rates within 1 year of removal.	
OREGON	Type: Assisted Guardianship
Approved: October 31, 1996	Final Report: March 2003
Summary: Under this project, Oregon may establish assisted guardianship for children who meet the following eligibility requirements: have been in substitute care for more than 12 months; have lived with the prospective guardian for at least 6 months; and be at least 12 years old if the prospective guardian is not a relative (or any age if the guardian is a relative). No outcome findings were available for this project.	
WASHINGTON	Type: Managed Care
Approved: September 29, 1998	Final Report: Expected September 2007
Summary: The State is allowed to contract with providers for all necessary care, maintenance, and direct social services for eligible children. No outcome findings have been reported.	
Source: Table prepared by the Congressional Research Service (CRS) based on information provided by the States (as of February 2003) and included in <i>Summary of the Child Welfare Waiver Demonstration Projects</i> and <i>Profiles of the Child Welfare Waiver Demonstration Projects</i> , James Bell Associates, Inc., Arlington, Va., 2003. Updated information on the status of final reports is included from Appendix III, “Summary of Title IV-E Waiver Demonstration Projects” of the November 24, 2003 Information Memorandum from HHS (ACYF-CB-IM-03-06).	

**RECENT TRENDS AFFECTING CHILD WELFARE POPULATIONS
AND PROGRAMS**

Certain social problems and trends are inextricably linked with the child welfare system and its clients, and data and information on these issues are sometimes used as indicators of the need for child protection and preventive services for families. Most children enter foster care as a result of child abuse or neglect; thus, data on the incidence and trends of maltreatment are of great interest to child welfare practitioners and policymakers. Likewise, substance abuse is cited as a factor in many of the cases coming to the attention of child welfare agencies, so

that information on substance abuse among families with children and responses to the problem of substance abuse is also of interest. Kinship care also is a phenomenon that has had a significant impact on the child welfare system. In addition, as a major policy change affecting low-income families with children, the welfare reform law of 1996 has implications for both the child welfare system and its clients. These issues are described briefly below.

CHILD ABUSE AND NEGLECT

Child Abuse Prevention and Treatment Act

Between 1963 and 1967, every State and the District of Columbia enacted some form of child abuse and neglect reporting law. The model reporting law disseminated by the U.S. Children's Bureau facilitated the States' rapid adoption of these laws; after 1974 reporting laws were modified to conform to the standards established by the Child Abuse Prevention and Treatment Act of 1974 (CAPTA). CAPTA provides formula grants to States to help support their child protective service systems (\$22 million in fiscal year 2003), in exchange for which States must comply with various requirements related to the reporting, investigation, and treatment of child maltreatment cases. The law also authorizes Federal discretionary research and demonstration projects (\$34 million in fiscal year 2003), grants to States for community-based family resource and support services (\$33 million in fiscal year 2003), and grants to States to improve investigation and prosecution of child maltreatment cases (funded through a \$20 million set-aside of the victims of crime fund).

CAPTA requires States to have procedures for reporting known or suspected cases of child abuse or neglect, for investigating such reports, and for taking immediate steps to protect children who might be in danger. The law requires States to provide immunity from prosecution for individuals who make good faith reports of suspected abuse or neglect, and to provide confidentiality of records. States also must have procedures for public disclosure of information about cases of abuse or neglect which result in a child's death or near-death. State CAPTA plans must provide for cooperation with law enforcement officials, courts, and human service agencies, and for the expungement of records in cases that are false or unsubstantiated. Further, States must appoint a guardian ad litem, who may be an attorney or court-appointed special advocate, to represent children in judicial proceedings.

The 1996 reauthorization of CAPTA (Public Law 104-235) required States to establish citizen review panels, composed of volunteer community representatives, to evaluate State and local child protection activities. In addition, the law required States to have procedures for expedited termination of parental rights (TPR) in any case of an abandoned infant, and to have procedures for individuals to appeal an official finding of abuse or neglect. States are required to provide that efforts toward family reunification are not mandatory for a surviving child with a parent who committed or aided in the murder or voluntary manslaughter of another of their children, or who committed a felony assault that resulted in serious bodily injury to

any of their children. States are required to provide that conviction of any of these felonies will constitute grounds for TPR. CAPTA also requires States to have procedures for responding to cases of medical neglect.

CAPTA was most recently amended and reauthorized in 2003 (Public Law 108-36) and the new law added a number of State requirements. Specifically, in requesting basic CAPTA grants, States must assure that they will: require that health care providers involved in delivery of an infant who was prenatally exposed to an illegal drug and is affected by this substance abuse report the child's birth to child protective services and require that a "safe plan of care" for this newborn be developed; have triage procedures for the appropriate referral of children who are not at risk of imminent harm to a community organization or voluntary preventive service; disclose confidential information to Federal, State, and local government entities (or their agents) if the information is needed to carry out their lawful duties to protect children; have provisions to ensure that alleged child maltreatment perpetrators promptly are informed of the allegations made against them; develop (within 2 years of the law's enactment) provisions for criminal background checks of all adults in prospective adoptive and foster care homes; have provisions for improving the training, retention, and supervision of caseworkers; have provisions to address training of child protective service workers on their legal duties in order to protect the legal rights and safety of children and families; and develop procedures for referral of child maltreatment victims under 3 years of age to the statewide early intervention program (for developmental assessment and services) operated under Part C of the Individuals with Disabilities Education Act (IDEA).

Child abuse and neglect statistics

The 1996 CAPTA amendments required States (to the "maximum extent practicable") to submit annual aggregate data to HHS on child maltreatment for inclusion in the National Child Abuse and Neglect Data System (NCANDS). States with the capacity to do so may also submit case-level data. NCANDS was established by the 1988 amendments to CAPTA and has published annual reports each year beginning with 1990, although prior to the 1996 amendments States participated in NCANDS on a voluntary basis. Other sources of national data on child maltreatment have included the American Association for Protecting Children (of the American Humane Association), which collected information from 1976 to 1987, and Prevent Child Abuse America (formerly called the National Committee to Prevent Child Abuse), which has been conducting an annual survey of States since 1986. Finally, HHS has periodically funded the National Incidence Study of Child Abuse and Neglect (NIS), which collects data on children who have been investigated by child protection agencies, but also includes information from community professionals on children who were either not reported to child welfare agencies or whose cases were not investigated. The NIS has been conducted three times, in 1980, 1986, and 1993. The most recent CAPTA amendments (Public Law 108-36) require that HHS conduct a fourth NIS.

The latest data available from NCANDS are for 2001, and include aggregate data from all States and the District of Columbia and case-level data from

39 States. Data for 2001 show that 2.7 million reports of possible maltreatment were made to child welfare agencies in that year (U.S. Department, 2003). Almost two-thirds of these reports were investigated, and 903,000 children were estimated to have been victims of abuse or neglect, for an incidence rate of 12.4 per 1,000 children. These numbers mark a continuation of a downward trend that began in 1993, when more than 1 million children were substantiated as victims, for an incidence rate of 15.3 per 1,000 children. Table 11-21 shows NCANDS data on the incidence of children alleged to have been victims, and substantiated or indicated victimization, by State, in 1998 and 2001, and the percent change between those years. Chart 11-1 illustrates nationwide changes in the incidence of substantiated or indicated maltreatment between 1990, when NCANDS began, and 2001, and also shows trends in the incidence of physical abuse and neglect between 1996 and 2001.

TABLE 11-21--INCIDENCE OF CHILD MALTREATMENT
ALLEGATIONS AND VICTIMIZATION, BY STATE, 1998-2001

State	Children alleged to be victims per 1,000 children		Percentage change in allegation rate, 1998-2001	Child victims per 1,000 children		Percentage change in victimization rate, 1998-2001
	1998	2001		1998	2001	
Alabama	33.1	26.6	-20	15.4	8.2	-47
Alaska	58.9	95.4	62	37.1	82.6	123
Arizona	48	38.4	-20	7.1	3.8	-46
Arkansas	45.2	37.6	-17	13.1	10.1	-23
California	46.4	51.7	11	17.7	13.6	-23
Colorado	37.6	27.5	-27	6.7	4.3	-36
Connecticut	51.7	56.2	9	21.4	14.4	-33
Delaware	54.1	42.8	-21	16.2	8.5	-48
District of Columbia	95.8	64.3	-33	47.7	25.5	-47
Florida	52.8	71.4	35	23.2	33.3	44
Georgia	36.7	51.7	41	12.1	16.6	37
Hawaii	12	24.2	102	7.3	13.2	81
Idaho	76	26.6	-65	22.6	9.5	-58
Illinois	34.7	44	27	11.2	8.5	-24
Indiana	67.3	33.9	-50	12.5	13.4	7
Iowa	38.9	51.6	33	10.1	17.5	73
Kansas	38.4	NA	NA	7.6	10.2	34
Kentucky	64.2	56.6	-12	23.1	16.6	-28
Louisiana	38	31.3	-18	11.6	9.2	-21
Maine	31	30.2	-3	12.3	14.4	17
Maryland	43.5	NA	NA	11.1	14.4	30
Massachusetts	36.3	40.9	13	18.9	22.1	17
Michigan	61.3	66.3	8	8.9	11.0	24
Minnesota	19.7	18.4	-7	8.4	7.6	-10
Mississippi	42.8	40	-7	8	5.9	-26

TABLE 11-21--INCIDENCE OF CHILD MALTREATMENT
ALLEGATIONS AND VICTIMIZATION, BY STATE, 1998-2001--continued

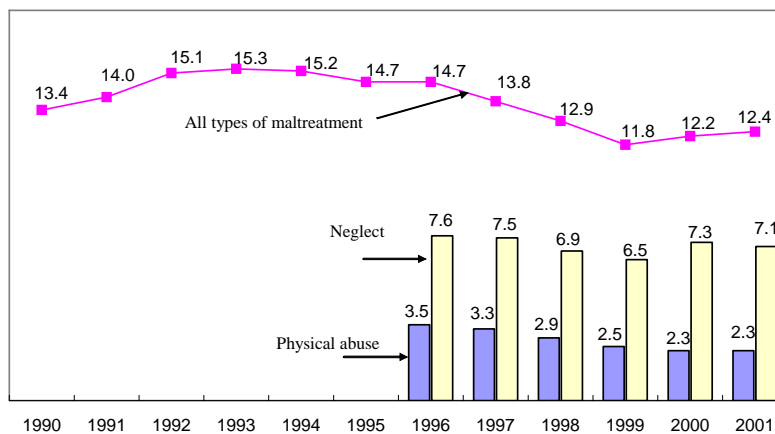
State	Children alleged to be victims per 1,000 children		Percentage change in allegation rate, 1998-2001	Child victims per 1,000 children		Percentage change in victimization rate, 1998-2001
	1998	2001		1998	2001	
Missouri	53.4	56.4	6	8.9	6.5	-27
Montana	84.7	65.4	-23	14.7	8.4	-43
Nebraska	32.9	23.8	-28	9.5	7.4	-22
Nevada	49.7	41.9	-15	17.2	9.2	-47
New Hampshire	30.1	38.6	28	3.9	3.5	-10
New Jersey	38.2	33.8	-12	4.9	4.1	-16
New Mexico	26.6	45.6	71	8.4	13.6	62
New York	53.4	53.7	1	18.6	16.6	-11
North Carolina	65.6	61.5	-6	19.5	18.4	-6
North Dakota	43.7	43.8	0	0	8.5	NA
Ohio	47.7	39.5	-17	20.4	17.7	-13
Oklahoma	68.6	71.1	4	18.9	15.3	-19
Oregon	33.5	29.9	-11	12.3	10.5	-15
Pennsylvania	7.9	7.9	0	1.9	1.6	-16
Rhode Island	41.5	45.7	10	14.5	13.3	-8
South Carolina	39.9	36.2	-9	8.8	11.0	25
South Dakota	26.4	49.2	86	13.2	18.3	39
Tennessee	24.2	36.2	50	7.5	6.8	-9
Texas	30.7	32.9	7	7.1	7.4	4
Utah	38.8	39	1	11.4	14.0	23
Vermont	14	24	71	6.3	7.7	22
Virginia	29.8	21.6	-28	5.9	5.6	-5
Washington	32.1	23.2	-28	8.8	3.9	-56
West Virginia	159.5	67.2	-58	19.3	19.8	3
Wisconsin	16.5	29.3	78	6	8.7	45
Wyoming	17.1	32.4	89	6.2	7.7	24
Total	42.5	41.9	-1	12.9	12.4	-4

Source: Table prepared by the Congressional Research Service using data provided by the U.S. Department of Health and Human Services.

The long-term trend in child abuse reporting has been one of substantial growth, with the number of maltreatment reports more than quadrupling since 1976. However, increased reporting does not necessarily mean an equivalent increase in actual abuse or neglect. It is generally agreed that some part of the dramatic growth in reporting over the last two to three decades is due to greater public awareness and recognition of child abuse and neglect, especially since the 1960s and 1970s when States enacted mandatory reporting laws. Moreover, not all reports are substantiated, and the percentage of substantiated reports has declined over time. According to NCANDS data, 27.5 percent of investigations in 2001 resulted in a substantiated case of child maltreatment, and another 4.4 percent found that maltreatment was "indicated." Looking at data from earlier sources, 65 percent of child abuse or neglect reports were substantiated in 1976. However, researchers and

professionals also agree that not all children who are victims of abuse or neglect are reported to child welfare agencies. According to the most recent NIS survey, more than 1.5 million children were victims of abuse or neglect in 1993 under the “harm” standard (i.e., children who have suffered demonstrable harm by objective measures), for a 67 percent increase from 1986, and a 149 percent increase from 1980 (Sedlak & Broadhurst, 1996). The NIS also found that 2.8 million children could be counted in 1993 under the “endangerment” standard (a more subjective measure, including children who were not actually harmed but who might be considered at risk), which was almost double the number counted in 1986. The endangerment standard was not used in the 1980 NIS.

CHART 11-1 -- INCIDENCE OF CHILD MALTREATMENT, 1990-2001
[Per 1,000 children in the U.S. population]



Source: Figure prepared by the Congressional Research Service based on data from the U.S. Department of Health and Human Services (HHS), National Child Abuse and Neglect Database System. One child may be reported as the victim of more than a single maltreatment type. Victimization rates for sexual abuse, medical neglect, psychological maltreatment, and “other abuse” are not shown.

Of child victims in 2001, more than 59 percent experienced neglect (including medical neglect), while almost 19 percent were physically abused. Almost 10 percent were sexual abuse victims and almost 7 percent had been psychologically abused. Other forms of maltreatment were found for 19.5 percent of child victims in 2001, with some children falling into more than one of these categories. According to NCANDS data, the number of children who died in 2001 as a result of substantiated abuse or neglect was about 1,300, for an incidence rate of 1.8 child abuse-related deaths per 100,000 children in the general population. These deaths included 18 that occurred in foster care.

11-78
SUBSTANCE ABUSE

Substance abuse has been a major challenge facing the child welfare system, especially in the last 15-20 years. It is widely believed that the dramatic increase in foster care placements in the mid to late 1980s resulted, at least in part, from the introduction of crack cocaine. Children born drug exposed often enter substitute care shortly after birth, either because of their own medical problems or because of abuse or neglect by their parents. However, children exposed prenatally to drugs or alcohol are a small portion of the children affected by parental substance abuse. The abuse of alcohol, marijuana, cocaine, heroin, and hallucinogens, as well as the non-medical use of prescription pain relievers, tranquilizers, stimulants, and sedatives by adults affects the welfare of children in a variety of ways. Substance abuse can impair the priorities and judgment of a caretaker, leading to decreased supervision, assistance, and provision, and a high risk of child maltreatment. Children of all ages typically enter foster care because of abuse or neglect, and substance abuse is a factor in many of these cases.

According to the most recent annual National Household Survey on Drug Use and Health (NHSDUH, formerly called the National Household Survey on Drug Abuse, published by the Substance Abuse and Mental Health Services Administration), 19.5 million people or 8.3 percent of the U.S. population over age 12 engaged in illicit drug use in 2002 (SAMHSA, 2003). The most commonly used illicit drug was marijuana (6.2 percent of the population), while slightly less than 1 percent of the population were current cocaine users. About 2.6 percent of the over-age-12 population used psychotherapeutic drugs for nonmedical reasons. Among pregnant women aged 15 to 44, 3.3 percent had used illicit drugs in the month prior to being interviewed for the NHSDUH, compared with 10.3 percent of nonpregnant women in the same age group. More than half (51 percent) of Americans, or 120 million individuals over the age of 12, reported current use of alcohol, with 6.7 percent identifying themselves as heavy drinkers.

An estimated 8.3 million children live with substance-abusing or substance-dependent parents, according to a congressionally mandated HHS study (U.S. Department, 1999a). African-American parents have higher rates of illegal drug abuse than white parents, especially for cocaine, and substance abusing parents in general have less education, are less likely to be working full time, are less likely to be married, and more likely to be receiving welfare than other parents. Of all forms of parental substance abuse, alcohol abuse is the most prevalent. Although relatively few of the children in substance abusing families ever come into contact with the child welfare system, substance abuse is a major factor in the child welfare caseload. For children with substantiated reports of abuse or neglect, HHS found that substance abuse is a factor in between one-third and two-thirds of cases, and is a factor in two-thirds of the cases of children in foster care. While mothers and fathers are equally represented in substance abusing households with children, mothers more typically come to the attention of the child welfare system.

The National Center on Addiction and Substance Abuse estimates that substance abuse and addiction account for some \$10 billion in Federal, State, and

local government spending, or 70 percent of the \$14.4 billion in total child welfare spending in 1995 (National Center, 1999). The National Center further estimates that hospital costs for newborns whose mothers abused illegal drugs amount to \$360 million annually, and that yearly health care costs and related services for children and surviving adults who suffer from Fetal Alcohol Syndrome are \$2 billion.

In a report mandated by Congress and released in 1999, HHS identified various barriers to meeting the needs of child welfare clients with substance abuse problems, including the different perspectives and philosophies of the substance abuse treatment and child welfare fields. For example, differences exist with regard to the definition of “client,” the establishment of reasonable expectations for outcomes and timetables, and responses to setbacks in treatment. Additional barriers cited by HHS include certain Federal and State laws, the crisis environment affecting many child welfare agencies, shortages of substance abuse treatment facilities, the particular shortage of services appropriate for women with children, and confidentiality requirements. HHS identified certain key features as important components of a comprehensive approach to addressing joint substance abuse and child maltreatment problems, including preventative services for children, training for caseworkers, enhanced risk assessment and referral capacity, increased access to substance abuse treatment, client retention, recognition of the importance of permanency for children, and support for ongoing recovery.

KINSHIP CARE

The number of children living with relatives who are not their parents has increased in recent years, especially among minority populations. According to the Urban Institute’s most recent National Survey of America’s Families, 2.3 million children lived with relatives – apart from their parents – in three different types of arrangements in 2002: 76 percent in “private” kinship care, where the family made the arrangement with no involvement by a social services agency or court; 6 percent in “voluntary” kinship care, where a social services agency helped place the child with relatives but the court was not involved; and 17 percent in kinship “foster” care, where the child was formally placed with relatives by a social services agency with approval of the court (Urban, 2003). However, of the more than half million children identified in this survey as having been placed in kinship care with the involvement of social service agencies (including more than 405,000 with court involvement), it appears most do not enter State-supervised foster care. On the last day of fiscal year 2001, an estimated 131,000 children lived in State-supervised kinship fostercare (Ehrle, Geen and Main). Grandparents were the caregivers for more than half of kinship children (59 percent), and more than half of the children were minorities (43 percent African-American and 17 percent Hispanic). Slightly more than half (52 percent) of the children were age 11 or older, and almost half (46 percent) lived in the South. Kinship children often lived with families with modest means (52 percent had incomes below 200 percent of the Federal poverty level), with a single caregiver (54 percent), and with caregivers over age 50 (52 percent).

Almost a quarter of kinship children lived with caregivers who lacked a high school degree.

The Census Bureau also recently released data on grandparents living with their grandchildren, obtained from questions added to the 2000 Census in response to a congressional directive in the 1996 welfare reform law (Public Law 104-193) (U.S. Census, 2003). Census found 5.8 million “coresident” grandparents (i.e., grandparents living with their minor grandchildren), of which 2.4 million were “grandparent caregivers” or people with primary responsibility for their grandchildren. Of these grandparent caregivers, 39 percent had been caring for their grandchildren for five or more years. Among black grandparents living with their grandchildren, 52 percent were the primary caregiver, while 42 percent of white coresident grandparents were their grandchildren’s primary caregiver. Hispanic coresident grandparents (of any race) were least likely to be primary caregivers (35 percent). Younger grandparents (under age 60) were more likely to be primary caregivers than those age 60 or more; half of coresident grandparents under age 60 were primary caregivers, compared with 31 percent of those age 60 or older. The majority of coresident grandparents (64 percent) were women, and 19 percent of grandparent caregivers were poor.

Looking specifically at kinship foster care, the Urban Institute surveyed foster care administrators in 1999 to obtain information on State policies and found considerable variation among States (Urban, 2000). Almost all States gave preference to relatives over nonrelative foster care providers, and actively sought out relatives as preferred placements. However, States defined “kin” differently, with 23 States and the District of Columbia limiting the definition to those related by blood, marriage or adoption, while 21 States have more expansive definitions and six States have no formal definition. Licensing policy also varied among States, particularly with regard to the stringency of requirements applied to relative caregivers. According to a 2001 survey conducted by the Urban Institute, 15 States required kinship caregivers to meet the same licensing standards as nonrelative foster parents, 23 States waived certain licensing standards (typically training) for kinship caregivers, and 20 States (including 7 of those that waive standards) have a separate licensing process for relative caregivers that is less stringent than the process for non-relatives (Urban, 2002). All States provide full foster care payments to relatives who are licensed under the same standards that apply to non-relative foster care providers. However, most States do not provide a full foster care payment to relatives who meet less stringent criteria that are developed specifically for kinship caregivers. In some cases, these families may be eligible for Temporary Assistance for Needy Families (TANF) benefits.

The U.S. General Accounting Office (GAO) reported in 1999 on quality and permanency issues raised by kinship care. Looking at open foster care cases in California and Illinois, as of September 1997, GAO found the quality of kinship care and other foster care was good and the experiences of children in both types of settings were comparable. GAO’s review confirmed the generally held view that children in kinship care have more stability than children in other forms of foster care, but also found that caseworkers had somewhat less confidence that kinship

care givers would enforce court-ordered restrictions on parental visits with their children. In addition, the two States held kinship caregivers to somewhat lower standards than other foster parents and provided a lower level of support to these families as well. Kinship care children in California spent about the same length of time in foster care as other foster children, while kinship care children in Illinois spent significantly less time in the system, according to GAO.

More recently, HHS released a report to Congress on kinship care in response to a mandate in the 1997 Adoption and Safe Families Act (U.S. Department, 2000b). The report included a research review, and also identified the following principles to guide policy discussions on kinship care: the child welfare system should continue to focus on safety, permanency, and well-being of children; kinship placement decisions should be based on the best interests of the child; the child welfare system should not supplant family efforts or income assistance programs; and relatives should be viewed as potential resources but should be assessed on a case-by-case basis.

WELFARE REFORM

Congress enacted landmark welfare reform legislation in 1996, the Personal Responsibility and Work Opportunity Reconciliation Act (Public Law 104-193), which has been of great interest to child welfare practitioners, researchers, and policymakers because of its potential implications for the child welfare system and its clients. The 1996 law replaced the 61-year-old program of Aid to Families with Dependent Children (AFDC) with a State-administered block grant of Temporary Assistance for Needy Families (TANF). Receipt of public assistance now is time limited and conditioned on participation in work activities (see section 7).

The 1996 legislation had an immediate programmatic impact on child welfare agencies because of the legal connection between AFDC eligibility and title IV-E foster care and adoption assistance. As explained earlier, the law now limits title IV-E funding to those children who would have been eligible for the former AFDC Program as it existed on July 16, 1996. Thus, States must maintain these eligibility criteria, even though AFDC has been repealed, for use in determining title IV-E (and Medicaid) eligibility. Some analysts have observed that over time, these eligibility criteria could erode in value and the number of foster and adoptive children for whom States can claim Federal reimbursement may decrease.

The financing of welfare reform also has potential implications for child welfare. The law replaced an open-ended entitlement program with a capped block grant, while allowing foster care and adoption assistance under title IV-E to remain uncapped. There is overlap between the populations served by TANF and title IV-E, raising the possibility that States might have an incentive to shift expenditures from TANF to the open-ended title IV-E program, particularly for kinship care families who might be able to meet Federal title IV-E eligibility criteria. Despite such apparent incentives, a third of children receiving TANF benefits in fiscal year 2001 were “child-only” cases (see section 7), which means the adult in the household was not part of the assistance unit. In about two-thirds of these cases, the

adult was a parent who was not eligible for TANF benefits because of immigration status or another reason, but slightly more than 30 percent of these children were living with grandparents or other relatives without their parents present in the household. Both welfare and child welfare analysts are particularly interested in the dynamics of this population and the extent to which these children and families resemble those in formal kinship foster care arrangements.

Beyond these issues, child welfare professionals are closely watching the implementation of welfare reform to determine its impact on the well-being of children and families, especially as measured through changes in the incidence of child maltreatment or entry into foster care. Although relatively few welfare families ever come into contact with the child welfare system, a disproportionately large share of child welfare clients receive or have received cash assistance. Thus, changes in welfare programs that affect a small percentage of clients may have a significant impact on the size of the child welfare population and the workload of the child welfare system. HHS reported on the interaction between welfare assistance (specifically, receipt of AFDC), Medicaid, and foster care prior to enactment of welfare reform (U.S. Department, 2000a). Using administrative data from California, Illinois, and North Carolina in 1995-96, HHS found that less than 3 percent of children who entered AFDC during the study period were subsequently placed in foster care. However, about 60 percent of the foster care entries in the three States during the study period were from AFDC families.

Numerous evaluations have been conducted or are underway on the impact of welfare reform on various outcomes, including the transition of welfare recipients to work, the family formation patterns of welfare recipients, the economic status of families receiving or formerly receiving welfare, and the behavior and well-being of children and adolescents (see appendix L).

Some research also has attempted to identify the impact of various welfare policies on specific child welfare outcomes. For example, a comparative analysis of State-level data from 1990-1998 suggests that certain welfare policies, including benefit size and work requirements, may affect child maltreatment rates and/or out-of-home placement rates for children (Paxson and Waldfogel, 2001). This study's researchers reported that more generous welfare benefits are associated with significantly lower levels of neglect and smaller numbers of children in out-of-home care. (Or conversely, reduced benefits are associated with higher levels of neglect and larger numbers of out-of-home placements.) These researchers also reported that family cap policies, which typically mean that a family's benefit is not increased for an infant born 10 months or more after the family begins to receive cash aid, are associated with lower numbers of substantiated cases of maltreatment but increased numbers of out-of-home placements.

An experimental study in Delaware suggests a connection between strong work requirements and increased levels of child neglect (Fein and Lee, 2000). The Abt Associates evaluation of Delaware's pre-TANF waiver program found higher rates of neglect (after three years) among families that were subject to strong work requirements and time-limited benefits (as compared to those subject to the old cash aid program). However, researchers who used administrative data to study the

effect of welfare reform on the incidence of child maltreatment among Illinois children entering AFDC/TANF found a decline in reported child maltreatment after enactment of Federal welfare reform (Goerge and Lee, 2000). For children who received cash benefits in the years 1994-1996 (during which Illinois instituted a Work Pays program to encourage employment among adult welfare recipients), the incidence of reported child maltreatment one year after first receiving cash benefits remained stable. But for children who first received cash aid in 1997 – after Federal welfare reform was enacted – there was a 10 percent decrease in substantiated maltreatment cases.

A study comparing Utah families who left TANF because of sanctions to those who left for other reasons found the sanctioned families were no more likely than non-sanctioned families to have a child welfare case opened at some time within three years after their cash aid ended (Derr & Cooley, 2002). Both groups had relatively high involvement with the child welfare system, however, and among families with child welfare involvement, those that had been sanctioned were much more likely to have been found without adequate resources to support their families and to have an open child welfare case at the end of the three years.

NATIONAL FOSTER CARE AND ADOPTION INFORMATION

DATA COLLECTION SYSTEMS

Historically, there has been a lack of reliable data on foster care and adoption. In fact, not every State even reported its average monthly foster care caseload under the federally assisted program until 1975. Moreover, before 1980 States were not required to collect data on nonfederally-assisted foster care, which in a typical State constitutes about half the cases in foster care. This lack of data was one of several concerns that Congress hoped to address with enactment of the Adoption Assistance and Child Welfare Act of 1980 (Public Law 96-272).

The 1980 law imposed several requirements on States as a condition for incentive funds under the Title IV-B Child Welfare Services Program, including a one-time inventory of children in foster care and a statewide information system for tracking children in foster care. HHS issued a policy information question (ACYF-PIQ-82-06) which restated the law's requirement that States have an information system, but did not specify the system's content. Final regulations were never issued.

Starting in 1982, HHS funded the American Public Human Services Association (APHSA, formerly the American Public Welfare Association) to conduct a voluntary annual survey of States, known as the Voluntary Cooperative Information System (VCIS). Until the mid-1990s, VCIS was the only source of national data on the number and characteristics of children in foster and adoptive care. However, the VCIS was of limited use for several reasons: (1) not all States participated fully in the survey; (2) reporting periods were not consistent among States; (3) there was a serious time lag between data collection and publication; and (4) data were available only in an aggregated, State-specific format, preventing the type of analysis that could be conducted with case-specific data.

In response to the need for better data collection, Congress in 1986 approved an amendment to title IV-E (section 479) requiring that an advisory committee be established and submit a report to Congress and HHS with recommendations for establishing, administering, and financing a system for collecting data on adoption and foster care. The advisory committee submitted its final report in 1987, and in May 1989, HHS submitted an implementation plan to Congress. On September 27, 1990, HHS proposed regulations to implement the data collection system known as the Adoption and Foster Care Analysis and Reporting System (AFCARS). The population to be covered was children under the responsibility of the State child welfare agency and financing was to come from the title IV-E administrative cost match. States were to claim only that portion of their costs that related to children eligible for title IV-E, although the system would have required States to collect data on non-IV-E children as well.

In 1993, as part of the Omnibus Budget Reconciliation Act (Public Law 103-66), Congress authorized an enhanced Federal matching rate to States for certain costs related to data collection for fiscal years 1994-96. Welfare reform legislation enacted in 1996 (Public Law 104-193) extended this enhanced match through fiscal year 1997. The statute specified that this enhanced match of 75 percent was available for costs of planning, design, development and installation of statewide mechanized data collection and information retrieval systems, including costs of hardware, as long as the systems did the following: complied with HHS regulations; to the extent practicable, interfaced with State child abuse and neglect data collection systems and with AFDC (now TANF) data collection systems; and provided more efficient, economical, and effective administration of State child welfare programs, as determined by HHS. The law also provided that ongoing operational costs of State data collection and information retrieval systems would be matched at the 50 percent Federal rate available for administrative expenses under title IV-E. Further, the amendment specified that States may claim reimbursement for data collection systems without regard to whether they are used for foster and adoptive children who are not eligible for title IV-E assistance.

On December 22, 1993, HHS published: (1) interim final rules for Statewide Automated Child Welfare Information Systems (SACWIS), issued in response to enactment of Public Law 103-66; and (2) final rules implementing AFCARS. Under the interim final rules for SACWIS, States were required to develop "comprehensive" child welfare data collection systems, of which AFCARS must be a component, in order to qualify for Federal funding, including the 75 percent enhanced match. According to HHS, "comprehensive" means that a State SACWIS system must include child welfare services, foster care and adoption assistance, family preservation and support services, and independent living.

State SACWIS systems must do the following, at a minimum:

1. Meet the AFCARS data collection and reporting requirements;
2. Provide for intrastate electronic data exchange with data collection systems operated under TANF, Medicaid, child support enforcement, and the National Child Abuse and Neglect Data System (NCANDS) (unless not practicable for certain reasons);

3. Provide for automated data collection on all children in foster care under the responsibility of the State child welfare agency to support implementation of statutory child protections and requirements;
4. Collect and manage information necessary to facilitate delivery of child welfare services, family preservation and family support services, family reunification services, and permanent placement;
5. Collect and manage information necessary to determine eligibility for the Foster Care, Adoption Assistance, and independent living programs and to meet case management requirements for these programs;
6. Monitor case plan development, payment authorization and issuance, and review and management including eligibility determinations and redeterminations; and
7. Ensure confidentiality and security of information.

In addition, optional SACWIS functions could include (if cost-beneficial) resource management, tracking and maintenance of legal and court information, administration and management of staff and workloads, licensing verification, risk analysis, and interfacing with other automated information systems.

Under the final AFCARS rules, States are required to collect case-specific data on all children in foster care for whom the State child welfare agency has responsibility for placement, care, or supervision, regardless of their eligibility for title IV-E. Further, States are required to collect data on all adopted children who were placed by the State child welfare agency, and on all adopted children for whom the State provides adoption assistance (ongoing payments or for nonrecurring expenses), care, or services either directly or by contract with other private or public agencies. States must report data to HHS twice a year.

Table 11-22 shows the status of State SACWIS projects as of November 2003.

TRENDS IN FOSTER CARE CASELOADS

The incidence of all children in the United States who are in foster care has increased from 3.9 per 1,000 in 1962 to an estimated 7.1 per 1,000 in 2001, although the 2001 incidence rate is a decline from the estimated peak of 7.5 per 1,000 in 1999. The incidence of children in foster care fluctuated during the 1960s and 1970s, although it was the same (3.9 per 1,000) in 1982 as it was 20 years earlier. From 1982 to 1999, the incidence rose steadily each year, and sometimes climbed sharply. For example, in the 2 years between 1987 and 1989, the incidence rose from 4.5 per 1,000 to 5.6 per 1,000. The incidence of children in foster care declined in both 2000 and 2001 (see Table 11-23).

TABLE 11-22 - STATUS OF DEVELOPMENT OF STATEWIDE
AUTOMATED CHILD WELFARE INFORMATION SYSTEMS (SACWIS),
NOVEMBER 2003

Status of SACWIS	States
Operating (28)	Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Idaho, Indiana, Iowa, Kentucky, Maine, Massachusetts, Minnesota, Montana, Nebraska, Nevada, New Hampshire, New Mexico, Oklahoma, Rhode Island, South Dakota, Texas, Utah, Virginia, Washington, West Virginia, Wyoming
Partially Operating (10)	Alabama, Florida, Illinois, Michigan, Mississippi, New York, Oregon, South Carolina, Tennessee, Wisconsin
Implementing (2)	Alaska, Maryland
Planning (7)	Georgia, Kansas, Louisiana, Missouri, New Jersey, Ohio, Pennsylvania
No SACWIS activity (4)	Hawaii, North Carolina, North Dakota, Vermont

Source: Table prepared by the Congressional Research Service based on information received from the U.S. Department of Health and Human Services

The number of children in federally-assisted foster care has grown significantly in the years since funding first became available under AFDC in the early 1960s. The number grew from 1962 to 1976, then decreased from 1976 to 1983. Between 1983 and 1998, the number of foster care children funded under title IV-E increased steadily, but has declined in each year from 1999 to 2001 (Table 11-23).

TABLE 11-23 -- U.S. FOSTER CARE AND IV-E FOSTER CARE
POPULATIONS AND FOSTER CARE INCIDENCE IN U.S.
POPULATION AGES 0-18, 1962-2001

Year	US foster care population (end of fiscal year) ¹	IV-E foster care children (average monthly number) ²	U.S. foster children per 1,000 in U.S. population ages 0 through 18 ³
1962	272,000	989	3.9
1963	276,000	2,308	3.9
1964	287,000	4,081	4.0
1965	300,000	5,623	4.1
1966	309,400	7,385	4.2
1967	309,600	8,030	4.2
1968	316,200	8,500	4.3
1969	320,000	16,750	4.3
1970	326,000	34,450	4.4
1971	330,400	57,075	4.5
1972	319,800	71,118	4.4
1973	NA	84,097	NA
1974	NA	90,000	NA
1975	NA	106,869	NA

TABLE 11-23 -- U.S. FOSTER CARE AND IV-E FOSTER CARE
POPULATIONS AND FOSTER CARE INCIDENCE IN U.S. POPULATION
AGES 0-18, 1962-2001-continued

Year	US foster care population (end of fiscal year) ¹	IV-E foster care children (average monthly number) ²	U.S. foster children per 1,000 in U.S. population ages 0 through 18 ³
1976	NA	114,962	NA
1977	NA	110,494	NA
1978	NA	106,504	NA
1979	NA	103,771	NA
1980	302,000	100,272	4.4
1981	274,000	104,851	4.1
1982	262,000	97,309	3.9
1983	269,000	93,360	4.0
1984	276,000	102,051	4.1
1985	276,000	109,122	4.1
1986	280,000	110,749	4.2
1987	300,000	118,549	4.5
1988	340,000	132,757	5.0
1989	387,000	156,871	5.6
1990	400,000	167,981	5.9
1991	414,000	202,687	6.0
1992	427,000	223,315	6.1
1993	445,000	231,100	6.3
1994	468,000	245,000	6.6
1995	483,000	260,800	6.7
1996	507,000	273,600	7.0
1997	537,000	289,400	7.3
1998	559,000	305,194	7.3
1999	567,000	302,422	7.4
2000 ⁴	552,000	287,824	7.1
2001 ⁴	543,000	264,670	7.0

¹ Data from Child Welfare Research Notes #8 (July 1984), published by the Administration for Children, Youth and Families at the U.S. Department of Health and Human Services for 1962-1980; the American Public Human Services Association for 1981-1995 data, and the U.S. Department of Health and Human Services for 1996-2001 data. Caseload data from Puerto Rico is included beginning with 1998.

² Incomplete data based on voluntary reporting to the Department of Health, Education and Welfare, prior to 1975.

³ Based on data from U.S. Census Bureau, Population Division, unpublished data (1962-80); U.S. Bureau of Census, Current Population Reports, Series 1095 (1980-89), PPL-41 (1990-95), 1130 (1996-97), and U.S. Bureau of Census, Population Division, "Intercensal Estimates of the United States Resident Population by Age and Sex, 1990-2000: All Months" (1998-2001 - estimate as of April 1 used for each year, except that April 1, 2000 data was used for both 2000 and 2001). For 1998 and later years, Puerto Rico is not included in calculation of the incidence rate.

⁴ Data are subject to revision and are therefore estimates.

NA - Data are not available.

Source: Compiled by staff of the House Committee on Ways and Means and the Congressional Research Service.

Multistate data on caseload trends

More detailed information is available on trends in foster care caseloads through the Multistate Foster Care Data Archive at the Chapin Hall Center for Children. Using State administrative data, Chapin Hall has conducted analyses of foster care dynamics from 1983 through 2001. The most recent analysis, looking at trends between 1990 and 2001, is based on data from nine States: Alabama, California, Illinois, Maryland, Michigan, Missouri, New Jersey, New York, and Ohio (Chapin Hall, 2003). (Additional States have participated in the archive, but only the above States are included in the following discussion. Moreover, California data on exits from foster care were excluded from the analysis discussed below because of a change in their information system.) In general, Chapin Hall has reported in recent years that caseload growth has become more a function of longer lengths of stay and changes in the composition of the caseload, rather than the marked increases in admissions that characterized the late 1980s.

Chapin Hall found that caseload growth in the late 1980s coincided with a change in the age distribution of children entering the system for the first time, with a dramatic increase in infants and a decrease in adolescents. Infants remain the single largest group of children entering care; however, the proportion of children entering care who were under age 1 decreased from nearly 25 percent in 1990-1993 to 20 percent for children entering in 1998-2001. Children entering as infants had incidence rates (per 1,000 children) that were four to five times higher than children ages 1-17; likewise, regardless of age, children entering care in primary urban areas had higher incidence rates than children in other areas. Looking at age, race or ethnicity, and children's geographic location, Chapin Hall researchers found African-American infants in primary urban areas had the highest incidence of foster care and the greatest likelihood of entering foster care. Looking at types of placement, Chapin Hall found that 47 percent of first placements were with non-relatives in 1994, increasing to 58 percent of first placements for children who entered in 2000. About 21 percent of first placements were in congregate care throughout the period from 1990-2001, while kinship care rose from 23 percent of first placements in 1990 to 25 percent in 1994, but since declined to 20 percent in each of 2000 and 2001.

To further understand the dynamics of State foster care caseloads, Chapin Hall examined the length of time that children remained in care during their first spell and found that a quarter of the children, regardless of their year of entry, had completed their first spell (i.e., exited from the system) within the first 4 months of placement. However, first spells had lengthened over time, with 25 percent of children who entered care in 1990 having completed their first spell in less than 3 months. Again, regardless of their year of entry, half of the children completed their first spell within 13 to 16 months, and, between 1994 and 1999, the length of time required for 75 percent of children to complete their first spell decreased from almost 45 months to less than 32 months. Researchers found that children who entered foster care from primary urban areas had longer initial spells than children from other areas; children entering as infants also had significantly longer initial spells than older children; and African-American children had longer spells than

children of other races or ethnicities. Children placed in kinship care stayed longer than children in non-relative foster care, and children in congregate care had shorter spells than children in other types of placements.

Children who entered the system as infants had the highest rates of adoption, with the likelihood of adoption decreasing each year after the first birthday. Children who entered at age 14 or older were less likely than younger children to exit through family reunification, and the likelihood of exiting to the home of a relative decreased for children who entered care at age 8 or older. White and Hispanic children who left care were more likely to be reunified with their families than African-American children, who in turn were more likely to be adopted or exit to the home of a relative. Finally, Chapin Hall researchers looked at children who reentered foster care within 2 years of exiting, and found that children with longer initial spells in care were less likely to reenter care than those with shorter initial spells. Infants were least likely to reenter, and children who entered care between the ages of 6 and 17 were the most likely to reenter. Children discharged from congregate care had the highest rates of reentry within 2 years, while children discharged from kinship care had the lowest rates.

Circumstances of foster children at one year after entry

As discussed earlier, the 1996 welfare reform law authorized a national longitudinal study of children at risk of abuse or neglect or identified as victims, and HHS responded by establishing the National Survey of Child and Adolescent Well-Being (NSCAW). In October 2003, the first NSCAW report on individual case-level data was released, providing information on 700 children who had been in foster care for one year (HHS, 2003). These children are a subset of the total NSCAW population of more than 6,200 children who have come in contact with the Nation's child welfare system.

Researchers found that the majority of children at one year after entry into foster care were 6 years old or older (32 percent were between ages 6 and 10, and 27 percent were 11 or older), 24 percent were between 1 and 2 years old, and 17 percent were between the ages of 3 and 5. The single largest group of children were African-American (45 percent); 31 percent were white; and 17 percent were identified as Hispanic.

Neglect was identified as the most serious form of maltreatment for 60 percent of the children in this cohort. Physical abuse was identified as the most serious form of maltreatment for 10 percent of the children; sexual abuse for 8 percent; emotional, moral/legal, or education abuse, or abandonment for 14 percent of the children; and 8 percent entered foster care for reasons other than abuse or neglect, such as domestic violence, or access to mental health services.

At one year in foster care, 44 percent of the children were in non-relative foster homes, and 24 percent were in kinship foster care. Another 7 percent were in group homes or residential placements, and about a quarter of the children had actually gone home by the time of their interview. Researchers attributed this last result to the likelihood of a timely one-year permanency review that resulted in reunification.

Caregivers reported that more than a quarter of the children had lasting or recurring physical or mental health problems, and assessments of the children's developmental functioning showed scores marginally below the norm on almost all measures. Researchers suggested this last finding might also result from the high likelihood that the children came from poor backgrounds. Children generally showed low social skills, low daily living skills, and a high degree of behavior problems.

The majority of caregivers (62 percent) were age 40 or older, with kinship caregivers more likely to be 60 or older and caregivers in group homes more likely to be under 40. Racially, caregivers generally matched the children; 42 percent were African-American, 36 percent were white, and 15 percent were Hispanic. Somewhat less than half (45 percent) of caregivers were single and somewhat more than half (53 percent) were married, and more than half (56 percent) had no education beyond high school. A little over a third (36 percent) did not work; the remainder worked full or part-time. Almost half had fewer than three years experience as a foster parent, although non-relative caregivers had more experience than kin.

At one year after entry into foster care, children age 6 or older generally reported that they liked the people they were living with (90 percent) and felt like part of the family (92 percent), though about 11 percent had attempted to run away. Half the children wanted their current placement to become their permanent home; however, 58 percent believed they would live with their parents again and more than half of the children wanted to see their parents more often. Children in group homes were less happy with their placements than children in family foster care, and children in kinship care reported more contact with their parents and were less likely to have attempted to run away.

Child welfare workers reported the most common risk factor at the time of placement was the lack of a second supportive caregiver in the family. Workers referred biological parents most often to Medicaid for services, with income assistance, child care, mental health and substance abuse services also frequently needed by families. Almost a quarter of the children had received some type of "specialty" mental health service during their year in foster care, with children in group care and white children more likely to receive such services. About a third (36 percent) of children with clinical or borderline test scores on at least one standardized test received special education, although most of these children (92 percent) received special education or supplementary services, such as assessment, tutoring or counseling.

Of children in foster care for one year, about a quarter had a permanency plan of family reunification, while another quarter had already returned home, as noted above. Reunification efforts had been made at some time during the year for 84 percent of children whose permanency goal was not reunification at the one-year point. Only about 8 percent of children had never had a reunification plan. Children whose most serious type of maltreatment was "failure to supervise" were more likely to have a current reunification plan than children who had suffered from "failure to provide." Among children who had not yet gone home, children in

group care were more likely to have reunification plans than children in kinship foster care. In addition, most foster parents (68 percent) had considered adopting their foster child, assuming adoption became an option for the child.

Unlike caregivers, child welfare workers were relatively young, with more than half under age 40. Almost half (46 percent) were white, 32 percent were black, 11 percent were Hispanic, and 12 percent identified themselves as "other." About 60 percent of workers had a bachelor's degree, with 40 percent of those in social work. Another 20 percent had a master's in social work, and 16 percent had a master's in another field of study.

NATIONAL DATA ON FOSTER CARE AND ADOPTION

As described earlier, States now are required to participate in a mandatory data collection system known as AFCARS. Tables 11-24 through 11-48, below, present national and State AFCARS data on the following: (1) total numbers of children in foster care, including numbers of children entering and exiting the system; (2) characteristics of children in foster care and conditions of their placement; (3) characteristics of foster children who are awaiting adoption; and (4) number and characteristics of children who have been adopted through the public child welfare system, including their relationship with their adoptive parents.

Over the years, States have made great strides in collecting, analyzing and submitting child welfare data to the Federal Government for inclusion in AFCARS. Nonetheless, State capacity to collect and report valid data in a nationally consistent format continues to be a challenge. As States transition from older, payment-focused systems to more comprehensive, child-focused systems, they face difficult implementation decisions, while also addressing such issues as training workers, revising manuals, and synchronizing paper and automated information systems. Many States have been and continue to be engaged in the development and implementation of SACWIS. The construction of a SACWIS normally requires sequential stages of development; i.e., planning, design, development, and implementation. Until a State's SACWIS is fully utilized by staff, operational statewide, and all programming errors have been corrected, care should be exercised in utilizing their data (see Table 11-22 for the status of individual States' SACWIS development).

This year's Green Book contains numerous expanded tables that provide State AFCARS data on a single item across three years. HHS has indicated that child welfare data reported by States have improved in each of these years and readers are advised to keep this in mind as they compare information across these years. HHS provides ongoing technical assistance to States to promote continued improvement of AFCARS data reports, (and child abuse data reported in NCANDS), and to assist States in implementing SACWIS systems. This technical assistance includes services provided by the National Resource Center for Information Technology in Child Welfare.

Number of children in foster care

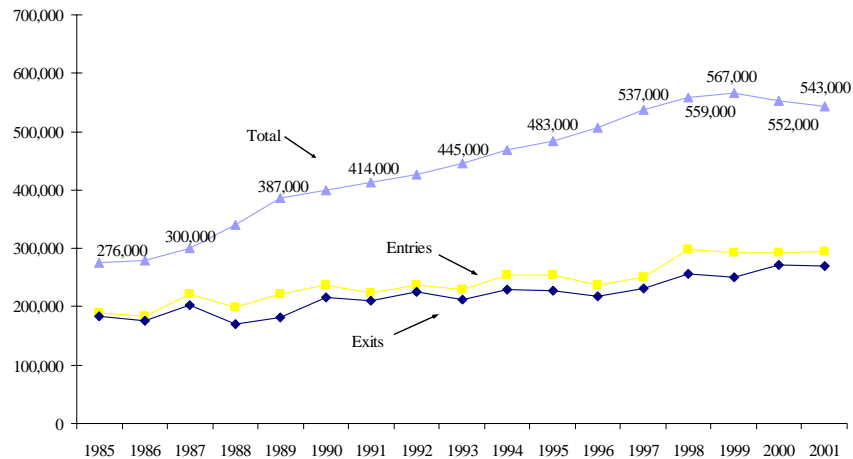
Table 11-24 illustrates the “flow” of children through the foster care system in 1982-2001; i.e., the number of children in care at the start of each year, the number who entered or exited foster care during the course of the year, the total number of children served during the year, and the number of children who remained in care at the end of the year. These numbers indicate steady increases in the foster care population that were most dramatic in the late 1980s and that continued until 2000 and 2001; declines occurred in both those years (also see chart 11-2). It should be remembered that these data reflect the total foster care population and are not limited to those children receiving subsidies under title IV-E. For State-by-State estimates of the percent of title IV-E eligible children, see Table 11-7.

TABLE 11-24 -- NUMBER AND MOVEMENT OF SUBSTITUTE CARE CHILDREN, FISCAL YEARS 1982-2001

	[In thousands]				
	Start of year	Entered care	Total served	Left care	End of year
1982	273	161	434	172	262
1983	263	184	447	178	269
1984	272	184	456	180	276
1985	270	190	460	184	276
1986	273	183	456	176	280
1987	280	222	502	202	300
1988	312	199	511	171	340
1989	347	222	569	182	387
1990	379	238	617	217	400
1991	400	224	624	210	414
1992	414	238	652	225	427
1993	427	230	657	212	445
1994	444	254	698	230	468
1995	455	255	710	227	483
1996	488	237	725	218	507
1997	507	251	758	231	537
1998	527	299	817	257	559
1999	559	293	818	250	567
2000	567	293	824	272	552
2001	552	295	811	269	543

Source: Congressional Research Service based on data provided by the American Public Human Services Association (1982-96) and the U.S. Department of Health and Human Services (1997-2001).

CHART 11-2--CHILDREN IN SUBSTITUTE CARE, END OF YEAR,
1985-2001



Source: Figure prepared by Congressional Research Service (CRS) based on data from the American Public Human Services Association, 1985-1996 and the U.S. Department of Health and Human Services, Adoption and Foster Care Analysis Reporting System (AFCARS), 1997-2001. Data for FY2000 and FY2001 are interim and preliminary estimates, respectively, and are subject to change.

Table 11-25 shows the number of children who entered and exited care during fiscal years 1999, 2000, and 2001, and the total number of children in care on September 30 of each of those three years, by State. Table 11-26 lists the average monthly number of children in foster care, by State, who received Federal funding under title IV-E for the years 1993, 1997, 1999, and 2002. These figures are lower than AFCARS estimates of the total number of children in foster care because they do not include the substantial number of children who were not eligible for Federal funding (primarily because they were not from AFDC-eligible homes).

Characteristics of children in foster care

Much of the data collected on children in foster care reflect three different groupings of children: children who entered foster care during the study period; children who left care during the study period; and children who remained in care on the last day of the study period. Table 11-27 presents data on the age composition of children in these three categories, for all States combined, in fiscal years 1999, 2000, and 2001; and Table 11-28 presents data, by State, on the ages of children who were in care on September 30, 2001. Table 11-29 shows the racial and ethnic composition of children in each category, for all States combined, in fiscal years 1999, 2000, and 2001, while Table 11-30 shows these data, by State, for children who remained in care on September 30 of 1999, 2000, and 2001.

TABLE 11-25 -- NUMBER OF CHILDREN ENTERING AND EXITING CARE DURING FISCAL YEAR, AND NUMBER OF CHILDREN IN CARE ON SEPTEMBER 30, BY STATE¹: FISCAL YEARS 1999-2001

State	Entering Care			Exiting Care			In Care on September 30		
	FY 1999	FY 2000	FY 2001	FY 1999	FY 2000	FY 2001	FY 1999	FY 2000	FY 2001
	Alabama	2,734	2,661	2,672	2,062	2,334	2,271	5,511	5,621
Alaska	1,180	1,096	999	732	913	996	2,248	2,193	1,993
Arizona	4,372	4,644	4,542	4,853	5,056	4,496	7,034	6,475	6,234
Arkansas	2,489	3,542	3,347	2,160	3,679	3,244	2,919	3,045	2,959
California	43,587	45,685	45,176	39,156	50,112	44,096	117,937	112,807	107,168
Colorado	7,183	6,942	7,007	5,675	5,512	5,200	7,639	7,533	7,138
Connecticut	3,098	2,763	2,713	2,169	2,368	1,943	7,487	6,996	7,440
Delaware	1,002	950	939	811	886	916	1,193	1,098	1,023
District of Columbia	1,231	775	822	659	315	390	3,466	3,054	3,339
Florida	21,118	18,765	18,673	8,117	15,510	17,061	34,292	36,608	32,477
Georgia	7,218	7,028	8,024	6,267	4,657	5,093	11,991	11,204	12,414
Hawaii	1,683	1,929	2,193	1,634	1,682	1,920	2,205	2,401	2,584
Idaho	999	1,127	1,209	806	1,011	1,084	959	1,015	1,114
Illinois	7,756	6,582	6,587	13,904	11,608	9,507	38,975	32,079	28,460
Indiana	4,808	5,576	5,399	4,313	5,197	4,750	8,933	7,482	8,383
Iowa	5,343	5,620	5,829	5,443	5,414	5,712	4,854	5,068	5,202
Kansas	3,376	3,191	2,834	1,562	1,788	1,801	6,774	6,569	6,409
Kentucky	4,170	4,128	4,456	3,350	3,364	3,599	5,942	6,017	6,141
Louisiana	2,912	3,157	3,014	2,854	3,146	3,184	5,581	5,406	5,024
Maine	1,014	1,052	1,047	535	721	715	3,154	3,191	3,226
Maryland	3,936	3,928	3,662	2,933	3,110	3,064	13,455	13,113	12,564
Massachusetts	7,368	7,381	7,174	7,749	6,392	6,636	11,169	11,619	11,568
Michigan	10,929	10,707	12,283	6,740	7,802	8,312	20,300	20,034	20,896
Minnesota	10,724	10,803	10,012	9,743	9,939	9,269	8,996	8,530	8,167
Mississippi	1,750	2,005	1,923	1,676	1,726	1,670	3,196	3,292	3,261
Missouri	6,341	7,216	7,268	5,304	5,509	5,749	12,577	13,181	13,349
Montana	1,596	1,588	1,506	1,331	1,327	1,497	2,156	2,180	2,008

Nebraska	2,806	3,134	3,350	2,100	2,514	2,636	5,146	5,674	6,254
Nevada	NA /2/	673	707	NA /2/	387	442	NA /2/	1,615	1,789
New Hampshire	522	484	534	401	491	468	1,385	1,311	1,288
New Jersey	4,768	4,654	5,433	4,178	4,109	4,607	9,494	9,794	10,666
New Mexico	1,829	1,780	1,887	1,691	1,716	1,754	1,941	1,912	1,757
New York	18,172	16,605	15,135	20,497	20,337	18,703	51,159	47,118	43,365
North Carolina	5,391	5,458	5,301	4,317	4,481	5,239	11,339	10,847	10,130
North Dakota	965	1,006	1,013	827	851	828	1,143	1,129	1,167
Ohio	15,946	15,396	16,157	12,819	14,131	14,136	20,078	20,365	21,584
Oklahoma	6,484	6,558	6,487	4,746	5,364	5,864	8,173	8,406	8,674
Oregon	4,818	4,675	4,537	4,558	4,563	4,587	9,278	9,193	8,966
Pennsylvania	13,299	12,235	12,420	12,419	11,926	11,730	22,690	21,631	21,237
Puerto Rico	2,703	NA /2/	3,254	1,510	NA /2/	977	7,760	NA /2/	8,476
Rhode Island	1,403	1,409	1,493	1,018	1,348	1,227	2,621	2,302	2,414
South Carolina	2,923	3,172	3,405	2,853	3,137	3,107	4,545	4,525	4,774
South Dakota	1,308	1,441	1,357	1,106	1,042	1,173	1,101	1,215	1,367
Tennessee	5,968	5,480	5,667	3,481	4,370	5,089	10,796	10,144	9,679
Texas	8,938	9,869	10,680	8,200	7,989	8,858	16,326	18,190	19,739
Utah	2,383	2,148	2,006	2,332	2,264	2,009	2,273	1,805	1,957
Vermont	750	788	697	722	684	581	1,445	1,318	1,360
Virginia	2,683	2,738	2,904	1,715	1,826	2,096	6,778	6,789	6,866
Washington	7,369	7,590	7,273	7,376	7,129	6,438	8,688	8,945	9,101
West Virginia	2,151	2,392	2,234	1,973	2,256	2,340	3,169	3,388	3,298
Wisconsin	4,550	3,738	3,204	5,338	4,867	4,443	5,853	6,697	7,290
Wyoming	715	786	896	683	731	689	774	815	965
Total¹	288,761	285,050	289,341	249,398	269,591	264,196	564,898	542,939	540,563

¹ State data shown are current as of May 1, 2003.

² Children in jurisdictions with insufficient data ("NA") are not included in this total and the total number of children shown in this Table may not match the totals given in another Table.

Source: U.S. Department of Health and Human Services.

TABLE 11-26 -- TITLE IV-E FOSTER CARE AVERAGE MONTHLY
NUMBER OF CHILDREN, SELECTED FISCAL YEARS, 1993-2002

State	Fiscal Year				Percent Change	
	1993	1997	1999	2002	1993-2002	1999-2002
Alabama	810	1,152	1,305	1,777	119.4	36.2
Alaska	303	317	487	288	-4.9	-40.8
Arizona	1,774	3,382	3,634	3,133	76.6	-13.8
Arkansas	715	1,299	1,624	3,021	322.4	86.0
California	48,928	71,042	78,222	58,747	20.1	-24.9
Colorado	2,529	2,874	2,653	2,345	-7.3	-11.6
Connecticut	1,482	3,192	4,528	1,996	34.7	-55.9
Delaware	183	342	378	403	119.9	6.4
District of Columbia	748	1,101	1,297	1,435	91.8	10.6
Florida	4,191	6,545	8,842	8,345	99.1	-5.6
Georgia	3,254	4,382	4,209	5,268	61.9	25.2
Hawaii	326	1,172	1,101	1,182	262.6	7.4
Idaho	225	375	510	542	140.7	6.3
Illinois	11,514	30,668	28,592	19,628	70.5	-31.4
Indiana	2,541	4,061	3,963	2,601	2.4	-34.4
Iowa	1,502	2,197	2,810	1,560	3.9	-44.5
Kansas	1,371	466	2,356	1,777	29.6	-24.6
Kentucky	1,797	2,796	3,019	3,227	79.5	6.9
Louisiana	2,824	3,850	2,908	3,060	8.4	5.2
Maine	1,000	1,482	2,013	2,028	102.8	0.7
Maryland	3,073	4,533	5,091	5,055	64.5	-0.7
Massachusetts	7,839	7,910	7,340	4,212	-46.3	-42.6
Michigan	8,672	8,609	9,338	8,258	-4.8	-11.6
Minnesota	2,984	3,696	4,115	3,566	19.5	-13.3
Mississippi	868	1,088	1,000	500	-42.5	-50.0
Missouri	4,570	5,263	5,621	5,766	26.2	2.6
Montana	557	782	950	767	37.7	-19.3
Nebraska	1,291	1,549	1,477	1,047	-18.9	-29.1
Nevada	620	759	1,345	769	24.0	-42.9
New Hampshire	526	639	625	560	6.5	-10.4
New Jersey	3,873	5,453	6,124	6,388	64.9	4.3
New Mexico	875	869	1,183	1,340	53.1	13.3
New York	53,475	42,679	38,049	25,173	-52.9	-33.8
North Carolina	2,983	4,586	4,854	2,438	-18.3	-49.8
North Dakota	402	504	486	512	27.2	5.2
Ohio	6,546	7,849	4,936	5,450	-16.7	10.4
Oklahoma	1,379	2,555	4,039	4,402	219.2	9.0
Oregon	1,882	3,129	3,193	3,520	87.0	10.2
Pennsylvania	14,760	14,816	15,054	13,485	-8.6	-10.4
Puerto Rico	¹	¹	5,110	6,778	N/A	32.6

TABLE 11-26 -- TITLE IV-E FOSTER CARE AVERAGE MONTHLY
NUMBER OF CHILDREN, SELECTED FISCAL YEARS, 1993-2002-
continued

State	Fiscal Year				Percent Change	
	1993	1997	1999	2002	1993-2002	1999-2002
Rhode Island	673	775	629	702	4.3	11.6
South Carolina	1,652	1,695	1,146	1,914	15.9	67.0
South Dakota	225	211	340	500	122.1	47.2
Tennessee	6,533	6,269	6,327	5,647	-13.6	-10.8
Texas	4,920	6,434	6,757	8,431	71.4	24.8
Utah	454	771	730	707	55.7	-3.2
Vermont	874	1,130	1,151	986	12.8	-14.4
Virginia	2,100	3,266	3,260	4,137	97.0	26.9
Washington	2,484	1,748	2,603	3,576	44.0	37.4
West Virginia	1,017	1,949	823	956	-6.0	16.1
Wisconsin	4,834	4,995	4,037	3,796	-21.5	-6.0
Wyoming	97	198	242	312	221.1	28.7
Total	231,056	289,405	302,422	254,004	9.9	-16.0

¹ Puerto Rico did participate in Title IV-E foster care until fiscal year 1999.

Note-Totals may not add due to rounding.

Source: Table prepared by the Congressional Research Service based on information received from the U.S. Department of Health and Human Services.

TABLE 11-27 -- AGES OF CHILDREN ENTERING AND EXITING CARE DURING FISCAL YEAR, AND IN CARE ON SEPTEMBER 30, FISCAL YEARS 1999-2001

[In percent¹]

Age Range	Entering				Exiting				In Care Sept. 30					
	FY1999		FY2000		FY1999		FY2000		FY1999		FY2000		FY2001	
Under 1 year	13	13	13	13	4	4	4	4	4	4	4	4	4	4
1-5 years	25	25	25	25	26	26	26	26	25	25	24	24	24	24
6-10 years	22	21	21	21	23	23	23	23	26	26	25	24	24	24
11-15 years	29	29	29	29	24	24	24	24	28	28	29	29	30	30
16-28 years	11	11	11	11	21	21	21	21	16	16	16	16	17	17
19 years or older	0	0	0	0	2	2	2	2	2	2	2	2	2	2
Mean age (in years)	8.6	8.6	8.6	8.6	10.3	10.2	10.2	10.1	9.9	9.9	10.0	10.1	10.1	10.1
Median age (in years)	8.6	8.8	8.8	8.7	10.3	10.2	10.2	10.2	10.1	10.1	10.4	10.4	10.6	10.6

¹ Percent totals may not equal 100 due to rounding.

Source: U.S. Department of Health and Human Services.

TABLE 11-28 -- AGES OF CHILDREN IN CARE ON
SEPTEMBER 30, 2001, BY STATE

[In percent; 539,691 total cases]¹

State	Age in Years						Mean Years	Median Years
	Under 1	1-5	6-10	11-15	16-18	19 and over		
Alabama	4	23	23	31	17	2	10.4	11.0
Alaska	4	31	29	27	9	1	8.8	8.6
Arizona	5	26	21	30	16	1	9.8	10.4
Arkansas	4	24	21	31	19	1	10.3	11.2
California	4	22	25	30	18	2	10.4	10.9
Colorado	4	20	19	33	22	1	11.0	12.5
Connecticut	3	22	25	33	16	2	10.6	11.2
Delaware	4	20	21	30	25	0	11.1	12.3
District of Columbia	2	19	28	29	16	6	10.9	11.0
Florida	6	33	27	24	9	1	8.4	8.1
Georgia	6	30	25	29	10	²	8.7	8.7
Hawaii	8	30	26	25	11	²	8.5	8.2
Idaho	4	26	25	28	16	²	9.6	9.9
Illinois	4	24	23	25	17	8	10.6	10.9
Indiana	6	26	22	30	16	1	9.7	10.2
Iowa	4	20	17	36	23	0	11.1	12.9
Kansas	3	24	22	30	20	1	10.5	11.2
Kentucky	4	23	21	31	19	2	10.5	11.4
Louisiana	3	21	23	37	16	²	10.5	11.7
Maine	4	21	22	32	18	3	10.8	11.7
Maryland	3	19	23	31	18	5	11.1	11.7
Massachusetts	3	19	20	34	21	3	11.2	12.5
Michigan	6	28	25	26	15	1	9.3	9.3
Minnesota	3	15	17	38	26	1	11.9	13.7
Mississippi	4	27	25	27	16	2	9.8	9.9
Missouri	4	23	24	31	16	2	10.3	10.9
Montana	4	26	26	31	13	0	9.5	9.9
Nebraska	2	19	18	30	30	²	11.7	13.6
Nevada	4	31	27	24	11	2	9.0	8.7
New Hampshire	2	21	24	35	15	1	10.6	11.4
New Jersey	7	30	24	26	13	1	8.8	8.7
New Mexico	4	26	26	30	14	²	9.5	9.8
New York	3	24	25	29	15	4	10.4	10.6
North Carolina	5	26	24	30	14	1	9.6	10.1
North Dakota	5	17	18	35	25	0	11.3	12.9
Ohio	6	24	22	29	18	1	9.9	10.5
Oklahoma	5	31	25	26	11	0	8.8	8.7
Oregon	5	31	26	28	10	0	8.8	8.7
Pennsylvania	3	19	22	34	20	2	11.0	12.1
Rhode Island	4	18	16	32	25	4	11.6	13.5

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TABLE 11-28 -- AGES OF CHILDREN IN CARE ON
 SEPTEMBER 30, 2001, BY STATE-continued
 [In percent; 539,691 total cases]¹

State	Age in years						Mean Years	Median Years
	Under 1	1-5	6-10	11-15	16-18	19 and over		
South Carolina	5	22	21	32	18	2	10.5	11.4
South Dakota	3	30	25	30	12	0	9.3	9.4
Tennessee	3	17	18	32	31	0	11.9	13.8
Texas	7	29	23	28	12	0	8.8	9.0
Utah	4	18	18	38	20	1	11.1	12.7
Vermont	3	13	16	38	30	1	12.5	14.5
Virginia	3	18	20	36	23	²	11.3	12.5
Washington	7	33	24	25	11	0	8.5	8.1
West Virginia	3	17	17	36	25	2	11.9	13.6
Wisconsin	1	19	27	35	16	2	11.0	11.5
Wyoming	1	14	16	36	32	1	12.5	14.3
Puerto Rico	3	25	30	29	12	0	9.5	9.6
Total	4	24	24	30	17	2	10.1	10.6

¹ Percent totals may not equal 100 due to rounding. Total cases shown represent the number of children for whom sufficient case record data was submitted to be included in this Table. This number of children does not necessarily equal the total number of cases found in other tables.

² State does not count children age 19 and over as part of its caseload.

Source: U.S. Department of Health and Human Services.

TABLE 11-29 -- RACE/ETHNICITY OF CHILDREN ENTERING AND EXITING CARE DURING FISCAL YEAR, AND IN CARE ON SEPTEMBER 30, FISCAL YEARS 1999-2001

[In Percent¹]

Race/ Ethnicity ²	Entering			Exiting			In Care on Sept. 30		
	1999	2000	2001	1999	2000	2001	1999	2000	2001
Alaska Native/American Indian	3	3	3	3	2	2	2	2	2
Asian/Pacific Islander ³	1	2	1	2	2	1	1	1	1
Black/African American	27	29	28	29	31	30	38	40	38
Hispanic	16	15	16	16	15	15	17	15	17
White	43	47	46	42	45	45	34	37	38
Two or More Races	²	2	2	²	1	2	²	1	2
Unknown/Unable to Determine	10	4	3	9	4	4	7	4	3

¹ Percent totals may not equal 100 due to rounding.

² AFCARS race and ethnicity categories are consistent with those used by the U.S. Census Bureau. Children identified as being of Hispanic origin may be of any race. Children included in the other race/ethnicity categories are non-Hispanic. Additionally, Federal race reporting standards changed to allow for multiple race reporting, therefore, a "Two or More Races" category was added beginning with FY2000. Therefore care should be used when comparing pre-FY2000 data with FY2000 and later race/ethnicity statistics, e.g. comparing the data in these tables with data found in the *Child Welfare Outcomes - Annual Report to Congress*.

³ For the years 2000 and 2001 this Asian/Pacific Islander category combines children reported as either "Asian" or "Native Hawaiian/Other Pacific Islander". These two categories were first used in AFCARS in 2000 to match new Census Bureau categories. The previous Census Bureau and AFCARS category was Asian/Pacific Islander.

Source: Table prepared by the Congressional Research Service based on information received from the U.S. Department of Health and Human Services.

TABLE 11-30 -- RACE/ETHNICITY OF CHILDREN IN CARE ON SEPTEMBER 30, BY STATE,
FISCAL YEARS 1999-2001¹
[In Percent²]

State	1999 ³				2000 ³				2001 ³			
	Black	Hispanic	White	Other ⁴	Black	Hispanic	White	Other ⁴	Black	Hispanic	White	Other ⁴
Alabama	55	1	44	1	55	1	44	1	51	1	47	1
Alaska	10	2	29	59	10	2	27	61	9	1	28	62
Arizona	13	33	51	3	12	33	47	8	11	33	48	9
Arkansas	42	2	54	2	39	2	56	3	35	2	58	5
California	35	32	29	4	33	34	29	4	31	36	27	6
Colorado	16	26	51	7	16	27	49	8	15	29	51	5
Connecticut	39	26	34	2	37	25	34	5	36	26	34	4
Delaware	63	7	30	0	63	7	29	0	61	7	32	0
District of Columbia	97	1	0	2	94	1	0	4	91	1	0	7
Florida	47	5	47	1	46	9	42	3	44	8	45	3
Georgia	58	4	33	5	58	3	36	4	56	3	37	3
Hawaii	2	3	12	83	2	2	11	84	2	2	11	85
Idaho	2	13	73	13	3	10	77	10	2	12	77	8
Illinois	76	5	17	2	74	5	19	2	72	5	20	2
Indiana	2	97	1	0	41	4	53	2	38	5	54	3
Iowa	12	4	72	12	11	4	71	14	12	5	70	13
Kansas	22	7	68	4	22	5	68	5	21	5	68	6
Kentucky	24	1	71	4	21	1	72	6	19	1	73	7
Louisiana	64	1	35	1	62	1	35	2	61	1	36	2
Maine	2	2	84	12	2	2	78	18	2	2	75	21
Maryland	79	1	20	0	78	1	19	2	78	1	19	2
Massachusetts	20	21	52	6	19	22	51	7	19	22	52	7
Michigan	5	5	5	5	5	5	5	5	47	4	45	5
Minnesota	22	5	58	14	22	6	52	20	21	6	52	21
Mississippi	59	1	39	1	57	1	42	0	54	1	42	3
Missouri	43	1	55	1	42	1	56	1	37	1	60	1

Montana	2	3	61	35	1	4	58	37	1	4	57	38
Nebraska	16	8	67	9	17	8	66	10	17	8	66	9
Nevada	6	6	6	6	22	10	57	11	22	12	52	14
New Hampshire	2	5	91	1	2	5	87	5	3	5	86	6
New Jersey	64	8	23	5	63	8	23	7	62	7	23	8
New Mexico	7	57	29	7	7	55	30	9	7	55	27	12
New York	45	15	14	26	45	16	15	24	46	17	17	21
North Carolina	51	6	41	2	49	6	42	4	47	6	43	4
North Dakota	3	3	62	32	2	3	61	34	3	3	59	35
Ohio	0	0	1	99	47	3	44	6	47	3	44	6
Oklahoma	23	5	56	16	19	5	49	27	19	6	49	26
Oregon	10	7	64	19	10	8	62	20	9	8	61	21
Pennsylvania	51	11	37	1	52	9	38	1	51	9	39	1
Rhode Island	21	14	58	7	21	15	59	6	20	16	58	6
South Carolina	63	1	36	0	61	1	37	1	60	2	38	1
South Dakota	2	4	29	65	2	4	30	64	2	4	29	65
Tennessee	39	2	58	1	38	2	57	2	36	2	59	3
Texas	31	34	34	1	29	34	33	4	28	35	33	4
Utah	4	15	67	13	4	17	55	24	4	18	55	24
Vermont	2	1	97	1	2	1	96	1	2	1	97	1
Virginia	53	4	42	1	51	4	43	3	50	4	43	4
Washington	15	12	62	11	13	12	58	17	12	12	59	18
West Virginia	12	1	86	1	8	1	83	7	8	1	84	7
Wisconsin	65	4	28	3	64	5	28	3	60	5	32	3
Wyoming	4	10	80	6	5	8	81	6	3	7	86	4
Puerto Rico	0	99	0	0	7	7	7	7	0	99	1	1
Total	38	17	34	10	40	15	37	8	38	17	38	8

¹ Total number of cases included in each year: 1999 (540,403), 2000 (521,769), 2001 (520,416). Total cases shown in a given year represent the number of children for whom sufficient case record data was submitted to be included in this Table. This number of children does not necessarily equal the total number of cases found in other tables.

² Percent totals may not equal 100 due to rounding.

TABLE 11-30 -- RACE/ETHNICITY OF CHILDREN IN CARE ON SEPTEMBER 30, BY STATE,
FISCAL YEARS 1999-2001¹-continued

³ AFCARS race and ethnicity categories are consistent with those used by the U.S. Census Bureau. Children identified as being of Hispanic origin may be of any race. Children included in the other race/ethnicity categories are non-Hispanic. Additionally, Federal race reporting standards changed to allow for multiple race reporting, therefore, a "Two or More Races" category was added beginning with FY2000. Therefore care should be used when comparing pre-FY2000 data with FY2000 and later race/ethnicity statistics, e.g. comparing the data in these tables with data found in the *Child Welfare Outcomes - Annual Report to Congress*.

⁴ The "Other" column includes children whose race/ethnicity was reported as Alaska Native/American Indian and "unknown, unable to determine". For 1999 only it also includes children reported as Asian/Asian Pacific Islander; for 2000 and 2001 only it also includes children reported as "two or more races", Asian, or Native Hawaiian/Pacific Islander.

⁵ Michigan did not provide race/ethnicity data in 1999 and 2000 due to technical issues.

⁶ Nevada was not able to provide complete data for 1999.

⁷ Puerto Rico was not able to provide complete data for 2000.

Source: Table prepared by the Congressional Research Service based on information received from the U.S. Department of Health and Human Services.

Characteristics of foster care

As Table 11-31 shows, 44 percent of the children who were in foster care on September 30, 2001, had permanency plans of reunification with their families, while 22 percent had plans of adoption. For 9 percent of the children, the permanency plan was long-term foster care. (Table 11-31 shows these data for children in care at the end of fiscal years 1999, 2000, and 2001; Table 11-32 shows these data, by State, for children in care on September 30, 2001.) As for the living arrangements of these children, Table 11-33 shows that on September 30, 2001, slightly less than half were in foster family homes with people unrelated to them, while another 18 percent were in foster care with relatives, and 15 percent of these children were either in a group home or institution. (Table 11-33 shows these data for each of fiscal years 1999 through 2001, while Table 11-34 shows them, by State, for children in care on September 30, 2001.) As shown in Tables 11-35 and 11-36, less than two-thirds of the children in care on September 30, 2001, had experienced between one and two placements during their current spell in foster care, while 22 percent had experienced three or four, and 17 percent had experienced five or more. (See Table 11-35 for aggregate data on placements in 1999, 2000, and 2001; Table 11-36 shows placement data by State for children in care on September 30, 2001.)

TABLE 11-31 -- PERMANENCY PLANS OF CHILDREN IN CARE ON
SEPTEMBER 30, FISCAL YEARS 1999-2001¹
[In Percent²]

Permanency Plan	1999	2000	2001
Reunify	42	42	44
Live with Relative(s)	4	4	5
Adoption	21	21	22
Long Term Foster Care	8	8	9
Emancipation	6	6	6
Guardianship	3	3	3
Not Yet Established ³	17	15	11

¹ Total number of cases per year: 1999 (554,910), 2000 (533,554), and 2001 (527,344). Total cases shown represent the number of children for whom sufficient case record data was submitted to be included in this Table. This number of children does not necessarily equal the total number of cases found in other tables.

² Percent totals may not equal 100 due to rounding.

³ States are required to determine a child's permanency plan within one year of the child's entry into foster care.

Source: Table prepared by the Congressional Research Service based on information received from the U.S. Department of Health and Human Services.

TABLE 11-32 -- PERMANENCY PLANS OF CHILDREN IN CARE ON
SEPTEMBER 30, 2001, BY STATE[In percent; 527,344 total cases]¹

State	Reunify	Live with relative(s)	Adoption	Long- term foster care	Eman- cipation	Guard- ianship	Not Yet Established
Alabama	45	14	17	21	²	²	2
Alaska	56	1	30	3	1	8	²
Arizona	42	7	26	9	15	1	1
Arkansas	44	5	27	6	18	1	0
California	38	9	6	9	²	6	31
Colorado	55	4	21	10	8	1	1
Connecticut	75	²	²	²	17	8	²
Delaware	33	5	36	3	19	2	1
District of Columbia	18	2	34	8	13	3	22
Florida	53	6	24	5	3	1	8
Georgia	60	7	20	9	4	0	²
Hawaii	55	3	15	6	0	5	17
Idaho	67	6	6	11	3	8	²
Illinois	20	²	38	2	27	12	0
Indiana	39	2	26	4	8	3	18
Iowa	42	2	18	11	1	1	25
Kansas	53	0	32	²	3	2	10
Kentucky	44	5	32	7	6	1	6
Louisiana	55	2	27	14	2	0	²
Maine	32	2	30	23	8	0	4
Maryland	31	16	21	17	10	2	3
Massachusetts	39	²	24	15	14	6	2
Michigan	52	6	29	8	6	0	²
Minnesota	56	4	14	21	²	0	5
Mississippi	64	13	14	3	3	1	3
Missouri	57	2	20	3	9	6	3
Montana	40	6	23	13	2	1	14
Nebraska	42	²	4	5	4	3	41
Nevada	2	0	0	²	²	0	98
New Hampshire	26	1	13	16	²	5	38
New Jersey	40	9	42	6	2	²	1
New Mexico	36	0	38	9	9	3	5
New York	51	²	32	²	12	1	4
North Carolina	50	7	30	²	1	9	2
North Dakota	46	6	28	12	6	2	0
Ohio	41	²	19	11	4	²	25
Oklahoma	50	0	30	12	4	2	2
Oregon	46	1	30	20	1	3	²
Pennsylvania	52	2	22	17	4	2	2
Rhode Island	57	1	17	8	16	0	0
South Carolina	13	1	42	12	10	0	22
South Dakota	55	3	16	13	2	3	9
Tennessee	59	5	24	5	6	0	0
Texas	31	8	33	11	8	2	8

TABLE 11-32 -- PERMANENCY PLANS OF CHILDREN IN CARE ON
SEPTEMBER 30, 2001, BY STATE-continued

[In percent; 527,344 total cases]¹

State	Reunify	Live with relative(s)	Adoption	Long- term foster care	Eman- cipation	Guard- ianship	Not Yet Established
Utah	43	²	13	25	9	7	3
Vermont	59	1	18	12	5	²	5
Virginia	22	7	28	23	16	1	2
Washington	69	2	18	4	1	5	2
West Virginia	46	4	22	24	1	3	²
Wisconsin	77	4	9	5	1	²	5
Wyoming	63	3	7	9	7	4	6
Puerto Rico	79	10	4	3	1	0	3
Total	44	5	22	9	6	3	11

¹ Percent totals may not equal 100 due to rounding. Total cases shown represent the number of children for whom sufficient case record data was submitted to be included in this Table. This number of children does not necessarily equal the total number of cases found in other tables.

² State did not report any cases in that category.

Note - A "0" indicates the state reported some cases in the category but the number of cases was less than one-half of one percent.

Source: U.S. Department of Health and Human Services

TABLE 11-33 – PLACEMENT SETTINGS OF CHILDREN IN CARE ON
SEPTEMBER 30, FISCAL YEARS 1999-2001 ¹

[In Percent²]

Placement Setting	1999	2000	2001
Pre-adoptive home	4	4	4
Foster home (relative)	27	25	24
Foster home (non-relative)	47	47	48
Group home	7	8	8
Institution	11	10	10
Supervised independent living	1	1	1
Runaway	1	2	2
Trial home visit	3	3	3

¹Total number of cases per year: 1999 (551,798), 2000 (524,357), and 2001 (526,537). Total cases shown for a given year represent the number of children for whom sufficient case record data was submitted to be included in this Table. This number of children does not necessarily equal the total number of cases found in other tables.

²Percent totals may not equal 100 due to rounding.

Source: Table prepared by the Congressional Research Service based on information received from the U.S. Department of Health and Human Services

TABLE 11-34 – PLACEMENT SETTINGS OF CHILDREN IN CARE ON
SEPTEMBER 30, 2001, BY STATE[In percent; 526,537 total cases]¹

State	Pre- adoptive home	Foster home (relative)	Foster home (non- relative)	Group Home	Insti- tution	Supervised Independent Living	Runaway	Trial Home Visit
Alabama	3	13	57	4	15	0	1	6
Alaska	2	30	43	8	2	²	²	15
Arizona	1	24	40	19	9	2	3	2
Arkansas	4	4	69	1	11	1	3	7
California	3	36	37	14	2	²	3	4
Colorado	9	11	50	4	23	2	2	0
Connecticut	2	0	67	4	26	1	²	0
Delaware	7	10	57	8	17	0	²	²
District of Columbia	1	17	55	18	8	²	1	²
Florida	2	46	39	2	8	1	1	²
Georgia	4	19	63	8	6	²	0	²
Hawaii	0	38	55	1	3	²	2	0
Idaho	3	13	65	10	7	²	1	1
Illinois	8	32	42	2	9	4	3	²
Indiana	²	16	61	3	17	²	1	2
Iowa	7	1	53	30	8	2	²	²
Kansas	5	13	54	5	6	1	2	14
Kentucky	3	10	51	²	35	1	²	²
Louisiana	0	10	60	8	16	0	1	4
Maine	5	4	67	8	7	5	0	4
Maryland	5	35	38	10	3	1	1	6
Massachusetts	5	17	50	9	12	3	2	1
Michigan	6	32	44	0	15	2	0	0
Minnesota	6	16	49	10	19	0	0	²
Mississippi	2	30	34	18	8	1	0	7
Missouri	11	22	38	1	17	3	1	6
Montana	²	32	54	11	3	²	²	²
Nebraska	0	11	38	5	20	1	2	23
Nevada	1	20	69	5	5	²	0	0
New Hampshire	²	12	66	21	1	0	²	²
New Jersey	3	14	59	9	13	1	²	²
New Mexico	13	18	53	4	7	4	²	²
New York	0	21	54	3	17	0	²	5
North Carolina	5	18	46	9	9	0	4	8
North Dakota	8	14	48	4	26	²	0	²
Ohio	4	18	59	4	9	1	3	2
Oklahoma	5	29	55	8	3	0	1	²
Oregon	5	20	49	1	7	0	5	13
Pennsylvania	2	18	51	11	16	1	0	1
Rhode Island	2	20	31	37	1	4	5	²
South Carolina	6	5	62	5	17	1	2	1
South Dakota	2	18	53	3	23	0	0	1
Tennessee	5	5	47	12	18	1	6	7
Texas	4	16	48	9	17	0	1	5
Utah	9	4	61	4	11	2	3	6

TABLE 11-34 – PLACEMENT SETTINGS OF CHILDREN IN CARE ON
SEPTEMBER 30, 2001, BY STATE-continued

[In percent; 526,537 total cases]¹

State	Pre- adoptive home	Foster home (relative)	Foster home (non- relative)	Group Home	Insti- tution	Supervised Independent Living	Runaway	Trial Home Visit
Vermont	6	11	55	15	3	2	1	8
Virginia	5	4	63	4	18	1	1	4
Washington	1	32	58	5	1	0	2	0
West Virginia	5	4	54	32	3	2	0	1
Wisconsin	1	7	82	3	7	2	2	2
Wyoming	2	14	36	13	32	1	1	1
Puerto Rico	1	35	53	1	8	0	1	1
Total	4	24	48	8	10	1	2	3

¹Percent totals may not equal 100 due to rounding. The total number of cases represents the number of children for whom sufficient case record data was submitted to be included in this Table. This number of children does not necessarily equal the total number of cases found in other tables.

²State did not report any cases in this category.

Note - A "0" indicates the State reported some cases in the category but the number of cases was less than one-half of one percent.

Source: U.S. Department of Health and Human Services.

TABLE 11-35 -- NUMBER OF PLACEMENTS OF CHILDREN IN CARE
ON SEPTEMBER 30, FISCAL YEARS 1999-2001¹

[In Percent]²

Number of Placement Settings	1999	2000	2001
1-2	62	61	61
3-4	22	22	22
5-6	8	9	8
7 or more	8	8	9

¹Total number of cases per year: 1999 (533,791), 2000 (536,865), and 2001 (536,652). The total number of cases used in a given year represent the number of children for whom sufficient case record data was submitted to be included in this Table. This number of children does not necessarily equal the total number of cases found in other tables.

²Percent totals may not equal 100 due to rounding.

Source: Table prepared by the Congressional Research Service based on information received from the U.S. Department of Health and Human Services.

TABLE 11-36 -- NUMBER OF PLACEMENTS
(FOR CURRENT EPISODE) OF CHILDREN IN CARE ON
SEPTEMBER 30, 2001, BY STATE¹

[In percent; 536,652 total cases]²

State	1 to 2	3 to 4	5 to 6	7 or more
Alabama	75	14	6	5
Alaska	40	29	14	17
Arizona	50	25	11	14
Arkansas	50	21	11	18
California	57	26	9	8
Colorado	57	23	9	11

TABLE 11-36 -- NUMBER OF PLACEMENTS
(FOR CURRENT EPISODE) OF CHILDREN IN CARE ON
SEPTEMBER 30, 2001, BY STATE¹ -continued
[In percent; 536,652 total cases]²

State	1 to 2	3 to 4	5 to 6	7 or more
Connecticut	100	0	0	0
Delaware	78	12	4	5
District of Columbia	63	23	9	5
Florida	78	13	4	5
Georgia	77	14	5	4
Hawaii	67	22	5	6
Idaho	59	27	9	5
Illinois	48	25	13	14
Indiana	63	23	7	6
Iowa	65	22	7	7
Kansas	46	24	11	20
Kentucky	55	23	11	12
Louisiana	58	22	9	11
Maine	40	25	11	23
Maryland	67	24	6	3
Massachusetts	50	23	11	16
Michigan	71	19	6	4
Minnesota	60	22	8	10
Mississippi	77	14	4	5
Missouri	52	25	11	13
Montana	56	27	10	8
Nebraska	56	23	10	11
Nevada	88	7	3	2
New Hampshire	61	24	9	6
New Jersey	68	18	7	6
New Mexico	61	28	7	4
New York	66	22	7	5
North Carolina	42	23	14	21
North Dakota	68	20	7	6
Ohio	63	21	7	9
Oklahoma	47	27	11	15
Oregon	61	24	9	7
Pennsylvania	61	22	9	9
Rhode Island	55	23	11	10
South Carolina	43	27	13	17
South Dakota	64	27	6	2
Tennessee	53	27	10	10
Texas	47	25	12	16
Utah	59	19	8	14
Vermont	37	28	13	22
Virginia	69	21	7	4
Washington	55	23	9	13
West Virginia	56	25	9	10
Wisconsin	80	15	4	1
Wyoming	63	23	9	5

TABLE 11-36 -- NUMBER OF PLACEMENTS
(FOR CURRENT EPISODE) OF CHILDREN IN CARE ON
SEPTEMBER 30, 2001, BY STATE¹ -continued

State	1 to 2	3 to 4	5 to 6	7 or more
Puerto Rico	99	1	0	0
Total	61	22	8	9

¹ A "0" indicates the state reported some cases in the category but the number of cases was less than one-half of one percent.

² Percent totals may not equal 100 due to rounding. The total number of cases shown represent the number of children for whom sufficient case record data was submitted to be included in this Table. This number of children does not necessarily equal the total number of cases found in other tables.

Source: U.S. Department of Health and Human Services.

The amount of time that children spend in foster care is an issue of public policy concern. As shown in Table 11-37, children who left care during a given fiscal year had generally shorter lengths of stay from the time of removal from home than those children who remained in care at the end of the fiscal year. Table 11-37 shows aggregate data on length of stay for children who exited care during fiscal years 1999 through 2001, and children who remained in care on the last day of each fiscal year. Table 11-38 shows the length of stay, by State, for children in care on September 30, 2001.

TABLE 11-37 -- LENGTH OF STAY FOR CHILDREN EXITING CARE
DURING FISCAL YEAR AND FOR CHILDREN IN CARE ON
SEPTEMBER 30, FISCAL YEARS 1999-2001

Length of Stay (LOS)	Exiting ¹			In Care on September 30		
	1999	2000	2001	1999	2000	2001
Under 1 month	19	18	18	4	4	4
1- 5 months	17	17	17	16	16	17
6-11 months	14	14	15	15	15	15
12-17 months	11	11	11	11	12	11
18-23 months	8	8	8	9	9	9
24-29 months	6	6	6	8	7	7
30-35 months	4	5	5	6	6	5
3-4 years	11	11	11	15	15	15
5 years or longer	10	10	9	17	17	17
Mean LOS (months)	22.6	23.1	22.4	32.1	32.6	32.6
Median LOS (months)	11.9	12.3	12.0	20.1	20.1	19.5

¹ Percent totals may not equal 100 due to rounding.

Source: U.S. Department of Health and Human Services.

TABLE 11-38 -- LENGTH OF STAY FOR CHILDREN IN CARE ON SEPTEMBER 30, 2001, BY STATE

State	[In percent, 540,293 total cases] ¹													Mean months	Median months
	Less than 1 month	1-5 months	6-11 months	12-17 months	18-23 months	24-29 months	30-35 months	3-4 years	5 years	5 years	Mean months	Median months			
Alabama	4	16	13	11	8	8	6	15	19	36.2	21.5				
Alaska	3	16	19	13	13	8	8	13	8	25.1	17.8				
Arizona	5	20	16	13	9	7	4	14	11	26.4	15.5				
Arkansas	8	25	17	13	9	7	4	11	6	20.0	11.8				
California	3	13	13	11	8	7	5	17	23	39.5	25.3				
Colorado	8	28	21	11	8	6	4	7	9	20.0	9.6				
Connecticut	3	14	13	11	7	7	7	20	18	32.5	25.2				
Delaware	6	25	16	11	8	7	5	14	8	22.3	13.3				
District of Columbia	2	10	9	7	8	10	8	24	21	41.2	32.6				
Florida	5	21	20	13	9	8	5	10	9	23.7	13.9				
Georgia	5	21	18	13	9	7	4	11	12	25.9	14.4				
Hawaii	8	23	20	15	9	7	4	10	4	18.0	11.4				
Idaho	7	24	21	12	10	6	5	9	6	19.4	11.1				
Illinois	2	8	9	8	7	7	6	19	34	50.8	39.0				
Indiana	5	23	17	12	9	7	4	11	12	25.6	13.9				
Iowa	8	26	19	13	8	6	4	9	6	18.1	10.7				
Kansas	4	17	18	14	13	9	6	14	5	22.4	16.9				
Kentucky	6	22	15	11	8	7	6	18	8	24.1	15.6				
Louisiana	4	21	17	12	8	6	4	11	18	31.3	15.3				
Maine	2	11	15	12	10	8	6	15	20	36.8	23.6				
Maryland	3	10	9	8	8	7	6	18	30	46.2	34.6				
Massachusetts	5	18	16	12	9	8	6	13	13	28.7	17.5				
Michigan	5	22	21	14	9	7	5	10	7	20.9	12.7				
Minnesota	9	24	16	10	7	6	4	11	14	27.0	12.7				
Mississippi	3	20	19	15	8	6	4	13	11	26.8	15.1				
Missouri	4	19	18	13	10	7	5	13	12	26.5	15.9				
Montana	5	21	15	12	8	8	6	13	12	26.3	16.2				

Nebraska	4	18	20	14	12	8	6	13	5	21.1	15.0
Nevada	4	17	9	7	11	10	7	19	15	34.2	24.8
New Hampshire	4	16	12	10	7	7	5	19	20	36.8	25.2
New Jersey	4	17	16	11	9	8	6	16	14	29.3	19.2
New Mexico	6	17	18	14	9	6	6	25	14	21.1	15.7
New York	2	11	11	9	8	7	6	20	24	42.9	30.9
North Carolina	4	20	16	13	10	7	5	13	11	26.3	16.3
North Dakota	8	25	23	9	9	5	4	9	8	18.7	10.2
Ohio	6	23	18	13	8	7	5	12	10	24.6	13.4
Oklahoma	5	21	17	13	10	7	5	12	10	24.3	14.8
Oregon	4	18	16	13	9	8	5	14	13	28.1	17.7
Pennsylvania	4	17	15	11	8	7	6	14	18	34.1	20.1
Rhode Island	5	20	18	12	9	6	4	13	13	27.9	15.5
South Carolina	5	17	15	10	9	7	6	13	18	33.0	19.2
South Dakota	5	22	21	15	10	5	3	11	7	21.3	12.4
Tennessee	5	20	18	11	8	6	5	13	14	27.7	15.6
Texas	4	22	19	12	8	6	4	9	14	27.8	13.5
Utah	6	26	21	12	7	5	4	11	7	19.5	10.9
Vermont	3	19	13	12	11	9	7	13	13	27.9	18.9
Virginia	3	16	14	12	9	7	6	14	18	33.5	20.5
Washington	4	19	18	14	11	8	6	11	8	23.3	15.4
West Virginia	5	20	18	11	9	8	4	12	14	28.2	16.2
Wisconsin	2	8	7	3	11	11	9	25	25	43.9	35.8
Wyoming	5	26	25	11	7	6	3	8	9	20.4	10.4
Puerto Rico	5	15	15	10	7	6	6	14	24	37.7	22.4
Total	4	17	15	11	9	7	5	15	17	32.6	19.5

¹ Percent totals may not equal 100 due to rounding. The total number of cases shown represents the number of children for whom sufficient case record data was submitted to be included in this Table. This number of children does not necessarily equal the total number of cases found in other tables.

Source: U.S. Department of Health and Human Services.

Finally, Table 11-39 shows the reasons for discharge for children who left foster care during fiscal years 1999, 2000, and 2001, and indicates that a slightly decreasing majority of these children were reunified with their families (58 percent in fiscal year 1999 and 56 percent in fiscal year 2001). Another 18 percent were adopted in fiscal year 2001, 10 percent left to live with other relatives, and 7 percent were emancipated (i.e., “aged out”). Table 11-40 shows the discharge reasons, by State, for children in care on September 30, 2001.

TABLE 11-39 -- DISCHARGE REASONS FOR CHILDREN EXITING CARE, FISCAL YEARS 1999 - 2001¹

[In Percent] ²			
Discharge reasons	1999	2000	2001
Reunification	58	57	56
Live with other relative	10	9	10
Adoption	17	17	18
Emancipation	8	7	7
Guardianship	3	4	3
Other	6	5	5

¹ Total number of cases included in each year: 1999 (237,334), 2000 (258,849), and 2001 (254,495). The total number of cases used in a given year represent the number of children for whom sufficient case record data was submitted to be included in this Table. This number of children does not necessarily equal the total number of cases found in other tables.

² Percent totals may not equal 100 due to rounding.

Source: Table prepared by the Congressional Research Service based on information received from the U.S. Department of Health and Human Services.

TABLE 11-40 -- DISCHARGE REASONS FOR CHILDREN EXITING CARE, BY STATE, FISCAL YEAR 2001

[In percent; 254,495 total cases] ¹						
State	Reunifi- cation	Live with Other Relative	Adoption	Eman- cipation	Guard- ianship	Other
Alabama	52	29	9	5	²	5
Alaska	62	3	26	3	6	1
Arizona	62	5	18	7	5	2
Arkansas	57	23	12	6	1	1
California ³	60	²	18	9	6	7
Colorado	62	10	10	6	2	9
Connecticut	58	5	24	2	6	6
Delaware	66	11	13	5	3	2
District of Columbia	44	13	15	13	1	15
Florida	55	26	9	5	2	3
Georgia	44	28	19	1	2	5
Hawaii	62	2	15	7	11	2
Idaho	77	4	10	5	²	3
Illinois	27	3	44	16	9	1
Indiana	61	1	24	6	6	2
Iowa	72	8	12	5	1	3
Kansas	77	2	1	9	7	5

TABLE 11-40 -- DISCHARGE REASONS FOR CHILDREN EXITING CARE, BY STATE, FISCAL YEAR 2001-continued

[In percent; 254,495 total cases]¹

State	Reunifi- cation	Live with Other Relative	Adoption	Eman - cipation	Guard- ianship	Other
Kentucky	53	23	15	7	1	2
Louisiana	39	17	15	10	1	18
Maine	39	9	47	4	0	1
Maryland	44	20	21	8	4	3
Massachusetts	59	8	15	9	5	4
Michigan	54	3	22	6	3	12
Minnesota	74	8	6	6	1	6
Mississippi	55	23	15	4	3	1
Missouri	57	2	19	12	7	3
Montana	55	10	22	7	3	3
Nebraska ⁴	98	²	1	²	1	0
Nevada	43	26	13	6	1	11
New Hampshire	52	6	18	12	4	8
New Jersey ⁵	70	²	20	6	²	4
New Mexico	68	6	16	1	3	7
New York	56	11	21	7	²	5
North Carolina	43	13	25	6	10	3
North Dakota	59	5	11	6	0	20
Ohio	50	21	16	8	4	1
Oklahoma	67	4	17	5	5	3
Oregon	60	2	25	4	6	4
Pennsylvania	58	10	15	6	1	10
Rhode Island	65	5	14	6	3	7
South Carolina	55	21	14	7	1	2
South Dakota	66	6	11	4	5	9
Tennessee	58	14	13	12	0	3
Texas	37	26	32	4	²	2
Utah	38	32	17	8	1	3
Vermont	70	3	15	9	²	2
Virginia	33	16	20	27	²	5
Washington ⁶	66	²	18	5	7	5
West Virginia	49	12	23	6	1	9
Wisconsin	49	9	14	6	²	22
Wyoming	60	15	5	7	5	8
Puerto Rico	58	33	8	1	²	1
Total	56	10	18	7	3	5

¹ Percent totals may not equal 100 due to rounding. This total number of cases represents the number of children for whom sufficient case record data was submitted to be included in this Table. This number of children does not necessarily equal the total number of cases found in other tables.

² State did not report any cases in that category.

³ California's information system does not accommodate "Live with other relative" as a specific discharge reason; the majority of children discharging to a relative are identified as "guardianships."

TABLE 11-40 -- DISCHARGE REASONS FOR CHILDREN EXITING CARE, BY STATE, FISCAL YEAR 2001-continued

⁴ Nebraska indicated that data for fiscal year 2001 was skewed due to a technical systems error. The State indicated that the error has since been fixed.

⁵ New Jersey's information system does not accommodate "Live with other relative" as a specific discharge reason; the State anticipates system modifications in the near future to accommodate discharges to relatives.

⁶ Washington's information system did not accommodate "Live with other relative" as a specific discharge reason; the State anticipates system modifications in the near future to accommodate discharges to relatives.

Note - A "0" indicates the State reported some cases in the category but the number of cases was less than one-half of one percent.

Source: U.S. Department of Health and Human Services.

Characteristics of children waiting for adoption

Tables 11-41 through 11-43 show, by State, characteristics of children who were waiting for adoption at the end of fiscal year 2001; i.e., children in foster care who had permanency plans of adoption and/or whose parental rights had been terminated. Children whose permanency plans were emancipation are not included in these tables. As the tables show, nearly 60 percent were between the ages of 6 and 15 (Table 11-41), less than half (42 percent) were black (Table 11-42); and almost half (48 percent) had been in foster care for 3 years or longer (Table 11-43).

TABLE 11-41 -- AGE DISTRIBUTION OF CHILDREN WAITING FOR ADOPTION, BY STATE, FISCAL YEAR 2001

[In percent; 130,538 total cases]¹

State	Less than 1 year	1-5 years	6-10 years	11-15 years	16-18 years	Unknown
Alabama	2	25	33	31	6	3
Alaska	4	39	33	22	2	1
Arizona	2	35	33	28	2	²
Arkansas	3	30	32	31	3	0
California	6	40	34	17	2	0
Colorado	4	36	32	24	3	0
Delaware	4	34	36	24	1	²
District of Columbia	1	21	45	32	2	1
Florida	4	35	30	26	4	0
Georgia	3	32	33	28	4	²
Hawaii	8	33	27	25	8	1
Idaho	1	23	33	33	9	1
Illinois	5	37	33	24	1	0
Indiana	2	29	32	32	5	0
Iowa	2	34	28	28	7	1
Kansas	2	28	27	32	9	2
Kentucky	2	26	31	35	6	0
Louisiana	1	25	34	33	6	²
Maine	3	30	36	28	2	1
Maryland	1	28	34	30	5	2
Massachusetts	3	40	37	19	1	0

TABLE 11-41 – AGE DISTRIBUTION OF CHILDREN WAITING FOR
ADOPTION, BY STATE, FISCAL YEAR 2001-continued

[In percent; 130,538 total cases]¹

State	Less than 1 year	1-5 years	6-10 years	11-15 years	16-18 years	Unknown
Michigan	6	32	30	26	5	1
Minnesota	3	24	29	31	10	3
Mississippi	1	18	30	30	13	7
Missouri	2	26	31	35	5	1
Montana	2	24	30	32	11	1
Nebraska	2	33	39	22	4	1
Nevada	2	30	33	27	5	2
New Hampshire	2	32	39	24	3	²
New Jersey	6	39	29	20	5	1
New Mexico	2	29	38	30	2	0
New York	1	30	35	30	3	1
North Carolina	3	28	29	32	8	1
North Dakota	14	28	25	27	6	1
Ohio	3	27	28	31	9	2
Oklahoma	3	32	31	29	5	0
Oregon	4	48	34	13	1	0
Pennsylvania	1	30	35	28	5	1
Rhode Island	1	31	29	33	5	1
South Carolina	3	28	27	34	7	1
South Dakota	3	29	28	32	7	1
Tennessee	2	26	33	33	5	0
Texas	5	31	29	30	4	²
Utah	6	30	32	28	3	1
Vermont	1	22	28	40	7	1
Virginia	4	34	38	23	1	²
Washington	3	40	30	22	5	0
West Virginia	4	28	32	29	5	1
Wisconsin	2	22	31	35	7	3
Wyoming	2	25	34	32	7	1
Puerto Rico	9	23	26	27	11	4
Total	3	32	32	27	4	1

¹ Percents totals may not equal 100 due to rounding. The total number of cases used represent the number of children for whom sufficient case record data was submitted to be included in this Table. This number of children does not necessarily equal the total number of cases found in other tables.

² State did not report any cases in this category.

Note – A “0” indicates the state reported some cases in the category but the number of cases was less than one-half of one percent.

Source: U.S. Department of Health and Human Services.

TABLE 11-42 – RACE/ETHNICITY OF CHILDREN WAITING FOR ADOPTION, BY STATE, FISCAL YEAR 2001¹
 [In percent. 130,538 total cases]²

State	Race/Ethnicity										Unknown/Unable to Determine	Two or More Races	Missing
	American Indian/ Alaskan Native	Asian	Black or African American	Native Hawaiian/ Pacific Islander	Hispanic	White	Other	Hispanic	Hispanic	Other			
Alabama	0	3	52	3	1	46					0	1	3
Alaska	62	0	9	3	1	27					1	3	3
Arizona	2	0	10	3	35	48					1	4	3
Arkansas	0	3	38	3	2	56					1	4	3
California	1	1	34	0	38	23					0	3	3
Colorado	1	0	19	0	32	45					1	1	3
Delaware	3	3	62	3	5	32					3	3	3
District of Columbia	3	3	96	3	1	0					2	0	3
Florida	0	0	45	0	9	42					0	3	3
Georgia	3	0	60	3	3	32					0	4	3
Hawaii	1	20	3	38	2	8					3	26	0
Idaho	9	0	2	3	11	79					3	3	3
Illinois	0	0	73	3	5	20					2	3	3
Indiana	0	0	46	3	3	49					0	2	3
Iowa	3	0	14	3	6	66					10	1	3
Kansas	1	0	30	3	7	59					2	1	3
Kentucky	0	3	22	3	1	71					2	4	3
Louisiana	0	0	59	3	1	38					0	2	3
Maine	2	0	2	3	2	78					14	1	3
Maryland	0	0	81	3	1	17					1	1	3
Massachusetts	0	2	14	3	26	42					3	2	11
Michigan	0	3	4	3	0	4					0	0	91
Minnesota	9	0	32	3	7	43					0	10	3
Mississippi	3	3	64	3	0	36					3	3	3
Missouri	0	0	45	3	1	53					0	0	3
Montana	25	0	2	3	5	65					3	3	3

Nebraska	9	0	22	3	10	58	2	3	3
Nevada	1	3	25	2	7	57	1	7	3
New Hampshire	1	3	1	3	7	86	3	5	3
New Jersey	0	0	68	0	7	18	5	2	3
New Mexico	7	3	9	3	57	25	3	3	3
New York	0	0	48	3	15	11	25	3	3
North Carolina	2	0	52	0	5	39	0	2	3
North Dakota	31	2	3	3	2	59	3	2	3
Ohio	0	0	54	3	3	38	0	5	3
Ohio	11	3	25	3	5	46	0	13	3
Oregon	3	0	10	0	10	59	18	1	3
Pennsylvania	0	0	56	3	10	33	0	0	3
Rhode Island	1	1	30	0	16	50	1	1	3
South Carolina	0	0	63	3	1	35	3	0	3
South Dakota	58	0	2	3	3	34	3	3	3
Tennessee	0	0	43	3	2	52	0	2	3
Texas	0	0	31	3	33	31	1	3	3
Utah	1	1	5	0	25	61	7	3	3
Vermont	0	3	2	3	1	96	1	3	3
Virginia	0	0	54	3	4	37	1	3	3
Washington	5	1	18	0	12	57	1	7	3
West Virginia	0	3	8	3	1	83	2	7	3
Wisconsin	4	3	52	3	3	40	3	2	3
Wyoming	2	3	6	3	6	85	1	3	3
Puerto Rico	3	3	0	0	99	0	3	3	3
Total	2	0	42	0	11	32	4	2	6

**TABLE 11-42 – RACE/ETHNICITY OF CHILDREN WAITING FOR ADOPTION, BY STATE,
FISCAL YEAR 2001¹-continued**

¹ AFCARS race and ethnicity categories are consistent with those used by the U.S. Census Bureau. Children identified as being of Hispanic origin may be of any race. Children included in the other race/ethnicity categories are non-Hispanic. Additionally, Federal race reporting standards changed to allow for multiple race reporting, therefore, a "Two or More Races" category was added beginning with FY2000. Therefore care should be used when comparing pre-FY2000 data with FY2000 and later race/ethnicity statistics, e.g. comparing the data in these tables with data found in the *Child Welfare Outcomes - Annual Report to Congress*.

² Percent totals may not equal 100 due to rounding. The total number of cases used represents the number of children for whom sufficient case record data was submitted to be included in this Table. This number of children does not necessarily equal the total number of cases found in other tables.

³ State did not report any cases in that category.

Note – A "0" indicates the state reported some cases in the category but the number of cases was less than one-half of one percent.

Source: U.S. Department of Health and Human Services.

**TABLE 11-43 – LENGTH OF STAY FOR CHILDREN WAITING FOR ADOPTION, BY STATE,
FISCAL YEAR 2001**

[In percent; 130,528 total cases]¹

State	Less than 1 month	1-5 months	6-11 months	12-17 months	18-23 months	24-29 months	30-35 months	36-59 months	60 or more months
Alabama	1	3	3	6	8	7	8	26	38
Alaska	0	6	12	15	14	11	13	21	9
Arizona	0	3	7	15	15	13	8	25	14
Arkansas	1	7	12	19	15	11	8	19	8
California	0	4	7	8	8	8	6	30	29
Colorado	1	9	15	15	12	12	7	16	13
Delaware	1	4	9	10	11	16	8	29	12
District of Columbia	0	1	3	3	7	11	11	35	29
Florida	1	5	9	12	11	12	10	21	18
Georgia	0	2	4	8	11	11	10	26	26
Hawaii	3	10	17	18	12	10	6	18	6

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Idaho	0	1	6	10	16	12	12	12	25	18
Illinois	1	4	7	8	8	9	8	8	23	31
Indiana	0	1	5	13	16	14	7	7	21	21
Iowa	1	3	8	16	18	13	9	9	19	12
Kansas	0	3	6	10	15	13	11	11	30	12
Kentucky	2	2	4	10	10	13	11	11	36	13
Louisiana	0	1	5	10	12	11	7	7	27	27
Maine	0	2	7	12	13	12	11	11	22	22
Maryland	1	2	3	5	7	8	7	7	25	40
Massachusetts	0	3	9	15	13	13	10	10	22	15
Michigan	1	9	16	15	13	10	8	17	17	12
Minnesota	1	5	7	10	10	11	8	21	21	27
Mississippi	1	2	4	6	5	7	8	29	37	37
Missouri	1	4	6	9	14	10	9	23	23	25
Montana	1	4	6	12	13	13	9	23	23	20
Nebraska	1	1	2	9	11	17	11	34	15	15
Nevada	1	3	1	2	9	9	7	30	37	37
New Hampshire	1	2	5	3	10	15	7	38	20	20
New Jersey	2	7	11	11	11	10	7	22	19	19
New Mexico	2	1	9	18	13	10	11	37	2	2
New York	0	0	1	4	6	7	8	31	42	42
North Carolina	0	3	7	11	12	12	8	25	21	21
North Dakota	1	9	21	11	11	10	6	18	14	14
Ohio	0	4	6	10	10	13	9	26	21	21
Oklahoma	0	4	7	12	14	14	9	24	15	15
Oregon	1	5	9	14	15	13	11	24	9	9
Pennsylvania	0	1	4	7	9	12	10	29	27	27
Rhode Island	0	2	5	9	15	12	8	25	24	24
South Carolina	1	2	12	14	13	10	8	21	19	19
South Dakota	0	6	14	20	17	7	5	17	14	14

TABLE 11-43 -- LENGTH OF STAY FOR CHILDREN WAITING FOR ADOPTION, BY STATE,
FISCAL YEAR 2001-continued

[In percent; 130,528 total cases]¹

State	Less than 1 month	1-5 months	6-11 months	12-17 months	18-23 months	24-29 months	30-35 months	36-59 months	60 or more months
Tennessee	0	2	3	6	7	10	8	29	35
Texas	1	6	14	16	13	9	7	14	20
Utah	2	8	15	20	11	7	9	16	12
Vermont	²	1	4	11	17	13	9	21	23
Virginia	1	7	11	13	12	10	9	19	19
Washington	0	2	7	12	13	13	12	22	20
West Virginia	1	5	12	12	15	13	7	18	18
Wisconsin	2	3	6	6	6	10	8	27	32
Wyoming	²	5	17	6	9	11	6	16	30
Puerto Rico	4	12	10	8	5	5	2	11	44
Total	1	4	8	10	11	10	8	24	24

¹ Percent totals may not equal 100 due to rounding. The total number of cases used represents the number of children for whom sufficient case record data was submitted to be included in this Table. This number of children does not necessarily equal the total number of cases found in other tables.

² State did not report any cases in that category.

Note - A "0" indicates the state reported some cases in the category but the number of cases was less than one-half of one percent.

Source: U.S. Department of Health and Human Services

Number and characteristics of adopted children

The Adoption and Foster Care Analysis and Reporting System (AFCARS) collects data on children who were adopted with the involvement of public child welfare agencies (see Table 11-44). As explained earlier, this is not necessarily the same as the number of adoptions reported by States for purposes of earning adoption incentive payments, which are based specifically on adoptions of children from foster care. Table 11-45 compares the racial and ethnic composition of children who were adopted through the child welfare system in fiscal year 2001 with the race and ethnicity of children who were waiting for adoption during that year. Black children were the largest racial group among children waiting for adoption (42 percent), but somewhat more white children than black children (38 percent compared with 35 percent) had actually been adopted in fiscal year 2001.

TABLE 11-44 -- NUMBER OF AGENCY-INVOLVED ADOPTIONS BY STATE, SELECTED FISCAL YEARS 1995-2002

State	1995 ¹	1997 ¹	1999 ²	2001 ²	2002 ²
Alabama	128	136	153	238	249
Alaska	103	109	137	278	190
Arizona	215	474	761	938	793
Arkansas	84	146	318	362	297
California	3,094	3,614	6,344	9,180	8,713
Colorado	338	458	713	611	840
Connecticut	198	278	403	444	617
Delaware	38	33	33	117	133
District of Columbia	86	132	166	230	252
Florida	904	992	1,355	1,493	2,206
Georgia	383	558	1,129	899	934
Hawaii	42	150	281	260	349
Idaho	46	47	107	132	118
Illinois	1,759	2,695	7,028	4,107	3,585
Indiana	520	592	759	878	920
Iowa	227	440	764	661	871
Kansas	333	421	566	428	450
Kentucky	197	222	360	573	552
Louisiana	292	310	356	470	487
Maine	85	96	202	364	285
Maryland	324	290	592	815	631
Massachusetts	1,073	1,161	922	778	808
Michigan	1,717	2,047	2,446	2,979	2,826
Minnesota	232	302	633	567	626
Mississippi	109	131	237	266	216
Missouri	538	533	849	1,102	1,542
Montana	104	143	187	275	234
Nebraska	208	180	279	292	308
Nevada	155	148	123	243	251
New Hampshire	51	24	62	95	114
New Jersey	616	570	732	1,028	1,365

TABLE 11-44 -- NUMBER OF AGENCY-INVOLVED ADOPTIONS BY STATE, SELECTED FISCAL YEARS 1995-2002-continued

State	1995 ¹	1997 ¹	1999 ²	2001 ²	2002 ²
New Mexico	141	152	258	369	275
New York	4,579	4,979	4,864	3,934	3,160
North Carolina	289	694	949	1,327	1,324
North Dakota	42	57	139	145	137
Ohio	1,202	1,400	1,868	2,230	2,396
Oklahoma	226	418	825	956	987
Oregon	427	441	765	1,071	1,115
Pennsylvania	1,018	1,526	1,454	1,564	2,020
Rhode Island	216	226	292	267	256
South Carolina	231	318	456	384	340
South Dakota	42	55	84	97	145
Tennessee	458	195	382	646	922
Texas	804	1,091	2,054	2,319	2,295
Utah	283	268	369	349	335
Vermont	62	80	139	116	153
Virginia	320	276	326	495	424
Washington	645	656	1,047	1,204	1,077
West Virginia	139	220	312	362	361
Wisconsin	360	530	642	754	1,028
Wyoming	10	16	45	46	50
Puerto Rico	NA	NA	483	475	388
Total	25,693	31,030	46,750	50,213	50,950

¹ The data for FY1995-FY1997 were reported by States to set baselines for the Adoption Incentive Program. They came from a variety of sources including the Adoption and Foster Care Analysis and Reporting System (AFCARS), court records, file reviews and legacy information systems.

² Unless otherwise noted, the data come from the AFCARS adoption database. Because AFCARS adoption data are being continuously updated and cleaned, the numbers reported here may differ from data reported elsewhere. In addition, data reported for the Adoption Incentive program will differ from these data because adoptions reported for that program are identified through a different AFCARS data element and must qualify in other ways to be counted toward the award of incentive funds. Counts include adoptions reported as of 10/1/2003. Where appropriate, AFCARS data have been adjusted for duplication.

Source: U.S. Department of Health and Human Services.

TABLE 11-45 -- RACE/ETHNICITY OF CHILDREN WAITING FOR
ADOPTION AND ADOPTED, FISCAL YEAR 2001¹

Race/Ethnicity ³	[In percent] ²	
	Waiting Children	Adopted Children
White	32	38
Black	42	35
Hispanic	11	16
Two or more races	2	3
Other ⁴	2	2
Unknown	4	5
Missing data	6	0

¹ Total number of children adopted is 50,940. Total number of children waiting is 130,538.

² Detail may not sum to 100 percent due to rounding.

³ AFCARS race and ethnicity categories are consistent with those used by the U.S. Census Bureau. Children identified as being of Hispanic origin may be of any race. Children included in the other race/ethnicity categories are non-Hispanic. Additionally, Federal race reporting standards changed to allow for multiple race reporting, therefore, a "Two or More Races" category was added beginning with FY2000. Therefore care should be used when comparing pre-FY2000 data with FY2000 and later race/ethnicity statistics, e.g. comparing the data in these tables with data found in the *Child Welfare Outcomes - Annual Report to Congress*.

⁴ For this Table "other" combines data reported in three categories: American Indian/Alaskan Native, Asian, and Native Hawaiian/Other Pacific Islander.

Source: Table prepared by the Congressional Research Service from information provided by the U.S. Department of Health and Human Services.

Additional State-by-State information on children adopted through the public child welfare system is shown in tables 11-46 through 11-48, including race/ethnicity, age at the time of adoption finalization, and the prior relationship between adoptive parents and children. Readers should note that most children who are adopted out of foster care are adopted by their foster parents (Table 11-48).

TABLE 11-46 -- RACE/ETHNICITY OF CHILDREN ADOPTED IN FISCAL YEAR 2001, BY STATE¹

[In percent; 50,940 total cases]²

State	American Indian/Alaskan Native	Asian	Black or African American	Native Hawaiian/Other Pacific Islander	Hispanic	White	Unknown/Unable to Determine	Two or More	Missing
Alabama	1	3	42	3	3	55	3	1	3
Alaska	36	3	5	3	8	26	3	26	3
Arizona	1	3	10	3	38	44	0	6	3
Arkansas	3	0	33	3	3	62	1	2	3
California	0	1	17	0	37	31	12	1	3
Colorado	2	1	18	3	27	50	0	1	3
Connecticut	3	3	32	3	31	28	0	8	3
Delaware	3	3	62	3	10	28	3	3	3
District of Columbia	3	3	100	3	3	3	0	3	3
Florida	0	3	34	3	13	47	0	5	3
Georgia	3	1	48	3	6	36	2	7	3
Hawaii	3	21	2	45	3	9	1	16	3
Idaho	14	1	8	3	12	62	3	3	3
Illinois	0	0	77	3	5	17	2	3	3
Indiana	0	3	50	3	3	45	0	1	3
Iowa	3	1	21	3	6	63	6	3	3
Kansas	1	3	20	3	3	71	4	1	3
Kentucky	3	0	34	3	3	59	1	3	4
Louisiana	1	3	58	3	0	39	0	2	3
Maine	1	1	2	3	1	87	7	1	3
Maryland	3	0	73	3	2	22	3	3	3
Massachusetts	0	2	17	3	23	52	2	2	1
Michigan	1	3	49	3	4	40	0	6	3
Minnesota	3	3	22	3	7	54	5	11	3
Mississippi	3	0	63	3	3	36	3	3	3

Missouri	0	3	39	3	2	59	0	3	3
Montana	22	3	4	3	7	67	3	3	3
Nebraska	5	0	16	3	8	69	1	1	3
Nevada	1	2	23	3	12	62	3	3	3
New Hampshire	3	3	3	1	5	88	3	2	3
New Jersey	0	0	66	3	7	21	4	2	3
New Mexico	4	0	6	3	56	34	3	1	3
New York	0	0	46	3	14	13	26	3	3
North Carolina	2	1	48	0	6	37	0	6	0
North Dakota	23	3	5	3	4	66	3	1	3
Ohio	0	0	45	3	3	45	0	7	3
Oklahoma	11	0	18	1	5	58	0	7	3
Oregon	4	0	8	3	13	71	1	2	3
Pennsylvania	0	1	46	3	9	44	0	0	3
Rhode Island	2	2	24	3	13	47	8	3	3
South Carolina	1	3	58	3	2	39	3	0	3
South Dakota	41	3	2	3	11	41	3	4	3
Tennessee	0	3	31	3	4	57	0	7	3
Texas	0	0	24	0	38	32	1	4	3
Utah	3	1	6	1	28	52	9	3	3
Vermont	3	3	3	3	3	95	2	3	3
Virginia	3	1	41	3	5	45	0	8	3
Washington	5	1	12	0	11	63	1	6	3
West Virginia	3	0	7	3	1	84	3	8	3
Wisconsin	3	0	36	3	7	47	3	6	3
Wyoming	7	2	3	3	20	72	3	3	3
Puerto Rico	3	3	3	3	100	0	3	3	3
Total	1	1	35	0	16	38	5	3	0

TABLE 11-46 -- RACE/ETHNICITY OF CHILDREN ADOPTED IN FISCAL YEAR 2001, BY STATE¹ -continued

¹ AFCARS race and ethnicity categories are consistent with those used by the U.S. Census Bureau. Children identified as being of Hispanic origin may be of any race. Children included in the other race/ethnicity categories are non-Hispanic. Additionally, Federal race reporting standards changed to allow for multiple race reporting, therefore, a "Two or More Races" category was added beginning with FY2000. Therefore care should be used when comparing pre-FY2000 data with FY2000 and later race/ethnicity statistics, e.g. comparing the data in these tables with data found in the *Child Welfare Outcomes - Annual Report to Congress*.

² Percent totals may not equal 100 due to rounding. The total number of cases used represents the number of children for whom sufficient case record data was submitted to be included in this Table. This number of children does not necessarily equal the total number of cases found in other tables.

³ State did not report any cases in that category.

Note - A "0" indicates the State reported some cases in the category but the number of cases was less than one-half of one percent.

Source: U.S. Department of Health and Human Services.

TABLE 11-47 -- CHILD'S AGE AT ADOPTION FINALIZATION, BY STATE, FISCAL YEAR 2001

[In percent; 50,920 total cases]¹

State	Under 1 year	1-5 years	6-10 years	11-15 years	16-18 years	19+ years
Alabama	3	47	33	16	1	²
Alaska	0	51	34	13	2	²
Arizona	1	49	30	17	2	²
Arkansas	2	41	33	19	5	²
California	3	52	31	12	2	0
Colorado	3	51	28	15	2	²
Connecticut	1	55	32	12	1	²
Delaware	2	51	36	10	1	²
District of Columbia	3	24	52	16	4	0
Florida	2	51	32	13	2	0
Georgia	0	45	36	17	2	²
Hawaii	5	54	27	12	1	²
Idaho	2	55	24	17	2	²
Illinois	0	40	39	19	2	0
Indiana	1	41	35	19	3	²
Iowa	2	44	32	19	4	²
Kansas	²	42	34	19	5	0
Kentucky	1	39	37	20	4	0
Louisiana	0	38	41	17	3	²
Maine	2	46	34	15	3	²
Maryland	1	43	39	16	2	0
Massachusetts	1	49	33	16	1	²
Michigan	2	43	36	17	2	0
Minnesota	2	48	33	16	1	0
Mississippi	²	42	36	19	3	²
Missouri	3	46	32	16	3	0
Montana	3	42	33	19	3	²
Nebraska	1	43	34	19	3	²
Nevada	1	61	26	12	1	²
New Hampshire	²	47	40	12	1	²
New Jersey	1	57	30	12	1	0
New Mexico	1	37	43	17	3	²
New York	0	34	37	25	3	0
North Carolina	4	46	30	18	3	0
North Dakota	28	32	21	13	6	²
Ohio	5	47	30	15	3	0
Oklahoma	1	40	37	20	2	²
Oregon	0	48	35	15	1	²
Pennsylvania	1	43	33	19	3	0
Rhode Island	3	53	30	13	1	²
South Carolina	3	43	32	18	4	²
South Dakota	2	52	37	7	2	²
Tennessee	1	35	37	22	5	²
Texas	4	55	29	12	1	²
Utah	9	54	27	10	1	²
Vermont	3	41	34	22	2	²

TABLE 11-47 -- CHILD'S AGE AT ADOPTION FINALIZATION,
FISCAL YEAR 2001, BY STATE-continued

State	Under 1 year	1-5 years	6-10 years	11-15 years	16-18 years	19+ years
Virginia	0	40	40	17	3	²
Washington	1	57	31	10	1	²
West Virginia	1	40	37	18	4	²
Wisconsin	7	44	34	14	1	²
Wyoming	²	30	50	17	2	²
Puerto Rico	3	46	33	13	3	3
Total	2	46	33	16	2	0

¹ Percent totals may not equal 100 due to rounding. The total number of cases used represents the number of children for whom sufficient case record data was submitted to be included in this Table. This number of children does not necessarily equal the total number of cases found in other tables.

² State did not report any cases in that category.

Note - A "0" indicates the State reported some cases in the category but the number of cases was less than one-half of one percent.

Source: U.S. Department of Health and Human Services.

TABLE 11-48 -- PRIOR RELATIONSHIP OF ADOPTIVE PARENT(S)
TO CHILD, BY STATE, FISCAL YEAR 2001

State	[In percent; 45,239 total cases] ¹			
	Non-relative	Foster parent	Step-parent	Other relative ²
Alabama	97	³	³	3
Alaska	³	53	³	47
Arizona	15	43	0	42
Arkansas	17	69	³	14
California	8	46	0	46
Colorado	10	62	0	28
Connecticut	25	62	³	13
Delaware	25	69	³	6
District of Columbia	³	80	³	20
Florida	23	46	³	31
Georgia	18	74	³	8
Hawaii	³	48	³	52
Idaho	36	42	³	22
Illinois	³	100	³	0
Indiana	52	30	³	18
Iowa	29	71	³	³
Kansas	13	66	0	21
Kentucky	23	73	2	2
Louisiana	17	76	³	7
Maine	94	³	³	6
Maryland	4	55	0	41
Massachusetts	³	99	³	1
Michigan	10	56	³	34
Minnesota	41	32	0	26
Mississippi	30	65	4	1
Missouri	5	72	0	22

TABLE 11-48 -- PRIOR RELATIONSHIP OF ADOPTIVE PARENT(S)
TO CHILD, BY STATE, FISCAL YEAR 2001-continued

[In percent; 45,239 total cases]¹

State	Non-relative	Foster parent	Step-parent	Other relative ²
Montana	1	76	³	23
Nebraska	40	13	³	47
Nevada	6	80	³	14
New Hampshire	16	81	³	3
New Jersey	20	80	³	3
New Mexico	62	5	³	33
North Carolina	26	50	0	25
North Dakota	41	59	³	³
Ohio	18	65	³	16
Oklahoma	21	36	³	43
Oregon	30	34	³	37
Pennsylvania	37	58	³	5
Rhode Island	6	64	0	30
South Carolina	31	68	³	1
South Dakota	10	69	³	21
Tennessee	19	74	³	7
Texas	27	49	0	24
Utah	32	60	³	7
Vermont	3	73	³	24
Virginia	17	78	³	5
Washington	39	59	2	0
West Virginia	3	82	³	15
Wisconsin	19	69	³	12
Wyoming	³	76	³	24
Puerto Rico	14	46	16	24
Total	17	59	0	24

¹ Percent totals may not equal 100 due to rounding. The total number of cases used represents the number of children for whom sufficient case record data was submitted to be included in this Table. This number of children does not necessarily equal the total number of cases found in other tables.

² Adoptive parents(s) identified as either relatives or relative foster parent(s) are classified as other relative. Some States did not identify any relative adopters.

³ State did not report any cases in that category.

Note - A "0" indicates the State reported some cases in the category but the number of cases was less than one-half of one percent.

Source: U.S. Department of Health and Human Services.

TRENDS IN CHILD WELFARE AND FOSTER CARE COSTS

Federal spending under the title IV-E Foster Care Program has increased significantly since it began in 1981. Based on Administration estimates, Federal title IV-E expenditures have increased more than fourteenfold, from \$309 million to \$4.5 billion, between 1981 and 2002. Funding for the title IV-B Child Welfare Services Program increased by almost 80 percent from 1981 to 2002 (\$163.6 million to \$292 million). Funding for the title XX Social Services Block

Grant (SSBG), which States may use for child welfare services, has fallen.

In recent years, an increasing proportion of title IV-E costs has been expended on child placement services, administration, and training. Table 11-49 shows HHS and Congressional Budget Office (CBO) estimates of title IV-E expenditures through fiscal year 2008.

TABLE 11-49 -- PROPORTION OF TITLE IV-E FOSTER CARE EXPENDITURES SPENT ON CHILD PLACEMENT, ADMINISTRATION, AND TRAINING, FISCAL YEARS 1989-2008
[Dollars in millions]

Fiscal year	Total Federal title IV-E expenditures	Placement administration and training ¹	Placement, administration, and training as a percent of total title IV-E expenditures
Actual:			
1989	1,153	507	0.44
1990	1,473	638	0.43
1991	1,819	789	0.43
1992	2,233	1,029	0.46
1993	2,534	1,222	0.48
1994	2,750	1,375	0.50
1995	3,066	1,467	0.48
1996	3,098	1,595	0.51
1997	3,692	1,967	0.53
1998	3,704	1,782	0.48
1999 ²	4,012	2,049	0.51
2000	4,256	2,241	0.53
2001	4,382	2,312	0.53
2002	4,523	2,450	0.54
HHS estimates:			
2003	4,690	2,629	0.56
2004	4,917	2,814	0.57
2005	5,044	2,879	0.57
2006	5,276	3,028	0.57
2007	5,516	3,180	0.58
2008	5,770	3,339	0.58
CBO estimates:			
2003	4,592	2,541	0.55
2004	4,719	2,626	0.56
2005	4,806	2,659	0.55
2006	4,943	2,743	0.55
2007	5,086	2,831	0.56
2008	5,232	2,926	0.56

¹ Includes regular administration, training, and for fiscal years 1994-1995, SACWIS costs.

² Beginning in fiscal year 1999, data include Puerto Rico.

Source: Compiled by the Congressional Research Service from data provided by the U.S. Department of Health and Human Services and the Congressional Budget Office.

Table 11-50 shows Federal foster care expenditures by State in 1991, 1996, 1999, and 2002. Between 1991 and 2002, total foster care expenditures increased

by 129 percent. Over this same time period, foster care maintenance costs increased by 68 percent. Because of the large increase in administrative and child placement costs relative to maintenance costs, the share of total costs represented by maintenance costs decreased between 1991 and 2002.

In an effort to gain more complete information on total child welfare spending, including sources in addition to titles IV-B and IV-E of the Social Security Act, the Urban Institute has conducted a series of State surveys; 51 States responded to the most recent survey with information about spending in fiscal year 2000 (Urban, 2002b). The survey found that States spent \$20 billion in that year, and researchers estimated that Federal funds accounted for 49 percent of total spending, State funds also constituted 39 percent, and local sources accounted for 11 percent. Of Federal expenditures, 50 percent was from title IV-E but only 5 percent was from title IV-B. Nontraditional funding sources played a significant role; 17 percent of Federal expenditures for child welfare came from Temporary Assistance for Needy Families funds, 15 percent was from the Social Services Block Grant, and 8 percent was from Medicaid. Other sources included Supplemental Security Income. The report also found that the financing of child welfare services varies considerably by State, and that the largest single category of expenditure was for out-of-home care, accounting for 45 percent of all child welfare spending in fiscal year 2000.

TABLE 11-50 -- FEDERAL FOSTER CARE EXPENDITURES BY STATE,
SELECTED FISCAL YEARS 1991-2002¹

State	Fiscal year total expenditure claims (in millions of dollars)				Maintenance claims (in millions of dollars)		Maintenance claims as a percentage of total		Percentage growth in total 1991-2002
	1991	1996 ²	1999 ²	2002 ²	1991	2002	1991	2002	
Alabama	5.17	5.23	13.24	26.81	1.43	6.51	28	24	419
Alaska	3.75	7.99	9.42	9.02	1.67	1.91	45	21	141
Arizona	11.43	44.12	54.32	39.99	3.72	20.89	33	52	250
Arkansas	4.85	26.64	32.06	32.68	1.76	12.85	36	39	574
California	354.69	727.89	911.80	1,171.27	185.50	402.21	52	34	230
Colorado	7.46	20.35	42.55	47.36	4.49	13.39	60	28	535
Connecticut	24.04	66.83	91.78	50.17	8.18	13.09	34	26	109
Delaware	1.35	7.40	8.31	10.67	0.57	1.42	42	13	690
District of Columbia	4.70	22.89	42.95	25.08	2.68	15.84	57	63	434
Florida	25.36	78.70	120.77	126.80	10.98	27.50	43	22	400
Georgia	24.19	24.52	42.89	61.63	7.39	28.63	31	46	155
Hawaii	1.23	11.77	15.81	17.05	0.09	3.85	07	23	1286
Idaho	1.23	6.70	7.92	5.69	0.28	1.87	23	33	363
Illinois	67.45	238.33	273.27	321.21	40.36	56.32	60	18	376
Indiana	7.12	50.82	53.32	46.87	2.49	25.88	35	55	558
Iowa	14.02	16.96	29.62	20.51	3.60	11.51	26	56	46
Kansas	12.94	23.90	30.89	28.36	6.36	5.00	49	18	119
Kentucky	30.68	51.58	46.11	54.17	11.96	28.13	39	52	77
Louisiana	26.12	36.68	50.14	52.85	14.67	22.36	56	42	102
Maine	8.01	18.78	32.18	33.42	4.79	25.23	60	75	317
Maryland	28.95	76.46	96.73	141.21	14.23	58.32	49	41	388
Massachusetts ³	29.47	95.20	75.23	54.82	17.01	31.33	58	57	86
Michigan	128.27	104.57	135.96	144.87	52.49	73.66	41	51	13
Minnesota	24.83	44.55	72.59	74.48	12.60	22.63	51	30	200
Mississippi	2.16	8.74	9.49	9.99	1.07	2.02	50	20	362
Missouri	29.29	45.96	73.62	67.11	14.29	24.90	49	37	129

Montana	6.72	8.31	7.79	9.76	2.47	5.82	37	60	45
Nebraska	7.15	20.40	25.89	21.97	3.73	11.96	52	54	207
Nevada	2.54	5.18	14.76	13.83	0.92	3.85	36	28	445
New Hampshire	5.06	10.24	11.85	11.80	1.97	5.08	39	43	133
New Jersey	16.30	41.38	45.64	77.09	8.07	32.55	50	42	373
New Mexico	6.28	13.78	14.37	15.89	3.04	3.38	48	21	153
New York	672.62	471.46	482.04	479.63	451.66	296.06	67	62	-29
North Carolina	8.64	37.44	64.54	63.62	6.55	17.96	76	28	636
North Dakota	3.84	8.12	11.21	13.11	1.90	4.96	49	38	241
Ohio	52.52	135.55	207.89	221.95	26.40	118.96	50	54	323
Oklahoma	11.64	24.99	32.42	29.17	8.21	15.32	71	53	151
Oregon	14.02	24.82	31.50	31.88	6.91	13.44	49	42	127
Pennsylvania	118.44	149.79	316.40	345.25	82.01	189.70	69	55	192
Puerto Rico	NA	NA	7.28	13.44	NA	13.44	NA	NA	NA
Rhode Island	5.77	9.17	12.59	13.86	2.57	4.50	45	32	140
South Carolina	9.70	18.78	17.23	35.33	4.74	12.46	49	35	264
South Dakota	2.02	3.04	4.60	5.79	1.07	2.78	53	48	187
Tennessee	19.63	27.15	25.19	24.21	11.22	15.54	57	64	23
Texas	54.75	77.22	86.96	148.07	28.54	75.21	52	51	170
Utah	3.84	13.19	20.95	20.09	2.05	3.08	53	15	423
Vermont	6.59	8.24	12.00	12.80	4.32	9.07	66	71	94
Virginia	12.48	32.67	44.32	81.23	5.09	27.22	41	34	551
Washington	17.06	24.83	29.30	53.13	6.02	16.29	35	31	211
West Virginia	7.60	8.51	17.73	23.25	5.69	18.60	75	80	206
Wisconsin	32.27	45.97	91.65	80.04	15.88	26.12	49	33	148
Wyoming	0.89	1.92	2.19	2.89	0.61	1.29	69	45	224
Total ⁴	1,977.13	3,085.71	4,011.26	4,523.18	1,116.30	1,881.91	56	42	128

TABLE 11-50 -- FEDERAL FOSTER CARE EXPENDITURES BY STATE,
SELECTED FISCAL YEARS 1991-2002¹ -- continued

¹ Does not include dispute and reconciliations.

² Fiscal years 1996, 1999, and 2002 include SACWIS expenditures.

³ Fiscal year 1999 data include estimates for the third and fourth quarters.

⁴ Puerto Rico did not begin to participate in title IV-E foster care until fiscal year 1999. Therefore, the percentage growth from 1991-2002 is calculated without including Puerto Rico in the total.

Source: Committee on Ways and Means using data provided by the U.S. Department of Health and Human Services.

LEGISLATIVE HISTORY

(For legislative history before 1996, see previous editions of the Green Book.)

During the 104th Congress, comprehensive welfare reform legislation was enacted that contained provisions affecting child welfare (Personal Responsibility and Work Opportunity Reconciliation Act, Public Law 104-193). The centerpiece of the welfare reform legislation was the repeal of AFDC and creation of a new block grant to States for Temporary Assistance for Needy Families (TANF). As a condition of receiving TANF funds, States must operate Foster Care and Adoption Assistance Programs under title IV-E of the Social Security Act. However, eligibility for title IV-E historically has been linked to AFDC eligibility. Thus, Public Law 104-193 provides that foster or adoptive children are eligible for title IV-E subsidies if their families would have been eligible for AFDC, as it was in effect in their State on June 1, 1995. (Technical amendments enacted in 1997, Public Law 105-33, subsequently changed this date to July 16, 1996.) Children eligible for SSI continue to be eligible for title IV-E adoption assistance, and foster and adoptive children continue to be eligible for Medicaid.

Public Law 104-193 also amended title IV-E to enable for-profit child care institutions to participate in the Federal Foster Care Program; extended the enhanced Federal matching rate for certain data collection costs through fiscal year 1997; mandated HHS to conduct a national random sample study of children in the child welfare system; and required States, as a component of their title IV-E plans, to consider giving preference to adult relatives in determining a foster or adoptive placement for a child.

In 1997, Congress enacted the most significant changes to titles IV-B and IV-E of the Social Security Act since they were established in their current form in 1980. This legislation, the Adoption and Safe Families Act (Public Law 105-89), was intended to promote adoption and ensure safety for children in foster care. The law established that a child's health and safety must be of paramount concern in any efforts made by the State to preserve or reunify the child's family. The law retained, but clarified the requirement that States make "reasonable efforts" to preserve or reunify a child's family, establishing exceptions to this requirement. Also to promote safety, Public Law 105-89 required States to conduct criminal background checks for all prospective foster or adoptive parents, and required States to develop standards to ensure quality services that protect children's health and safety while in foster care. To promote permanency, the law required States to make reasonable efforts to place children, in a timely manner, who have permanency plans of adoption or another alternative to family reunification, and to document these efforts. Further, provisions were intended to eliminate interjurisdictional barriers to adoption. Public Law 105-89 changed the name of dispositional hearings to "permanency" hearings, and required that they occur within 12 months of a child's placement in foster care, rather than the first 18 months. The law also revised the list of permanency goals, eliminating specific reference to long-term foster care, and required that foster parents, preadoptive parents, and relative care givers be

given notice and opportunity to be heard at reviews and hearings.

The Adoption and Safe Families Act required that States initiate or join proceedings to terminate parental rights on behalf of children who have been in foster care for 15 of the most recent 22 months, although certain exceptions are allowed. The law also authorized incentive payments to States to increase the number of foster and special-needs children who are placed for adoption. The law contains some provisions intended to expand health insurance coverage for special-needs adopted children who are not eligible under title IV-E, and also reauthorized and renamed the Family Preservation and Family Support Program. The program was authorized through fiscal year 2001, as the Promoting Safe and Stable Families Program. In addition, Public Law 105-89 established a new outcome measures reporting system for States, and authorized an expansion of the child welfare waiver demonstration authority established earlier.

Public Law 106-169 was enacted during the 106th Congress, revising the Independent Living Program and renaming it in honor of the late Senator John Chafee. The legislation provided greater flexibility to States in their use of funds to help older foster children obtain the education and employment services necessary for a successful transition to adult living, increased the entitlement ceiling for the program, and revised the State allocation formula. The law also established an option under Medicaid for States to cover certain former foster care youth aged 18-20.

Public Law 107-133 reauthorized the Promoting Safe and Stable Families program for 5 years (FY2002-FY2006) at an annual mandatory funding level of \$305 million, and authorized additional discretionary funds of up to \$200 million annually. The law also granted new program authority for HHS to fund programs that mentor children of prisoners and expanded the Foster Care Independence Program by authorizing new discretionary funds for education and training vouchers.

Public Law 108-145 reauthorized adoption incentive payments to States to increase adoptions of foster children and children with special needs. The law added an additional incentive to increase adoptions of foster children ages 9 or older; mandated a report by HHS on State efforts to promote adoption or other permanency options for foster children; and authorized penalties for States that fail to submit AFCARS data to HHS.

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