



## Using Incentive Payments to Recognize Permanency for Children in Foster Care

*Comments submitted to the Subcommittee on Human Resources of the Committee on Ways and Means*

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We appreciate this opportunity to share our comments on the importance of incentivizing and recognizing permanency for children in foster care with the Subcommittee on Human Resources of the Committee on Ways and Means.

Since 1883, Children's Home + Aid of Illinois has been providing help, hope and opportunity to children and families in need throughout state. Each year, Children's Home + Aid serves more than 40,000 children and families by helping them overcome obstacles posed by poverty, abuse and neglect. Through a comprehensive array of services, we partner with the state of Illinois and the federal government to reach a diverse population with programming designed to provide help, hope and opportunity.

For more than 30 years, Congress has recognized the importance of using federal financial support as an important lever in promoting the adoption of children from the nation's foster care system. With the authorization of the Adoption Incentives program and the Family Connection Grants program due to expire on September 30, 2013, Congress is presented with an important opportunity to further target the use of federal resources in a way that reinforces a critical outcome for children entering foster care: permanency.

Every child deserves a stable and lasting family life. Children and youth who remain in foster care without achieving permanency through adoption, guardianship or reunification face a broad spectrum of challenges when they age out of the system.<sup>1</sup> These challenges are related to their unmet needs for living independently and their educational deficits, but their challenges also reflect the absence of a safety net typically provided by a family supporting a young person as they make their transition to adulthood. In most families, parents continue to provide emotional and financial support well into young adulthood.<sup>2</sup> For foster youth, who may be unconnected to family or whose families of origin are frequently unable to provide these supports, unmet needs for further education and independent living skills can have devastating consequences including unemployment, homelessness and an increased likelihood of engaging in high-risk behaviors. The prevalence of these negative outcomes for youth aging out of foster care make achieving permanency for children in foster care a key practice and policy priority.

Given the importance of permanency, **we urge Congress to expand the use of the Adoption Incentives program to recognize and reward child welfare jurisdictions for improving permanency outcomes for children in foster care whether permanency is achieved through adoption, guardianship or reunification.** This reflects both the time-honored notion of permanency for children as well as the emergent trends which are part of today's foster care system, where incentivizing all permanency options can successfully reduce the number of children in foster care.

<sup>1</sup>Courtney et al., 2005

<sup>2</sup>Fingerman, K., Miller, L., Birditt, K., & Zarit, S. (2009). Giving to the good and the needy: Parental support of grown children. *Journal of Marriage and Family*, 71, 1220-1233.

Moving in this direction reflects what many states have long recognized: improving the rate at which we connect children with families who can safely and permanently meet their needs outside of foster care should be a key outcome incentivized by the federal government.

### **The Illinois Example**

Over the last two decades, we've learned a great deal about promoting permanency for children who enter foster care. We've also learned that promoting permanency has been one of the most effective strategies for reducing the number of children in the nation's foster care system—an underlying goal of federal efforts around promoting adoption performance. According to data from the Adoption and Foster Care Analysis and Reporting System (AFCARS), the number of children in foster care nationally has dropped more than 25 percent since 2000.<sup>3</sup> In Illinois during this same period, the foster care population declined by more than 50 percent<sup>4</sup> – twice the rate of the national decline. This reduction in Illinois foster care numbers resulted from a comprehensive focus on achieving permanency for children dating back to 1998, where all permanency outcomes were recognized and rewarded, not just adoptions.

Since passage of the Adoption and Safe Families Act in 1997, Illinois and other child welfare jurisdictions have well-understood that promoting permanency on all fronts is key to reducing the number of children in foster care. In 2000, Jess McDonald, then director of the Illinois Department of Children and Family Services, testified before Congress<sup>5</sup> on the success of Illinois' Performance-based Contracting model which had dramatically increased permanency for children in care. Under this model, Illinois recognized and rewarded contracted agencies successful in securing permanency for children in foster care through reunification, adoption and guardianship. While this performance turnaround saw Illinois twice recognized (in 1998 and 1999) for the White House's Adoption Excellence award for increasing adoptions, it should be noted that Illinois' success in reducing the number of children in foster care was driven by pursuing permanency through guardianships and reunifications as well as adoptions.

Following in Illinois' example, we urge Congress to expand use of the Adoption Incentives program to more broadly reinforce permanency for children in foster care by recognizing states for improvements in the combined outcomes of reunification, adoption and guardianship.

### **Kinship guardianship**

Thinking broadly about permanency performance for a federally funded incentives program is especially important in light of changes ushered in with passage of the Fostering Connections to Success and Increasing Adoptions Act of 2008. Bolstered by compelling evidence generated from the first round of Title IV-E demonstration waivers (authorized by Congress), states are now permitted to use federal financial participation for providing a kinship guardianship assistance program for a child exiting foster care. Using the incentive program to recognize these important commitments of a permanent home for a child exiting foster care could do much to encourage more states to exercise the option to offer kinship guardianship assistance for qualifying children and caregivers.

### **Permanency leads to cost savings**

These recommendations represent an approach to the current incentive program which reflects the right policy choices in an environment of growing fiscal constraints. Perhaps the best rationale for creating incentives for states that go beyond achieving increases in adoptions is that expanding our success in achieving permanency for children to include reunifications and guardianships is a better spend of the public

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<sup>3</sup> Administration for Children and Families, Health and Human Services (2012), *Child Welfare Outcomes, 2007-2010: Report to Congress*. Available at <http://www.acf.hhs.gov/programs/cb/pubs/cwo07-10/cwo07-10.pdf>

<sup>4</sup> Illinois Department of Children and Family Services (2013), *Budget Briefing FY14*. Available at <http://www.state.il.us/dcfs/docs/Budget%20Book%20FY14%20Final.pdf>

<sup>5</sup> McDonald, Jess (2000). *Illinois' Performance Contracting in Child Welfare, Testimony before the Government Management, Information and Technology Sub-Committee of the House Committee on Government Reform*. Available at <http://www.state.il.us/dcfs/docs/testimony.shtml>

dollar. The cost of a child who leaves foster care for guardianship or adoption is less than if that child remained in care. The greatest savings still are represented by children who leave foster care and are returned home to a parent who has demonstrated their ability to safely care for their children. Passing on this important opportunity to align financial incentives for the states with these important outcomes for children is something we can ill-afford in an environment which calls on government to do the same or more with less.

### **Measuring success**

Finally, our experience in Illinois in using performance to profoundly reduce the number of children in foster care taught us something else critical to changing behavior within a very complex system. Measuring success in raw numbers rather than year over year changes in permanency rates hurts consistent performers while rewarding child welfare systems who delay action. In addition to measuring permanency more broadly by including reunification adoption and guardianship for the Adoption Incentives Program, Congress is urged to explore a more robust methodology for evaluating performance improvements that rely on rates rather actual numbers. Using rates based upon the combined permanency performance levels the performance environment so that over time, consistent performers can benefit equally with jurisdictions that have not had similar, sustained performance over time.

### **Conclusion**

We fully recognize that there are a number of implementation challenges related to these recommendations which require more discussion and additional analysis. For example, recognizing reunification as a permanency outcome immediately necessitates taking a closer look at a) lengths of stay prior to reunification and b) the stability of a reunification over a specified period of time so that permanency comparisons across child welfare jurisdictions are equally valid when used to determine changes in performance over time. While this is just one example of the kind of challenging questions that will need to be answered to move ahead with a framework which more broadly acknowledges the work of child welfare systems in securing permanency for children, these conversations have significant potential to advance dialogue in both the practice and policy arenas.

The Adoption Incentive program is a compelling example of how the original purpose of the program has been honed over time to better fit the performance climate and expectations of the child welfare system as a whole. The Adoption Promotion Act of 2003 both reset state baselines and added a new incentive payment category for adoptions of children age nine and older based upon research which showed this category of children to be at heightened risk of remaining in foster care. In 2008, the Fostering Connections to Success and Increasing Adoptions Act again reset state baselines, doubled incentive payments for special needs children under age nine and all children age nine and older, and authorized incentive payments for states increasing the rate of children adopted from foster care. These changes signal an important commitment to ensure both policy and practice reflect the best thinking about how to improve permanency outcomes for children in foster care.