



## **Bush Administration’s “Child Welfare Program Option” Puts Children Who Have Been Abused or Neglected at Greater Risk**

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February 9, 2007

Our nation is failing its most vulnerable children. Over the last decade, between 875,000 and one million children have been found to be abused or neglected each year.<sup>1</sup> This startling figure does not even acknowledge the millions of children who are abused and neglected but never reported. The most recent national survey, which tries to estimate the true incidence of abuse and neglect, suggests that up to three times as many children are actually abused or neglected as are reported and confirmed to have been maltreated.<sup>2</sup>

Federal data show that of those children who are found to have been abused or neglected, nearly 40 percent receive no services.<sup>3</sup> These children are reported to child protective service agencies, their situations are investigated, a determination is made that child maltreatment has occurred, and then we walk away. We don’t offer counseling, family supports, or even foster care! And just because the other 60 percent are getting *some* service doesn’t mean that those children and their families are getting the *right* services. Research indicates that half of children involved with the child welfare system have clinically significant behavioral or emotional problems, but only about one-fourth are getting mental health services.<sup>4</sup> Similarly, research indicates that about three-fourths of parents of children in foster care need substance abuse treatment, but less than one-third receive it.<sup>5</sup>

There is growing consensus that the child welfare system must be reformed—that children and their families need a broader range of services and supports. CLASP believes this reform will require additional investments and greater flexibility in the use of child welfare resources, so that a full continuum of services and supports are accessible to all who need them. The Administration’s latest budget proposal talks about

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<sup>1</sup> U.S. Department of Health and Human Services, *Child Maltreatment 2004* (Washington, DC 2006).

<sup>2</sup> U.S. Department of Health and Human Services, *The Third National Incidence Study of Child Abuse and Neglect*, (Washington, DC: 1996)

<sup>3</sup> U.S. Department of Health and Human Services, *Child Maltreatment 2004*, (Washington DC: 2006).

<sup>4</sup> Barbara Blum, Susan Phillips et al. “Mental Health Needs of and Access to Mental Health Service Use among Children Open to Child Welfare,” *Journal of the American Academy of Child and Adolescent Psychiatry*, Vol. 43, No. 8 (August 2004).

<sup>5</sup> U.S. Department of Health and Human Services, *National Survey of Child and Adolescent Well-Being: One Year in Foster Care Report*, (Washington DC: November 2003).

a goal of increasing services and supports for children, but its budget recommendations go in the opposite direction. This brief focuses on the Administration’s “Child Welfare Program Option,” offering a summary of what is known about the proposal and the concerns and questions CLASP has about the approach suggested.<sup>6</sup>

## THE ADMINISTRATION’S PROPOSAL

*The proposal permits states to accept a block grant of their foster care funds over a five year period:*

- The method of calculating state baselines for determining the amount of the grant has not been articulated.
- States may receive funds in five equal installments or according to projected growth rates. Note that this detail is from not budget documents but prior comments from officials at the Department of Health and Human Services (HHS).
- States that find themselves in a “severe foster care crisis” may tap into the contingency fund set up to help states deal with a crisis in the Temporary Assistance to Needy Families (TANF) program.
- States must maintain the level of spending they would have invested to receive foster care funds without the block grant—in other words, their match for the federal funds.

*The proposal allows states to use the funds for a range of supports and services, including:*

- Foster care payments,
- Administrative activities,
- Training for child welfare staff,
- Case management,
- Permanency efforts,
- Prevention activities, and
- Other similar child welfare activities.

*The proposal purports to maintain accountability by requiring states:*

- To continue safety protections outlined in the Adoption and Safe Families Act (ASFA) and
- To continue to participate in Child and Family Services Reviews.

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<sup>6</sup> Although this is the fifth year the President’s budget proposal has included the “Child Welfare Program Option,” no legislative language has been forthcoming. Thus this summary is based on the limited information in the budget documents and on comments made about the proposal by high-ranking officials at HHS.

## CONCERNS AND UNANSWERED QUESTIONS

CLASP has a number of concerns and questions about the budget proposal. Specifically, the block grant would:

***Eliminate the federal guarantee of help for children who are abused or neglected and require foster care, and jeopardize protections for those children. It would:***

- End the individual entitlement to federal foster care for eligible children;
- Require only those protections for children that were outlined in ASFA, although most protections were created long before ASFA, as part of the Title IV-E program; and
- Jeopardize the protections of Title IV-E by eliminating a mechanism for enforcing those protections: Title IV-E compliance reviews.

***Weaken the partnership between the federal and state governments to aid children who have been abused or neglected:***

- It would end the shared responsibility for increased need for foster care.
- It would shift the burden and risk to state and local governments.
- The federal government would share only in the risk of a “severe foster care crisis,” and then only:
  - To the extent that TANF contingency funds are available and
  - To the extent that the challenge meets the definition of “severe foster care crisis.” Although no such details are in the proposal, officials at HHS have previously said this would require a demonstration of increased foster care caseloads both nationally and in the particular state seeking access to the contingency fund.

***Be unlikely to lead to more services and supports other than foster care, because:***

- There is little or no money upfront to develop the capacity to provide services and supports that will reduce the number of children in foster care;<sup>7</sup>
- Not all states will be able to negotiate baselines that provide them with additional funds, because the proposal is intended to be cost neutral; and

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<sup>7</sup> Although the Administration contends the proposal is cost neutral over five years, the tables in the budget suggest a cost of \$8 million for 2008, which when divided among the states provides little money to increase service capacity and delivery. The Administration estimates the cost over five years to be \$6 million in Title IV-E funds and \$34 million from the TANF contingency fund. Arguably the funds from the contingency fund will be expended on foster care, since they can be accessed only in a “severe foster care crisis.” However, whether the proposal adds \$40 million or \$6 million over five years, it is unlikely to provide sufficient services, even to the 40 percent of substantiated victims who currently receive no services.

- Historically, block grants erode over time—due both to inflation and to the lack of congressional understanding of what the funds are being used to accomplish.<sup>8</sup>

***Exacerbate other threats to funding for services for vulnerable children and families:***

- The proposal to cap funding comes on top of last year's significant cuts to Title IV-E administrative and child placement funds and foster care maintenance funds for relative caregivers.<sup>9</sup>
- The block grant is being offered at the same time the Administration proposes significant cuts to other key sources of child welfare funding: Medicaid and the Social Services Block Grant (SSBG).<sup>10</sup> In recent years, funds for Medicaid Targeted Case Management and Rehabilitative services constituted about 10 percent of federal child welfare expenditures, and SSBG funds constituted about 11 percent of such expenditures. The Administration's 2008 budget proposal calls for deep cuts to Medicaid Targeted Case Management Services and Rehabilitative Services (an annual cut of \$430 million and a five-year cut of \$3.45 billion) and a nearly 30 percent cut to SSBG (\$500 million annual cut and a five-year cut of \$2.4 billion).<sup>11</sup>
- The proposal comes as the Administration calls for cuts to mental health and substance abuse prevention and treatment services, which are needed by many families involved with or at risk of involvement with the child welfare system. Specifically, the Administration proposes to cut mental health prevention and treatment services by \$77 million in 2008—a cut of nearly 30 percent—and to cut substance abuse prevention and treatment services by \$83 million in 2008—a cut of nearly 15 percent.
- These and other cuts may pressure states that would otherwise reject the optional block grant to gamble with the option. States may see no other way to try to provide critical services to children and families involved with or at-risk of involvement with the child welfare system.

The new Congress has a chance to bring about real reform of the child welfare system. First, Congress should reject the proposed cuts to Medicaid, SSBG, and mental health and substance abuse prevention and treatment services. Second, Congress should reject the Administration's proposed "Child Welfare Program Option." Finally, Congress should consider ways to invest additional resources to allow states to flexibly provide a

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<sup>8</sup> Center on Budget and Policy Priorities, *Block Grant Would Undermine Housing Voucher Program*, May 21, 2003, available at: <http://www.cbpp.org/5-21-03hous.htm>.

<sup>9</sup> These cuts were made as part of the Deficit Reduction Act of 2005 which was enacted in February, 2006.

<sup>10</sup> The block grant is also proposed at a time when the Administration is calling for cuts to supports and services for low-income children and families. See, for example, [http://clasp.org/publications/2008\\_budget\\_child\\_care.pdf](http://clasp.org/publications/2008_budget_child_care.pdf)

<sup>11</sup> The Budget requests an additional \$10 million in the Child Abuse Prevention and Treatment Act grants to "encourage states to use existing funding streams to successfully implement and sustain evidence based home visitation programs." It is not clear whether these funds are intended to provide technical assistance or direct services, but even if the funds can be used to provide direct services this increase is miniscule in comparison to the other cuts to critical services.

broad continuum of services and supports to children and families—those that prevent abuse and neglect, that avoid the need for foster care whenever safely possible, that help parents address challenges and reunify with their children as soon as safely possible, and that quickly find alternative loving homes for children who cannot return to their families.