

**Department of Health and Human Services**

**OFFICE OF  
INSPECTOR GENERAL**

**The Interstate Compact on the Placement  
of Children**

**State Structure and Process**



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# EXECUTIVE SUMMARY

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## PURPOSE

The purpose of this inspection is to describe how States have implemented the Interstate Compact on the Placement of Children and to report on the number of children who are affected by the Compact.

## BACKGROUND

The Administration for Children and Families (ACF) has asked the Inspector General (OIG) to look at a number of issues regarding interstate compacts. Currently, the ACF is interested in how the Interstate Compact on the Placement of Children (the Compact) is implemented by States, and the Compact's strengths and weaknesses. This inspection addresses how States have structured their Compact function. The Compact's strengths and weaknesses will be explored in a subsequent inspection.

Sometimes the most suitable placement for a child is out of their own State. The reasons for such placements include adoptions by a family in another State, placement into foster care out of State, and reunification with a parent who has moved while the child was in State custody.

The Interstate Compact on the Placement of Children is a contract among the States intended to ensure that children placed across States lines receive adequate protection and services. The Compact outlines the steps necessary to place a child out of State. For example, the State the child is in (the sending State) asks the State in which the child is to be placed (the receiving State) to conduct a home study to evaluate the suitability of the potential placement. If a placement is actually made, the receiving State supervises the placement and the sending State maintains financial responsibility for the child. The Compact began in 1959 and all States, the District of Columbia, and the U.S. Virgin Islands had joined by 1990.

This inspection is based on three data sets: responses to telephone interviews with compact administrators from each State, State policies and procedures, and placement data collected from the States.

## FINDINGS

### **States Have Policies And Procedures That Are Generally Uniform And Comprehensive**

The vast majority of States have centralized their Compact function. This means they have a Compact office at the State level that handles all Compact cases coming into and going out of the State. The two decentralized States handle all Compact cases at the county level.

States report using the same general procedures. Accordingly, placements usually follow the same path: local office to State office in the sending State, then State office to local office in the receiving State. Adoption and foster care placements generally follow the same path, but the

process differs depending on who initiates the placement. It could be the court, an agency, a parent or guardian. Although similar in many ways, States do have some notable differences. These differences include the extent of contracting out compact administration and the number of residential treatment centers in States.

### **States Are Sometimes Unaware That Children Are Placed in Their Jurisdiction**

Many States believe that children have probably been placed in their State without their knowledge. This can happen under two circumstances: 1) children placed through the Compact but the receiving State does not know the placement has been finalized; and 2) placements that ignore the Compact. States disagree about the implications of the first instance. Some States feel that these children are vulnerable because the placement may not be supervised. Other States say the local office knows about the placement, even if the State does not, and will supervise it. For placements that ignore the compact, the situation may be more serious because it is likely that neither the State nor its local office knows the child is there.

### **Half of the States Do Not Know How Many Children They Placed Through The Compact in 1997**

State placement information is incomplete, but it indicates that many thousands of children are placed across State lines each year. Only 27 of the 52 Compact States were able to report the number of adoption, foster care, and residential placements into and out of their State in 1997. The total number of placements **into** these 27 States is 12,615. The total number of placements **out of** these 27 States is 11,827. The other 25 States are unable to report the actual number of adoption, foster care, and residential placements that occurred into or out of their States in 1997. The two main reasons that the quality of State data is poor and inconsistent are differing standards among States and ineffective tracking techniques.

### **CONCLUSION**

Clearly the Interstate Compact on the Placement of Children has been successful in establishing procedures for the interstate placement of children. Needless to say, States have obligations to the children they place across State lines and it appears the compact system is a promising and viable way to fulfill these obligations. Nonetheless, weaknesses in the overall structure are apparent and some children may be vulnerable. We are continuing our work in this area and will analyze in greater detail how well this system is being implemented.

We encourage States to abide by the principles of the Compact. The ACF should be prepared where necessary to provide technical assistance on how to more effectively implement the Compact, especially in regard to placement notification and uniform data collection.

We received comments from ACF and from the American Public Human Services Association (APHSA). The ACF stated that the report presents information important to their agency, which is responsible for the Federal programs for foster care and adoption assistance. The ACF also expressed interest in information on the timeliness of interstate placements. This issue will be

addressed in a subsequent report. In addition, ACF made a number of technical comments that we incorporated into the report when appropriate.

The APHSA comments included the comments of the Executive Committee of the Association of Administrators of the Interstate Compact for the Placement of Children. They stated that the report can serve as a foundation for a better understanding of what the Compact is today, how it works, and how it can function more effectively in the future. The Association welcomes efforts by ACF to work with the States and the Secretariat. The APHSA made a number of technical comments that we included in the report when appropriate. The actual comments received are included in Appendix B.

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# INTRODUCTION

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## PURPOSE

The purpose of this inspection is to describe how States have implemented the Interstate Compact on the Placement of Children and to report on the number of children who are affected by the Compact.

## BACKGROUND

The Administration for Children and Families (ACF) has asked the Inspector General (OIG) to look at a number of issues regarding interstate compacts and what happens when children are placed or moved across State lines. The OIG has completed an inspection, *Interstate Compact on Adoption and Medical Assistance* (OEI-02-95-00040), that assessed how membership in the Interstate Compact for Adoption and Medical Assistance affects States' efforts to protect the interests of adopted special needs children who move from one State to another. Currently, the ACF is interested in how the Interstate Compact on the Placement of Children (the Compact) is implemented by States, and the Compact's strengths and weaknesses. This inspection addresses how States have structured their Compact function. The Compact's strengths and weaknesses will be explored in a subsequent inspection.

Sometimes circumstances are such that the most suitable placement for a child is out of their own State. These out of State placements are made for a variety of reasons. They include adoptions across State lines, foster care placements out of State, and reunification with a parent who has moved while the child is in State custody. No accurate national data exists on the number or type of interstate placements that occur each year. However, during pre-inspection, experts told us that the number of children placed across State lines is increasing.

### *The Interstate Compact on the Placement of Children*

An interstate compact, such as the Interstate Compact on the Placement of Children, is a contract among and between States. To participate in the Compact, a State must enact into law the text of the Compact. It is intended to ensure that children placed across State lines for adoption or for foster care receive adequate protection and support services. It establishes procedures for placement and compels the placing agency to maintain responsibility for the child.

The Compact grew out of work done in the late 1950's when a group of social service administrators and State legislators informally looked at the problems of placing children out of State for adoption or foster care. Although importation and exportation statutes regulate the interstate movement of goods, Federal law did not provide protection for children moved between States. The group found that a sending State, in the absence of a compact, could not compel the receiving State to provide protection or support services for a child. In addition, a receiving State, in the absence of a compact, could not compel a sending State to remain

financially responsible for a child. In response to this group's findings, the Compact was drafted in the New York State Legislature and was adopted by New York in 1960. By 1990, all States, the District of Columbia, and the U.S. Virgin Islands had joined.

The purpose of the Compact is for the party States to cooperate in the interstate placement of children so that:

- the child is placed in a suitable environment;
- the receiving State has the opportunity to assess the proposed placement;
- the sending State obtains enough information to evaluate the placement; and
- the care of the child is promoted through appropriate jurisdictional arrangements.

The Compact outlines the many steps necessary to place a child out of State. For example, the State the child is in (the sending State) asks the State in which the child is to be placed (the receiving State) to conduct a home study to evaluate a possible placement. When a placement is finally made, the receiving State must continue to supervise the placement.

The Compact has jurisdiction over the following types of interstate placements: placement preliminary to an adoption; placement into foster care; placement with parents and relatives when a parent or relative is not making the placement; and placement into a group home, child care institutions, and residential treatment facilities. The Compact does not have jurisdiction over the following placements: placements into schools, medical and mental facilities and placements made by a child's parent, stepparent, grandparent, adult sister or brother, adult aunt or uncle, or non-agency guardian with any such relative or non-agency guardian.

For the purposes of this report, adoptions include those made by public agencies, private agencies, attorneys, and birth parents. Foster care placements include placements into paid foster homes, into homes of unpaid relatives, and into homes of formerly non-custodial parents. Residential placements, a form of foster care, include placements into residential treatment centers, group homes, and child care institutions.

The Compact is managed in each State by a compact administrator. In 1974, the compact administrators formed the Association of Administrators of the Interstate Compact on the Placement of Children (the Association) to provide technical and support services to its members. The Association, under the terms of the Compact, can pass regulations. The American Public Human Services Association (APHSA) acts as the Secretariat to the Association of Administrators. The APHSA is a non-profit organization that represents a variety of State interests in the field of health and human services. The Secretariat is funded through dues paid by member States. ACF funded the Association until 1985.



### *Federal Role in Interstate Placements*

As the Federal agency with formal responsibility for supporting State Child Welfare activities, ACF administers the Federal programs that fund State foster care and adoption initiatives.

The Federal funding of State foster care and adoption is authorized under the Social Security Act. Title IV-E of the Act reimburses a portion of State expenditure for foster care maintenance payments for eligible children and adoption assistance for eligible special needs children. Federal reimbursement is also available for certain administrative and training costs associated with both programs. Title IV-B, as amended by the Adoption and Safe Families Act of 1997, provides funding for 'adoption promotion and support services' and 'time-limited reunification services,' along with family preservation and support. In order to receive a grant under Title IV-B, States are required to provide specific protections. These protections include developing a case plan for each child in foster care and conducting a court or administrative review of the status of each child at least every 6 months. In addition, a hearing must be held within 12 months of the child's entry into foster care by a court or court-approved administrative body to determine the permanency plan of each child.

### *Adoption and Foster Care Analysis and Reporting System*

Under a Federal mandate, States are required to collect and report case-specific data on all children in foster care under the responsibility of the child welfare agencies and the children adopted with the involvement of these agencies. This data collection system is known as the Adoption and Foster Care Analysis and Reporting System (AFCARS). The first reporting period began October 1, 1994. According to ACF, State submission of data has been inconsistent. Not all States are reporting data and some States are submitting data that is of poor quality.

### *Statewide Automated Child Welfare Information Systems*

In 1993, a federal grant was set up to fund the Statewide Automated Child Welfare Information Systems program to update States' child welfare information systems. The improved systems will have database, reporting and inquiry capabilities, and will be able to track the progress of children in both public and private child welfare service agencies. In the past five years, the majority of States have implemented or are in the process of developing these systems.

### *The Adoption and Safe Families Act of 1997*

The Adoption and Safe Families Act of 1997 prohibits States from delaying or denying adoptive placements when an approved family is available in another jurisdiction. The Act establishes safety, permanency, and well-being as the Federal goals for children in the child welfare system. States are also required to develop plans for the effective use of cross-

jurisdictional resources to facilitate timely adoptive or permanent placements for waiting children. The Act furthers the Federal initiative to double the annual number of children adopted from the foster care system by the year 2002. In addition, the Act requires the General Accounting Office to study and report to Congress on how to improve procedures and policies to facilitate timely adoptions across State and county lines.

## **METHODOLOGY**

This inspection is based on three data sets: responses to telephone interviews with compact administrators, placement data, and State policies and procedures.

### *State Interviews*

We conducted telephone interviews with all 52 member States (50 States, the District of Columbia, and the U.S. Virgin Islands). We spoke with each compact administrator or a representative designated to speak on the administrator's behalf. We asked each State about the structure of the State's Compact function, Compact staffing levels, and Compact procedures. We also asked about satisfaction with these structures and procedures. Finally, we gathered suggestions for improvement at both the State and national levels.

Some concerns about illegal placements and improper use of the Compact placement forms were raised during the initial interviews with all the States. To learn more about these issues and to collect missing placement numbers, we called back a purposive sample of 17 States. We asked the 17 States questions about the use of the Compact's notification form that reports a child's placement status and the possibility of placements made in violation of the Compact.

### *Placement Numbers*

We sent a letter to each State requesting the number of adoption, foster care, and residential Compact placements into and out of the State in calendar year 1997. We collected these numbers during the telephone interviews and through several follow-up calls. When these numbers were unavailable, we asked for estimates. Adoptions include placements through public agencies, private agencies, and independent agents, such as attorneys. Foster care is defined as placements in paid foster homes, with unpaid relatives, and with parents. Residential placements include residential treatment centers, group homes, and child care institutions.

Residential care is generally considered a form of foster care. We chose to collect data for residential placements separately from other forms of foster care because our pre-inspection research indicated that residential numbers would vary widely among States. We did not, however, separate residential placements from foster care in our discussion of structure or procedures with States.

*Policies and Procedures*

We asked each State to provide us with any written policies and procedures they use in the processing of interstate cases. Thirty-nine States sent written materials. We reviewed each State's written policies and procedures to determine their clarity, thoroughness, and degree of detail. We also asked for any other tools used in Compact cases, such as information checklists attached to placement requests. A number of States also sent us training material used to train local case workers. We reviewed these materials for consistency with the text of the Compact and the APWA's 1990 "Guide to the Interstate Compact on the Placement of Children."

This inspection was conducted in accordance with the **Quality Standards for Inspections** issued by the President's Council on Integrity and Efficiency.

# FINDINGS

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## **States Have Policies And Procedures That Are Generally Uniform And Comprehensive**

*Most States have a centralized structure*

The vast majority (50) of States have centralized their Compact function. They have a Compact office at the State level that handles all Compact cases coming into and going out of the State. This State office works with their own local offices and other States' Compact offices. The majority of the centralized States (35) are satisfied with the way their State's Compact function is structured.

Only two States have decentralized their Compact function. That is, the counties in these States each have a liaison who acts in the same way compact administrators act in other States. Placements go through the county level, not State level. The decentralized States are also satisfied with their Compact structure. Several centralized States, however, complain that it is difficult placing children in decentralized States because of the burden of finding the appropriate people to contact.

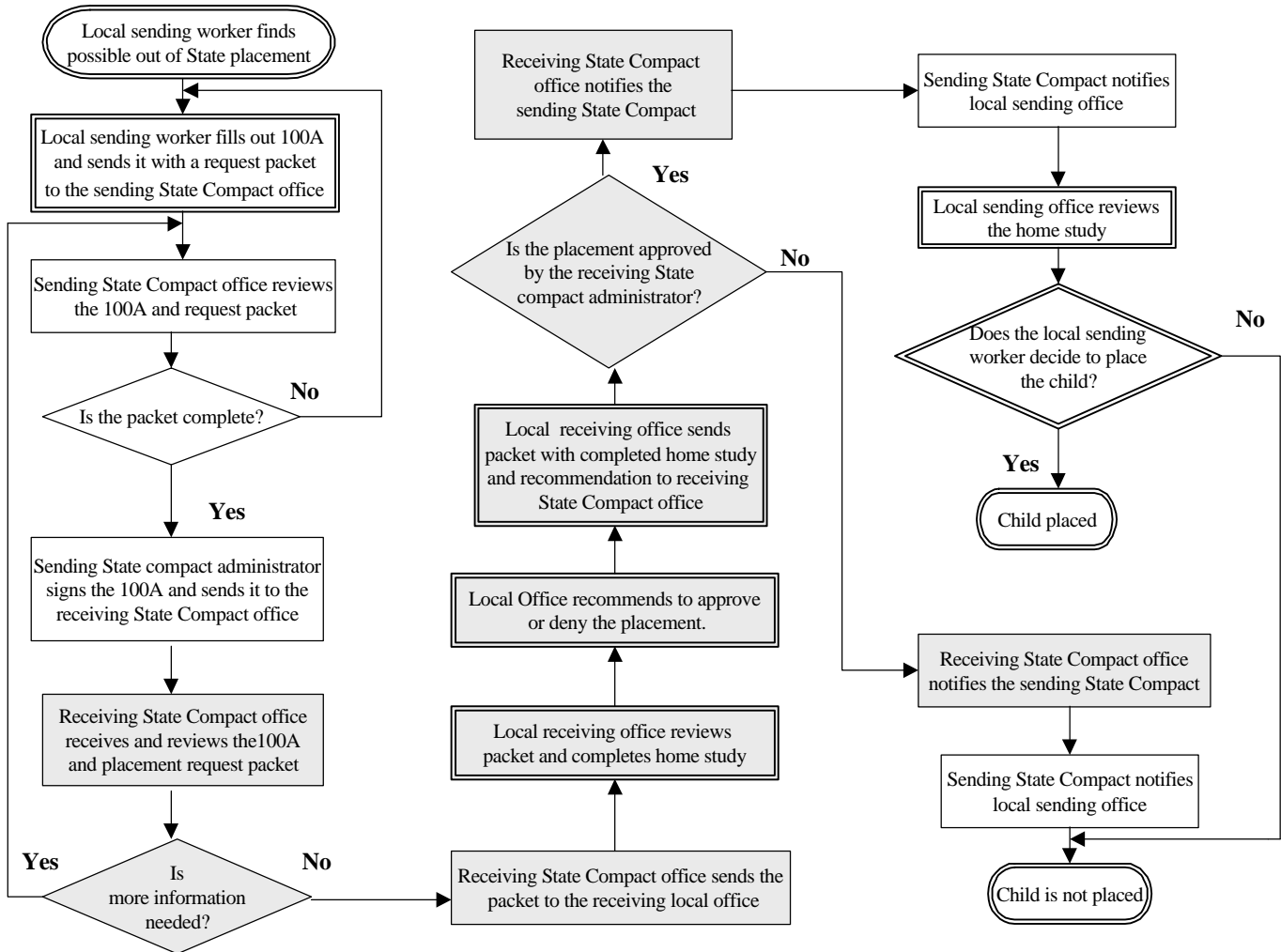
*States report following the same general procedures*

Overall, States' procedures appear to be consistent with the original Compact laws and with the *Guide to the Interstate Compact on the Placement of Children* written by the Secretariat. Usually placements follow the general path of sending local office → sending State office → receiving State office → receiving local office. See the flow chart on the following page for a detailed illustration of the placement process. The flow chart does not include the supervision of the placement.

As the flow chart shows, the typical interstate foster care placement originates with the local case worker in the sending State. The local worker in the sending State identifies a possible placement in another State, fills out an ICPC-100A Interstate Compact Placement Request and sends it, along with any other necessary information including medical and financial information, to the sending State Compact office. The sending State Compact office reviews the packet received from the local worker and makes sure it is complete. The compact administrator or representative signs the completed request and mails it to the receiving State Compact office.

The receiving State Compact office reviews the request and forwards it to the local office where the child will be placed. The local office in the receiving States conducts a home study, recommends to approve or deny the placement, and forwards all the information to the receiving State Compact office. The receiving State compact administrator or representative then makes the decision to approve or deny the placement and sends all the information back to the sending State Compact office. If the placement has been approved, the local worker in the sending States will then decide whether or not to place the child.

## Interstate Compact on the Placement of Children Process - Foster Care Placement



- Local Office in Sending State
- State Compact Office in Sending State
- State Compact Office in Receiving State
- Local Office in Receiving State



Adoption placements generally follow the same path as foster care placements, except that adoptions originate from different sources. A public adoption, that is, a placement of a child usually under State custody by a public agency, goes through the same channels as a foster care placement. The process for private and independent adoptions differ from foster care placements and public adoptions mainly at the local level. For example, in a private adoption the private agency completes the 100A, prepares the packet requesting placement, and forwards it to the sending State Compact office. For independent adoptions, either an attorney or the birth mother/parents, depending on State law, acts as the sending agent and completes the 100A to request out of State placement. (All but six States allow independent adoptions.) After a placement has been approved, it is the private agency or birth parent/attorney who makes the final decision whether or not to send the child.

One other significant difference was reported in the processing of private and independent adoptions. States report that home studies are usually completed by private caseworkers prior to the submission of the 100A. Therefore, one less step is followed in the Compact process. Rather than forwarding a 100A to a caseworker for a home study, a receiving State Compact office will usually make the decision to approve or deny the placement soon after receiving the request.

*States have some notable differences*

Six States contract out part of their Compact process and one State is considering this option to speed processing time. Both decentralized States contract out the processing of private adoption requests. That is, these agencies take on the responsibilities of the compact administrator. Centralized States sometimes contract out services done at the local level. Four States contract out foster care home studies. Two of them also contract out home studies for public adoptions and one contracts for post-placement supervision. In some cases, only specific geographic areas of the State contracts out services, usually in the region that contains the State's largest urban area.

Residential placements vary widely among States. Some States have no residential facilities so those States must use residential facilities in other States. Therefore, all their residential placements must go through the Compact. The States with facilities may receive very large numbers of residential placements through the Compact. Three of these States report receiving in excess of 700 children in 1997 into residential placements. This is several hundred more than other States. See Appendix A for a complete listing of State reported data.

*States' written policies and procedures are generally uniform and comprehensive*

States have developed written procedures and several tools to aid the Compact process. Of the 39 written State policies and procedures that we reviewed, 34 are comprehensive descriptions of implementation of the Compact and five cover most, but not all, steps in the placement process. The descriptions are fairly uniform and present similar policies and procedures in similar terms. Almost all States (48) are satisfied with their procedures. States do note, however, that they could use more staff, more training, and better automation.

Some States have developed tools to facilitate case processing. For instance, some States have created sample transmittal, request, and response letters for interstate communication. Some use checklists to make sure all the necessary information, such as the financial and medical plan and social assessment of the child and family, is included in a placement request. States have also developed forms and letters to be used when they must return an incomplete request to the sending State. One State has made special arrangements with the police to handle criminal record checks for potential caregivers in priority placement cases. Another State has developed a memo for State child care institutions and judges that explains the legal requirements of the Compact.

### **States Are Sometimes Unaware That Children Are Placed in Their Jurisdiction**

Many States believe that children have probably been placed in their State without their knowledge. This can happen under two circumstances: 1) children placed through the Compact but the receiving State does not know the placement has been finalized; and 2) placements that ignore the Compact. In the first instance, the Compact may be followed correctly during the placement but the receiving State is not formally notified by the sending State that the placement has occurred. Under the Compact, the 100B form is used by the sending State to tell the receiving State that a child has been placed. Although the States developed this form themselves through the Association, the form is not consistently used. Of the seventeen States asked whether they use the 100B Compact form as notification of placement, seven States say that they always use the 100B, eight States report sometimes using it and two say they do not use it at all. Most of the States say they do not receive 100B forms regularly.

States disagree about the implications of not receiving 100B forms. Some States feel that even though the State Compact office may not be notified of a placement, the local office responsible for supervising the placement is probably aware of the situation so the child is not at risk. There is no way to verify this. Other States, however, feel that a child placed without the State's knowledge may not be supervised.

The situation may be more serious when a child is placed in violation of the Compact. This can happen when a court, attorney, or member of the general public is unaware of the Compact's existence or knows about it but for some reason chooses to ignore it. In this instance, it is likely that neither the State nor the local office is notified. This issue will be examined more thoroughly in our next report.

### **Half of The States Do Not Know How Many Children They Placed Through The Compact in 1997**

*Although State placement information is incomplete, it indicates that many thousands of children are involved*

Only 27 States were able to report the number of adoption, foster care, and residential placements into and out of their State in 1997. Hence, we cannot report the aggregate number of children who are placed through the Compact annually. The total number of placements **into** the 27 States that submitted actual placement data is 12,615. This sum includes 2,468 adoption, 6,392 foster



care, and 3,755 residential placements. The total number of placements **out of** the 27 States is 11,827. This sum includes 3,103 adoption, 7,036 foster care, and 1,688 residential placements. As noted in the methodology section, foster care numbers include placements with paid foster homes, unpaid relatives, and parents. Residential placements include residential treatment centers, group homes, and child care institutions. An analysis of the 27 reporting States revealed no common characteristics or defining patterns.

The placement numbers vary among States. The sending and receiving adoption and residential placements range from none to several hundred. The sending and receiving foster care placements each range from just a few in some small States to over 1,200 in larger States. State population accounts for approximately 50 percent of the variance of placement numbers. Another factor that may contribute to this variance is the sharing of a metropolitan area between States.

Data provided by the 27 States show that kinship (non-parent relative) is the most common type of foster care placement, followed by parental and paid foster home. Private agencies place more children into adoption through the Compact than public agencies. Independent adoptions are the least common type of Compact adoption placements.

The other 25 States are unable to report the actual number of adoption, foster care, and residential placements that occurred in and out of their States in 1997. These States include seven that report estimates of placements; three that are missing some categories of placements; thirteen that count referrals or approvals, not placements; and two States that could provide no numbers at all. Referrals are requests made by a sending State that the receiving State conduct a home study to evaluate a possible placement. Six States could provide us with actual referrals or estimates of referrals. Approvals are approved requests for placement. Seven States could provide us with actual approvals or estimates of approvals. Some of the States that submitted actual placement data voluntarily submitted referral or approval data as well. Analysis of these data reveals no relationship between referrals and approvals or between approvals and placements.

Different standards and ineffective tracking techniques are the main reasons the quality of State data is poor and not uniform. As noted above, States use different standards, such as referrals or approvals in their counting. A few of the States that count referrals say referrals are a more accurate reflection of their workload because procedures, such as home studies, need to be completed whether or not the child is eventually placed. Other States say they count approvals because they know how many approvals they have but they do not know the number of placements that have resulted from the approvals.

States most often cite difficulty with their tracking systems as the reason for not having good data. Many States mention that they have to manually search through each file to tally placement statistics. Other States are automated to some extent, but report difficulty with their computer programs. For example, a number of States say that their statewide computer system tracks only children who are in the child welfare system. Since Compact cases include private placements, some Compact offices do not use their statewide tracking system.

The fact that several States require more than a month to collect the information is evidence of the problems States face. Even seven of the States that could provide actual placement data say they had difficulty obtaining their numbers.

The data is also unavailable at the national level. Even though information about children placed out of State is suppose to be reported by each State for the AFCARS system, according to ACF only 23 States submitted quality data in 1997. In addition, the AFCARS data element to track out of State placement applies only to children in foster care which accounts for only about half of children placed through the Compact.

*The use of computer systems to track cases is limited*

Twelve States report tracking Compact cases entirely by computer, while another twelve report having no automation in their tracking system. The remaining States all use a combination of computer and manual tracking systems. Several States say they are developing computer systems or improving their current systems. Although the federal government has funded the States to set up their own SACWIS computer systems to track children in the child welfare system, it appears that these systems may not have helped States to track children placed through the Compact. Of the 50 States with some county or regional government, 17 report that the counties are currently using computers to track Compact cases and three report that they are currently developing county computer tracking systems.

# CONCLUSION

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Clearly the Interstate Compact on the Placement of Children has been successful in establishing procedures for the interstate placement of children. Needless to say, States have obligations to the children they place across State lines and it appears the compact system is a promising and viable way to fulfill these obligations. Nonetheless, weaknesses in the implementation are apparent and some children may be vulnerable.

We encourage States to abide by the principles of the Compact. The ACF should be prepared where necessary to provide technical assistance on how to more effectively implement the Compact, especially in regard to placement notification and uniform data collection. One opportunity is to explore the use of Statewide Automated Child Welfare Information Systems.

We are continuing our work in this area and will analyze in greater detail how well this system is being implemented.

## COMMENTS

We received comments from ACF and from the American Public Human Services Association (APHSA). The ACF stated that the report presents information important to their agency, which is responsible for the Federal programs for foster care and adoption assistance. The ACF also expressed interest in information on the timeliness of interstate placements. This issue will be addressed in a subsequent report. In addition, ACF made a number of technical comments that we incorporated into the report when appropriate.

The APHSA comments included the comments of the Executive Committee of the Association of Administrators of the Interstate Compact for the Placement of Children. They stated that the report can serve as a foundation for a better understanding of what the Compact is today, how it works, and how it can function more effectively in the future. The Association welcomes efforts by ACF to work with the States and the Secretariat. The APHSA made a number of technical comments that we included in the report when appropriate. The actual comments received are included in Appendix B.

## APPENDIX A: 1997 Placement Data

State	Population	Sending			Receiving		
		Adoption	Foster Care	Residential	Adoption	Foster Care	Residential
Alabama	4,319,154	42 (e)	228 (e)	24 (e)	72 (e)	262 (e)	36 (e)
Alaska	609,311	32	111	23	24	80	1
Arizona	4,554,966	297	1,028	107	89	970	718
Arkansas	2,522,819	44 <b>R</b>	301 <b>R</b>	143 <b>R</b>	74 <b>R</b>	481 <b>R</b>	56 <b>R</b>
California	32,268,301	214 (e)	-	1,068	101 (e)	-	3
Colorado	3,892,644	86	230	113	71	144	258
Connecticut	3,269,858	21	160	62	107	127	17
Delaware	731,581	10	81 (e)	298 (e)	26	100 (e)	25 (e)
District of Columbia	528,964	140	252	140	25	74	0
Florida	14,653,945	473	1,664	62	210	1,235	43
Georgia	7,486,242	160 <b>A</b>	350 <b>A</b>	0	361 <b>A</b>	487 <b>A</b>	35 <b>A</b>
Hawaii	1,186,602	71	144	76	76	128	0
Idaho	1,210,232	28	44	107	87	118	66
Illinois	11,895,849	-	-	-	-	-	-
Indiana	5,864,108	56 (e)	228 (e)	84 (e)	32 (e)	336 (e)	36 (e)
Iowa	2,852,423	81	123	52	31	99	134
Kansas	2,594,840	104	122	23	56	115	7
Kentucky	3,908,124	83	182 (e)	20 (e)	82	121 (e)	1 (e)
Louisiana	4,351,769	152 <b>A</b>	223 <b>A</b>	179 <b>A</b> (e)	47 <b>A</b>	294 <b>A</b>	45 <b>A</b> (e)
Maine	1,242,051	50	13	33	24	4	2
Maryland	5,094,289	254	667	101	257	929	57
Massachusetts	6,117,520	80 <b>A</b>	149 <b>A</b>	0	251 <b>A</b>	109 <b>A</b>	189 <b>A</b>
Michigan	9,773,892	300 (e)	718 (e)	180 (e)	500 (e)	1,223 (e)	(e)
Minnesota	4,685,549	-	4	61	-	20	15
Mississippi	2,730,501	58	184	139	81	269	0
Missouri	5,402,058	61	93	17	73	72	132
Montana	878,810	0	93 <b>A</b>	57 <b>A</b>	0	76 <b>A</b>	25 <b>A</b>

State	Population	Sending			Receiving		
		Adoption	Foster Care	Residential	Adoption	Foster Care	Residential
Nebraska	1,656,870	61 (e)	275	147	135 (e)	155	136
Nevada	1,676,809	258 (e)	189 (e)	-	173 (e)	229 (e)	-
New Hampshire	1,172,709	39 <b>R</b>	112 <b>R</b>	58 <b>R</b>	75 <b>R</b>	172 <b>R</b>	7 <b>R</b>
New Jersey	8,052,849	151 <b>R</b>	634 <b>R</b>	76 <b>R</b>	527 <b>R</b>	513 <b>R</b>	6 <b>R</b>
New Mexico	1,729,751	61	63	25	51	122	15
New York	18,137,226	323 <b>R</b>	1,063 <b>R</b>	126 <b>R</b>	566 <b>R</b>	851 <b>R</b>	11 <b>R</b>
North Carolina	7,425,183	-	-	-	-	-	-
North Dakota	640,883	12	248	70	25	152	18
Ohio	11,186,331	149 (e)	42 (e)	60 (e)	128 (e)	51 (e)	89 (e)
Oklahoma	3,317,091	91	165	37	132	259	38
Oregon	3,243,487	627	624	41	158	281	9
Pennsylvania	12,019,661	233	408	242	357	478	708
Rhode Island	987,429	36	84	19	25	86	3
South Carolina	3,760,181	38	137	16	78	204	20
South Dakota	737,973	14	41	20	51	78	325
Tennessee	5,368,198	56	225	35	111	293	264
Texas	19,439,337	749 <b>A</b>	447 <b>A</b>	119 <b>A</b>	257 <b>A</b>	714 <b>A</b>	284 <b>A</b>
U.S. Virgin Islands	114,000	0	1	3	1	12	0
Utah	2,059,148	113	48	79	202	64	677
Vermont	588,978	15	49	35	74	50	95
Virginia	6,733,996	69 <b>R</b>	384 <b>R</b>	4 <b>R</b>	197 <b>R</b>	476 <b>R</b>	288 <b>R</b>
Washington	5,610,362	229 <b>R</b> (e)	699 <b>R</b> (e)	96 <b>R</b> (e)	299 <b>R</b> (e)	757 <b>R</b> (e)	27 <b>R</b> (e)
West Virginia	1,815,787	47 <b>A</b>	63 <b>A</b>	212 <b>A</b>	30 <b>A</b>	56 <b>A</b>	0
Wisconsin	5,169,677	48 <b>A</b>	296 <b>A</b>	25 <b>A</b>	107 <b>A</b>	269 <b>A</b>	215 <b>A</b>
Wyoming	479,743	25	44	6	33	100	134

Note: The numbers above are actual placements unless otherwise noted.

(e) = number is an estimate

**R** = number of requests (or referrals) for placement

**A** = number of approved requests

- = data is unavailable

# APPENDIX B

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## COMMENTS



DEPARTMENT OF HEALTH & HUMAN SERVICES

ADMINISTRATION FOR CHILDREN AND FAMILIES  
Office of the Assistant Secretary, Suite 600  
370 L'Enfant Promenade, S.W.  
Washington, D.C. 20447

October 20, 1998

TO: June Gibbs Brown  
Inspector General

FROM: Olivia A. Golden *Olivia A. Golden*  
Assistant Secretary  
for Children and Families

SUBJECT: OIG Draft Report "The Interstate Compact on the Placement of Children:  
State Structure and Process" (OEI-02-95-00041)

Thank you for the opportunity to respond to your draft report on State implementation of the Interstate Compact on the Placement of Children and the number of children who are affected by the Compact. We apologize for the delay in providing this response. We have provided a copy of a compilation of titles IV-B and IV-E of the Social Security Act to accompany our technical comments. If you have questions, please contact Carol W. Williams, Associate Commissioner, Children's Bureau, at (202) 205-8618.

Attachments

IG \_\_\_\_\_  
EAIG \_\_\_\_\_  
SAG \_\_\_\_\_  
PDIG \_\_\_\_\_  
DIG-AS \_\_\_\_\_  
DIG-EC \_\_\_\_\_  
DIG-FI \_\_\_\_\_  
DIG-CI \_\_\_\_\_  
DIG-I.P \_\_\_\_\_  
AIG-LC \_\_\_\_\_  
OGC/G \_\_\_\_\_  
ExecSec \_\_\_\_\_  
Date Sent 10-21

10-21-98 10:11 P. 209  
10-21-98 10:11 P. 209

COMMENTS OF THE ADMINISTRATION FOR CHILDREN AND FAMILIES ON THE  
OFFICE OF INSPECTOR GENERAL DRAFT REPORT, "THE INTERSTATE COMPACT  
ON THE PLACEMENT OF CHILDREN: STATE STRUCTURE AND PROCESS"  
(OEI-02-95-00041)

**General Comments**

The draft report generally describes how States place children in out-of-State placements through the Interstate Compact on the Placement of Children (ICPC). This information is important to ACF as the agency responsible for the Federal programs for foster care and adoption assistance. As we implement the Adoption and Safe Families Act of 1997, we are interested in how the ICPC can support States efforts to place children safely, permanently, and in a more timely manner across geographical lines.

One of the issues that may be appropriate to address in this inspection is the timeliness of interstate placements if this information was gathered during the preparation of the report. We understand that timeliness would also be appropriate for the next inspection on the strengths and weaknesses of the Compact, however, we are interested in States' structural ability to handle and track delays that may occur in the process.

**Technical Comments**

On page i of the Executive Summary, in the second paragraph of the background section, the report does not include the most common placements through the ICPC, which are non-residential foster care placements. "Placement into a residential facility" should be replaced with "foster care placements" to be consistent with similar lists in the main report on page 1, second paragraph of the Background section, and on page 10, third paragraph.

On page 2 of the report, references to American Public Welfare Association should be changed to the American Public Human Services Association (APHSA). The APHSA changed their name as of July 17, 1998.

On page 3, the background section does not accurately reflect current Federal child welfare requirements. The sections should be edited to reflect the following:

*Federal Role in Interstate Placements:*

- Sentence 2 - Title IV-E reimburses a portion of State expenditures at the Federal Medical Assistance Percentage (FMAP) rate for foster care maintenance payments for eligible children and adoption assistance for eligible special needs children. Federal reimbursement is also available for certain administrative and training costs associated with both programs.

Sentence 3 - Title IV-B, subpart 2, as amended by the Adoption and Safe Families Act of 1997 (ASFA) now provides funding for 'adoption promotion and support services' and 'time-limited reunification services' (see sections 431 (a)(7)(8) and 432 (a)(b) of the Act), along



with family preservation and support. The name of the program has been changed to "Promoting Safe and Stable Families."

- Sentence 4 - ACF refers to the assurances in section 422 (b)(10) of the Act as "protections" rather than "child protection services."
- Sentence 6 - As amended by ASFA, permanency hearings (formerly known as dispositional hearings) are required within 12 months of a child's entry into foster care. A child's entry into foster care is defined as the earlier of 60 days from the child's removal from the home, or the date of a judicial finding of abuse and neglect (see section 475 (5)(F)). The permanency hearing now determines a more substantive "permanency plan" for the child rather than the "future status" of the child (see section 475 (5)(C) of the Act).

*Adoption and Foster Care Analysis System*

- The acronym AFCARS stands for the Adoption and Foster Care Analysis and Reporting System.
- The first reporting period began on Oct. 1, 1994, not April 1, 1996.

*The Adoption and Safe Families Act of 1997*

For this section, we suggest the following rewrite or changes that would reflect all of the interjurisdictional requirements of ASFA, which are included in sections 422(b)(12) and 471(a)(23) of the Act:

"The Adoption and Safe Families Act of 1997 (ASFA) made significant amendments to titles IV-B and IV-E of the Act. The ASFA establishes safety, permanency, and well-being as the Federal goals for children in the child welfare system. In part, the ASFA addresses interjurisdictional placements for adoption. ASFA prohibits States from delaying or denying a child's placement for adoption when an approved family is available in another jurisdiction. States are also required to develop plans for the effective use of cross-jurisdictional resources to facilitate timely adoptive or permanent placements for waiting children. In addition, ASFA requires the GAO to study and report to Congress on how to improve procedures to facilitate timely adoptions across State and county lines."

On page 8, paragraph 4, the second to last sentence appears to be incomplete.

On page 11, paragraph 2, in the second sentence, "according the" should probably be "according to."



Cornelius D. Hogan, *President*

William Waldman, *Executive Director*

October 26, 1998

Mr. John I. Molnar  
Regional Inspector General  
Office of Inspector General  
26 Federal Plaza  
Room 38-100  
New York, New York 10278

Re: Response to the Department of Health and Human Services’  
Office of Inspector General Report on the Interstate Compact  
on the Placement of Children

Dear Mr. Molnar:

The American Public Human Services Association (APHSAA, formerly the American Public Welfare Association, APWA) and the Executive Committee of the Association of Administrators of the Interstate Compact on the Placement of Children (hereinafter referred to as AAICPC or Association), an affiliate of APHSA, appreciate the opportunity to respond to the draft report on the Interstate Compact on the Placement of Children (hereinafter referred to as ICPC or Compact) by the Office of the Inspector General for the U. S. Department of Health and Human Services (hereinafter referred to as Report).

The AAICPC Executive Committee met on October 4, 1998 to review the draft and considers the Report to be generally good and positive. We believe that this Report can serve as the foundation for a better understanding of what the Compact is today, how it works, and how it can function more effectively in the future.

We were pleased to note that the Report concluded that the states were successful in establishing uniform and comprehensive policies and procedures for the interstate placement of children, and that the Compact appears to be a promising and viable way for states to meet their obligations to children placed across state lines.

To accurately reflect both the structure and the process of the Compact, however, both the AAICPC Executive Committee and APHSA staff believes that some areas of the Report need expansion or clarification, and that some inaccuracies need to be corrected.

Representing Public Human Services Since 1930

810 First Street, NE, Suite 500, Washington, DC 20002-4267 • (202) 692-0100 • Fax: (202) 280-8555 • <http://www.aphsa.org>

## GENERAL COMMENTS

The Report thoughtfully reviews both the provisions of the ICPC laws and the administration of these laws by the 52 party states and jurisdictions. It also recognizes the importance of the ICPC in the protection of children who cross state lines into a variety of placements, including those made into parental and relative homes.

The Report also recognizes that in its early years—between 1971 to 1985—the AAICPC received significant encouragement and funding from the former U. S. Department of Health, Education, and Welfare and from today’s U. S. Department of Health and Human Services (HHS). This funding was extremely important in encouraging states to join the Compact and in providing assistance to states in setting up the apparatus necessary to administer the ICPC. Since 1985 the AAICPC and its Secretariat has been funded solely by its party states.

While it has been several years since HHS and AAICPC have had any direct partnerships, the AAICPC would welcome ACF efforts to work with the Secretariat and our membership (see recommendation on page iii and page 12 of the Report). This partnership would be extremely beneficial in light of the Administration’s commitment to adoption and with the 1997 passage of the Adoption and Safe Families Act.

## CLARIFICATION TO THE DRAFT REPORT TEXT

The following section presents specific comments to the Report text and requests clarifications or corrections.

The ICPC is more than an agreement (see Report, page i, fourth paragraph). The ICPC is a contract between all 50 states, the District of Columbia and the U. S. Virgin Islands (correctly stated on page 1 of the Report, fourth paragraph). The ICPC is identical statutory law in each party state. The ICPC is also protected under the contract clause of the US Constitution.<sup>1</sup>

On page ii, first full paragraph, second line, after “then State office to,” insert “the Receiving State office then Receiving State office to...”

Also on page ii, first full paragraph, fifth line, after “parent or guardian,” insert “or any entity which sends, brings, or causes to be sent, or brought any child to another state” (see Article II (d) of the ICPC).

We suggest that the first time “foster care” is mentioned that it be defined according to the meaning given in this Report. For example, on page ii at the end of the third full

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<sup>1</sup> (Art. I, Sec. 10, Clause 1) (U.S. Supreme Court decisions have held that there are two classes of compacts and that the class of compacts that do not effect the balance of power of the national government do not need Congressional approval. The ICPC is in the class that does not need Congressional approval; however, the ICPC is still protected by the first clause of Art. I, Sec. 10 in that no state may pass a law that would impair “...the obligation of contracts”).

paragraph, after "...standards among States and ineffective tracking techniques." add the statement found on page 4, fourth full paragraph, fifth line (directly under the subsection entitled "Placement Numbers") that begins: "Foster care is defined as placements in paid foster homes, with unpaid relatives, or with parents." (Note that the word "and" is replaced with or.)

Also on page ii, fourth full paragraph, second line second paragraph that begins with "Foster care placements include..." delete "and into homes of formerly non-custodial parents." And insert or with parents.

On page 1, after the subtitle "The Interstate Compact on the Placement of Children", first paragraph, last sentence, should read, "It establishes procedures for placement "and supervision" and compels the placing agency to maintain "social, legal and financial" responsibility for the child."

On Page 2, add the following:

\*first full paragraph, third bullet after "to evaluate the placement," add prior to the placement being made.

\*second full paragraph, first line, after "The Compact..." add law and regulations

\*second full paragraph, after the end of the last sentence, remove the period and add and complete progress reports until the placement is ended.

\*the last paragraph, fourth line after "members," add the sentence The Association, under the terms of the Compact (see Article VII of the ICPC), can and has passed regulations.

\*the last paragraph fourth line change "The American Public Welfare Association" to The American Public Human Services Association (APHSA; formerly the American Public Welfare Association, APWA); also change "APWA" in the next sentence to APHSA.

On page 3, first and second paragraph, the Report acknowledges the federal funding provided to states through Title IV-E in particular but fails to acknowledge that this major entitlement program relies as well on state matching funds. Further, while Title IV-E and Title IV-B funds are used in supporting some children in out-of-state placements, many children covered by the Compact are not funded by federal dollars nor are their ICPC placements governed by federal law.

On page 3, second paragraph, ninth line, change "18" to 12 in order to reflect the changes in the Adoption and Safe Families Act.

On page 6, second from the last paragraph, the referral packet as described is incomplete and needs to be amplified. Besides the ICPC-100A and medical and financial information, the referral packet must include a court order showing that the sending entity has the authority to place the child. Also, it is critical that the child' social and psychological history be conveyed. The receiving state needs this information to determine if the child should be placed with a particular family, and to let the potential placement resource know as much as possible about the needs and problems of the child.

On page 7, the chart fails to list an important function performed by the receiving state. In order to ensure that the child is in an appropriate placement and that the child's needs are being met, the receiving state must visit the placement resource and complete required progress reports. Currently, the chart implies that the ICPC requirements end when a decision is made whether or not to place a child. As you know, from studying the ICPC law and its procedures, both the sender and the receiving state maintain several significant obligations once the placement is actually made and until the placement ends, as defined by the law of the Compact.

On page 8, second full paragraph, last sentence, at the end of the sentence, add *based on the home study provided with the referral and other information such as consents, medical history of the child and biological parents, etc.*

The AAICPC Executive Committee wanted to know what the statement "Residential placements vary widely among States" means (see page 8, fourth paragraph, first sentence). The paragraph seems to have some incomplete sentences and the points being made are unclear.

The first paragraph on page 9 states that some States have "developed tools to facilitate case processing." The Report has not acknowledged the AAICPC efforts to support expedited placements and its leadership role in examining the entire ICPC process with the intent of improving timely placement of children into safe, caring, and nurturing homes. Working with the National Council of Juvenile and Family Court Judges and with the National Association of Public Child Welfare Administrators, the AAICPC established a Joint Committee on ICPC Improvement. The committee made 10 recommendations one of which was ICPC Regulation NO. 7, Priority Placement. The AAICPC passed Regulation No. 7, Priority Placement, shortening the time that a child has to wait for placement. Also the Association has been working on another procedure to facilitate placement processing, known as border state agreements whereby a social worker in State A can enter State B and complete a home study while the ICPC referral packet is being processed (an example of a border state agreement can be provided to you). We expect that these border state agreements will also reduce the waiting period before the child can be placed. These two procedures, while technically not "tools," have the effect of facilitating placement and may be covered in part two of the Inspector General Report; however, mention of them should be listed in this portion of the first Report.

On page 9, second paragraph, first sentence, statement number 1) should be replaced with: *children whose placements have been approved by the receiving state and the sending agency subsequently places the child but fails to notify the receiving.*

The final section of the Report, pages 10 and 11, discusses in some detail information on the numbers of children placed through the ICPC and the methods used to track children once placements are made. We, like the Report authors, are concerned with the limited statistics now available. However, as you may know, for the past year the AAICPC and its Secretariat have been working to complete an ICPC database in hope of having accurate and reliable statistical data on how many children are in out-of-state placements on any day and the type of placement resource (parental, adoption, relative, foster home, residential treatment center, etc.). This database will be used to better track the

completion of home studies, progress reports, length of time to complete a home study (how long any particular office takes to complete home studies), as well as which states are violating the Compact and how often. Some states presently have database systems in place.

In that regard, we would like to make some general comments about the section on statistics.

- The discussion of children “in foster care” is confusing. At one point the Report talks about children in relative care as a foster care placement (which is technically correct) and at other points the Report speaks of foster care as a single kind of placement type.
- The discussion would be a little more meaningful if some references could be made to the population basis of the 27 reporting states. Are these all big states (New York, California, Illinois), a mix of big and small states, or something else? Such information would allow the reader to get a sense of the scope of the statistics being reported.
- In some respects, the discussion on placement numbers fails to reflect two aspects of the Compact administration. First, the Report does not identify the number of placement requests handled by the ICPC offices as opposed to those approved requests where children are actually placed across state lines. Not surprisingly, the requests handled far outnumber those instances in which children are ultimately placed. Second, as noted earlier, the work of the sending and receiving states’ Compact administrators does not end at the time a child is placed out of state; monitoring of placement progress is ongoing until the placement ends.
- While we recognize our collective inability in the Compact to collect and produce standard workload data in each state so that it could be aggregated to produce reliable national statistics, we suggest adding data from the Adoption and Foster Care Automated Reporting System (AFCARS) that is more recent than 1996, and that identifies the two data elements that were specifically designed for reporting on the interstate placement of children. We believe that an additional Appendix with the AFCARS data, even if it is incomplete (just as some of the Compact state data are incomplete), would help readers reach their own conclusions about the volume of interstate child placements.
- The State Automated Child Welfare Information System (SACWIS) provides a great opportunity to standardize interstate child placement statistics across the nation. We suggest adding information on the number of states that have included ICPC activity in their SACWIS development, and any common federal interstate standards, such as the two AFCARS data elements mentioned above, which will help produce uniform statistical information on the interstate placement of children.

**FINAL COMMENTS**

We appreciate the attention that has been directed to understanding the ICPC law and its administration. There are some related issues on this topic that we would like to add here.

First, on the issue of the decentralization of ICPC state administration, please know that this is a troubling trend of grave concern to many ICPC Deputy Compact Administrators.

Second, we believe that if made available by HHS, AAICPC would value the added support in helping administrators to complete development of and implementation of the customized ICPC database program.

In closing, please know that we are available to work cooperatively with HHS to strengthen ICPC administration. We would very much welcome the chance to have a face-to-face meeting with you so we can further discuss some pertinent issues related to the ICPC law and its administration.

Sincerely,



William Waldman  
Executive Director  
American Public Human  
Services Association

WW/FB/mm

cc Sam Ashdown  
President  
Association of Administrators  
of the Interstate Compact on the  
Placement of Children

AAICPC Executive Committee members