

GAO

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CHILD WELFARE

Additional Federal Action Could Help States Address Challenges in Providing Services to Children and Families

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Highlights of [GAO-07-850T](#), a testimony before the Subcommittee on Income Security and Family Support, Committee on Ways and Means, House of Representatives

Why GAO Did This Study

Despite substantial federal and state investment, states have had difficulty ensuring the safety, well-being, and permanency of children in foster care. Ensuring these outcomes becomes even more difficult in the event of disasters such as Hurricanes Katrina and Rita, when children and families may become displaced across state lines. This testimony discusses (1) the issues that states reported as most important to resolve now and in the future to improve outcomes for children under their supervision (2) initiatives states reported taking to address these issues and how recent law provides support for additional state efforts and (3) federal action taken to assist states' efforts in developing child welfare disaster plans.

This testimony is primarily based on our October 2006 report on state child welfare challenges (GAO-07-75) and our July 2006 report on state child welfare disaster planning (GAO-06-944). The Department of Health and Human Services (HHS) and the Congress took action that addressed our July report recommendations. However, HHS disagreed with our October report recommendation to improve awareness of and access to federal social services by modifying the Catalog of Federal Domestic Assistance or other means. We continue to believe that taking such action would help improve services to children and families.

www.gao.gov/cgi-bin/getrpt?GAO-07-850T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Cornelia Ashby at (202) 512-8403 or ashbyc@gao.gov..

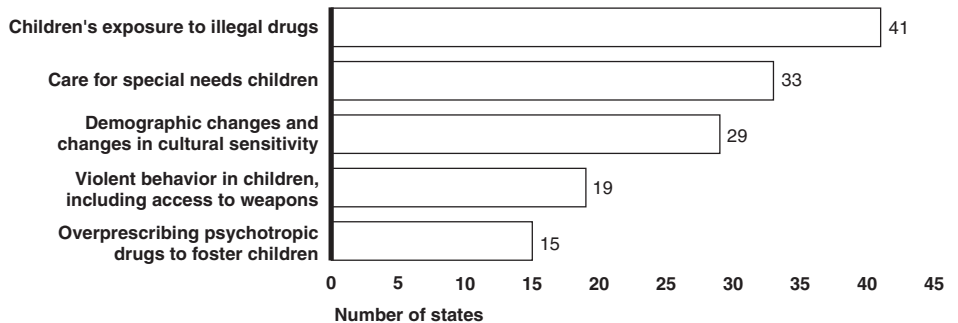
CHILD WELFARE

Additional Federal Action Could Help States Address Challenges in Providing Services to Children and Families

What GAO Found

States reported in our survey that inadequate levels of mental health and substance abuse services, the high average number of child welfare cases per worker, and the difficulty finding homes for children with special needs were the most important challenges to resolve in order to improve outcomes for children under states' care. Child welfare officials cited various reasons these challenges existed in their states, such as a lack of funding for family support services and a lack of caseload standards. Over the next 5 years, major challenges for state child welfare systems were cited as serving a growing population of children with special needs or who have been exposed to illegal drugs, and changing demographic trends that will require greater multicultural sensitivity in providing services to some groups of children and their families.

State-Reported Emerging Issues That Are Likely to Affect Children in the Child Welfare System over the Next 5 Years



Source: GAO analysis of state child welfare survey responses.

States have some initiatives in place to address these challenges, but these initiatives do not always address areas of states' greatest concern. For example, only 4 of 31 states dissatisfied with substance abuse services reported initiatives to improve the level of these services. Similarly, states reported little or no action to address two of the most frequently reported factors underlying the challenge to recruit and retain caseworkers – the administrative burden on caseworkers and effective supervision. Recent law provides additional requirements and funding to help states address these challenges. Some states implemented initiatives under federal demonstration projects, including those to improve substance abuse services and permanent homes for children. However, outcome evaluations of these initiatives have shown mixed results.

Several actions have been taken by HHS and the Congress to better ensure that states are prepared to continue child welfare services for children displaced by disaster. Our earlier work showed that although 29 states, plus Puerto Rico, experienced a federally declared disaster in 2005, only 8 of these states reported having a written child welfare disaster plan. Since that time, HHS has updated its guidance to states and provided technical assistance. In addition, the Congress passed the Child and Family Services Improvement Act of 2006, requiring that states have procedures in place concerning how state child welfare agencies would respond in the event of a disaster. The deadline set by HHS for submission of these plans is June 30, 2007.

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to present information from our recent reports on the challenges that state foster care systems face in serving the more than half a million children under their care.¹ For fiscal year 2006, Congress appropriated about \$8 billion to support the ability of state child welfare systems to provide services that protect children from abuse and neglect, promote their physical and mental well-being, find them permanent homes, and enable families to successfully care for their children. State and local governments contributed more than \$12 billion for these purposes, according to information available from 2004.² Despite this substantial investment, federal evaluations of state child welfare programs showed that states continue to struggle to meet federal outcome goals established by the Department of Health and Human Services (HHS) to ensure the safety, well-being, and permanency of children in foster care. Ensuring these outcomes becomes even more difficult in the event of disasters such as Hurricanes Katrina and Rita for states that do not have plans in place to continue child welfare services for children and families who may become displaced within or across state lines.

State child welfare agencies are responsible for administering their programs within federal policies established by the Children's Bureau under the Administration for Children and Families within the Department of Health and Human Services. This federal agency oversees states' child welfare programs in part through its child and family services reviews (CFSR), which measure states' performance in meeting federal outcome goals. During its first round of CFSRs, completed in the 3 year period ending March 2004, HHS reported that no state had substantially conformed with all federal performance goals, and half or more states did not meet performance indicators such as providing adequate services for children and families, providing child welfare staff with the ongoing training needed to fulfill their duties, and ensuring the diligent recruitment of foster and adoptive homes. Further, while HHS requested states to submit plans that address the challenges of serving child welfare families

¹ GAO, *Child Welfare: Improving Social Service Program, Training, and Technical Assistance Would Help Address Longstanding Service-Level and Workforce Challenges*, [GAO-07-75](#) (Washington, D.C.: Oct. 6, 2006), and GAO, *Child Welfare: Federal Action Needed to Ensure States Have Plans to Safeguard Children in the Child Welfare System Displaced by Disasters*, [GAO-06-944](#) (Washington, D.C.: July 28, 2006).

²The Urban Institute, *The Cost of Protecting Vulnerable Children V: Understanding State Variation in Child Welfare Financing* (Washington D.C.: May 2006).

in times of disaster, we reported that as of July 2006, few states had comprehensive plans in place. Since our reports, HHS and the Congress have taken action to help states address some of these long-standing challenges and HHS has begun its next round of CFSTRs. My testimony today will focus on (1) the issues that states reported as most important to resolve now and in the future to improve outcomes for children under their supervision, (2) initiatives states reported taking to address these issues and how recent law provides support for additional state efforts, and (3) federal action taken to assist states' efforts in developing child welfare disaster plans. My testimony is based primarily on findings from our July and October 2006 reports. Those findings were based on multiple methodologies including a survey of child welfare directors on challenges they face in improving outcomes for children and the extent that they had developed child welfare disaster plans. We supplemented these surveys by conducting multiple site visits to states and counties and by interviewing child welfare experts and HHS child welfare officials. We conducted our work in accordance with generally accepted government auditing standards.

In summary, states reported that inadequate levels of mental health and substance abuse services, the high average number of child welfare cases per worker, and the difficulty of finding homes for children with special needs were the most important challenges to resolve in order to improve outcomes for children under states' care. Child welfare officials cited various reasons these challenges existed in their states. One reason maintaining an adequate level of services is difficult, for example, is that the funding for family support services has not kept up with the need, which in turn may result in children entering foster care and staying there longer. Some states did not have caseload standards to ensure that caseworkers had enough time to adequately serve each child and family, and caseworkers in some areas of most states often carried more than double the caseload standard established by the Child Welfare League of America (CWLA).³ State child welfare officials predict that these caseloads will continue to become increasingly complex and culturally diverse. Growing challenges for state child welfare systems in the next 5 years were cited as serving the population of children with special needs or who have been exposed to illegal drugs, and changing demographic trends that

³CWLA is an association of nearly 800 public and private nonprofit agencies with a mission to ensure the safety and well-being of children and families. CWLA sets and promotes standards for best practice and advocates for the advancement of public policy.

will require greater multicultural sensitivity in providing services to some groups of children and their families. States have some initiatives in place to address challenges, but the frequency of initiatives states reported did not always mirror the levels of dissatisfaction with the major challenges. For example, 4 of 39 states dissatisfied with the level of service in finding homes for children with developmental disabilities or other needs reported initiatives in this area. Recently enacted legislation, the Child and Family Services Improvement Act of 2006⁴, assists states in addressing some important challenges by targeting funds to children affected by substance abuse and to activities designed to recruit and retain caseworkers. Our October report had recommended that HHS also take action to improve awareness of and access to federal social services by such means as modifying the Catalog of Federal Domestic Assistance. In its comments, however, HHS disagreed with this recommendation, stating that it was insufficient to address the problem and incorrectly implied that caseworkers were not already aware of existing resources. We continue to support the recommendation based on the results of our work. HHS has taken action along with the Congress to better ensure that states are planning for the challenges they will face in safeguarding children and families displaced by disaster, per our July report recommendations. HHS has updated its guidance and provided technical assistance. In addition, the law now requires all states to submit child welfare disaster plans to HHS. The deadline set by HHS for submission of these plans is June 30, 2007.

Background

The well-being of children and families has traditionally been understood as a primary duty of state governments, and state and local governments are the primary administrators of child welfare programs designed to protect children from abuse or neglect. Child welfare caseworkers investigate allegations of child maltreatment and determine what services can be offered to stabilize and strengthen a child's own home. If remaining in the home is not a safe option for the child, he or she may be placed in foster care while efforts to improve the home are made. In these circumstances, foster care may be provided by a family member (this is known as kinship care), caregivers previously unknown to the child, or a group home or institution. In those instances in which reuniting the child with his or her parents is found not to be in the best interest of the child, caseworkers must seek a new permanent home for the child, such as an

⁴ Pub. L. No. 109-288.

adoptive home or guardianship. Some children remain in foster care until they “age out” of the child welfare system. Such children are transitioned to independent living, generally at the age of 18 years.

States use both dedicated and nondedicated federal funds for operating their child welfare programs and providing services to children and families. In fiscal year 2006, the federal government provided states with about \$8 billion in dedicated child welfare funds, primarily authorized under Title IV-B and Title IV-E of the Social Security Act. Nearly all of this funding is provided under Title IV-E, which provides matching funds to states for maintaining eligible children in foster care,⁵ providing subsidies to families adopting children with special needs, and for related administrative and training costs.⁶ About 9 percent of funding is provided under Title IV-B, which provides grants to states primarily for improving child welfare services and requires that most funds be spent on services to preserve and support families.

A significant amount of federal funding for child welfare services also comes from federal funds not specifically dedicated to child welfare—including the Temporary Assistance for Needy Families (TANF) block grant, Medicaid, and the Social Services Block Grant. These and hundreds of other federal assistance programs for children and families, including many that serve low-income populations, are listed in a centralized database administered by the General Services Administration that has a search feature by type of assistance and eligible population. The Congressional Research Service conservatively estimated that the median share of total federal child welfare spending derived from nondedicated federal funding equaled nearly half of all the federal dollars (47 percent)

⁵States are entitled to Title IV-E reimbursement on behalf of children who would have been eligible for Aid to Families with Dependent Children (AFDC) (as AFDC existed on July 16, 1996), but for the fact that they were removed from the home of certain specified relatives. While the AFDC program was replaced by the Temporary Assistance for Needy Families Program in 1996, eligibility for Title IV-E payments remains tied to the income eligibility requirements of the now defunct AFDC program. In addition, certain judicial findings must be present, and all other requirements included in section 472 (a) and (b) of the Social Security Act must be met, in order for the child to be eligible for Title IV-E foster care maintenance payments.

⁶Title IV-E also provides grants to states for providing independent living services to youth who are expected to age out of foster care or who have already aged out of care. Grants are also provided to states for providing education and training vouchers for youth aging out of care.

expended by state child welfare agencies,⁷ based on state child welfare agency data reported to the Urban Institute for state fiscal year 2002.⁸

The Congress has authorized funds for state child welfare programs and required states to enact policies and meet certain standards related to those programs. HHS evaluates how well state child welfare systems achieve federal standards for children through its child and family services reviews. The CFSR process begins with a state assessment of its efforts, followed by an on-site review by an HHS team that interviews various stakeholders in the child welfare system and usually reviews a total of 50 child welfare case files for compliance with federal requirements. After receiving the team's assessment and findings, the state develops a program improvement plan (PIP) to address any areas identified as not in substantial conformity with federal requirements. Once HHS approves the PIP, states are required to submit quarterly progress reports. Pursuant to CFSR regulations, federal child welfare funds can be withheld if states do not show adequate PIP progress, but these penalties are suspended during the 2-year PIP implementation term. HHS conducted its first round of CFSRs for all states from March 2001 through March 2004 and began the second round of CFSRs in March 2007.

States must also meet a set of program requirements that are described in their 5-year Child and Family Services Plans to receive federal child welfare funds.⁹ Until recently, however, there were no federal requirements for states to develop plans that address the needs of children during disasters. In 2005, 29 states and Puerto Rico experienced federally declared disasters—most commonly severe storms and flooding. However, a disaster can affect states that do not directly experience the disaster when they receive children evacuated from affected states. For example, two 2005 disasters—Hurricanes Katrina and Rita—resulted in a prolonged interruption of child welfare services and the dispersion of thousands of Louisiana's child welfare recipients to 19 states.

⁷States' use of nondedicated federal funding varied considerably from a high of 75 percent of total federal child welfare funds expended in Alabama to less than 2 percent of total federal child welfare funds expended in North Carolina.

⁸The Congressional Research Service reported that this is likely an understatement of nondedicated federal funding states used for their child welfare programs.

⁹States were required to develop and submit a 5 year Child and Family Services Plan for fiscal years 2005-2009, by June 30, 2004.

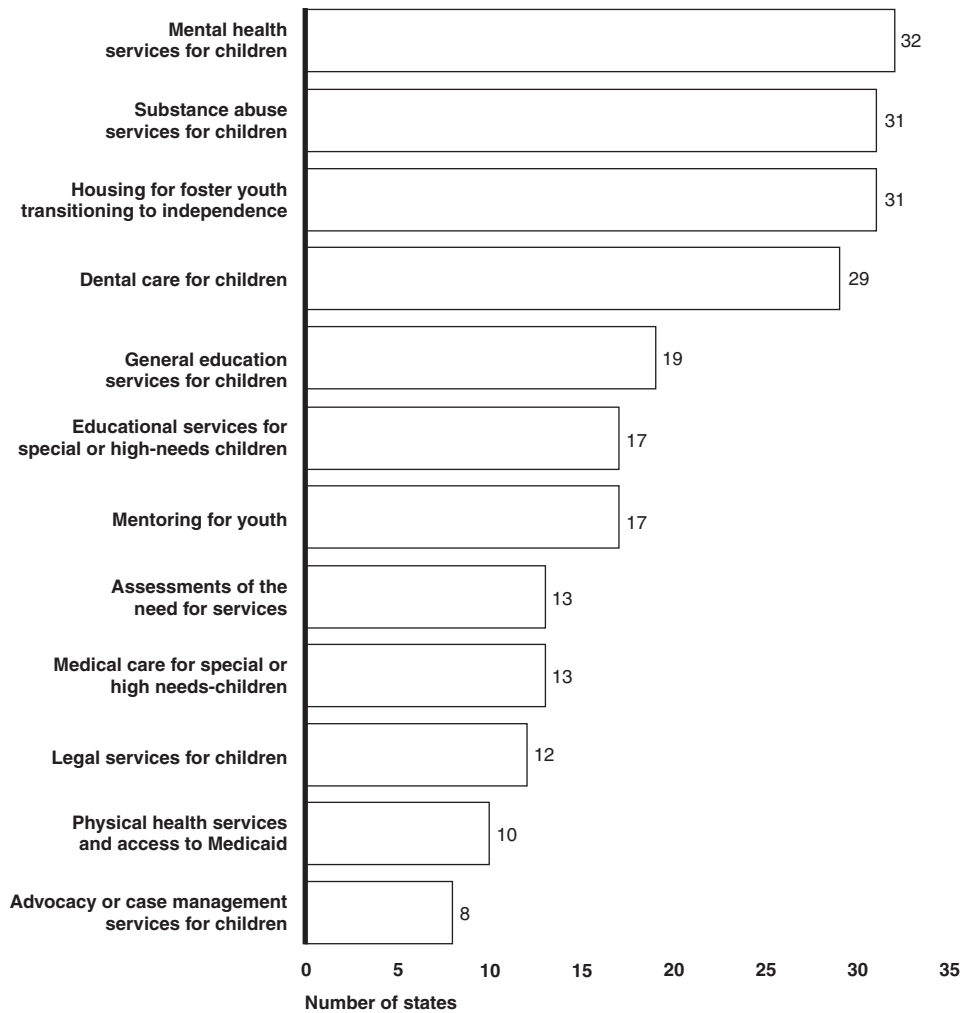
**Current and Future
Issues That Challenge
States' Ability to
Improve Child
Outcomes**

States reported that their ability to improve child outcomes was challenged most by inadequate levels of mental health and substance abuse services available to children and families, too few caseworkers for too many child welfare cases, and a lack of homes that can meet the needs of certain children, such as those with developmental disabilities. Challenges are expected to grow in future years related to serving children with special needs or who have been exposed to illegal drugs, and changing demographic trends that will require greater multicultural sensitivity in providing services to an increasingly diverse child welfare population.

**Inadequate Levels of
Mental Health, Substance
Abuse, and Other Services
Challenge States' Ability to
Meet the Needs of
Children and Families**

State child welfare agencies identified specific services underlying their challenge to serve children and families, citing constraints on federal funding, service gaps, and limited awareness of services outside the child welfare system as contributing factors. Regarding services provided to children, more than half of states reported that they were dissatisfied with the level of mental health services, substance abuse services, housing for foster youth transitioning to independence, and dental care. (See fig. 1.)

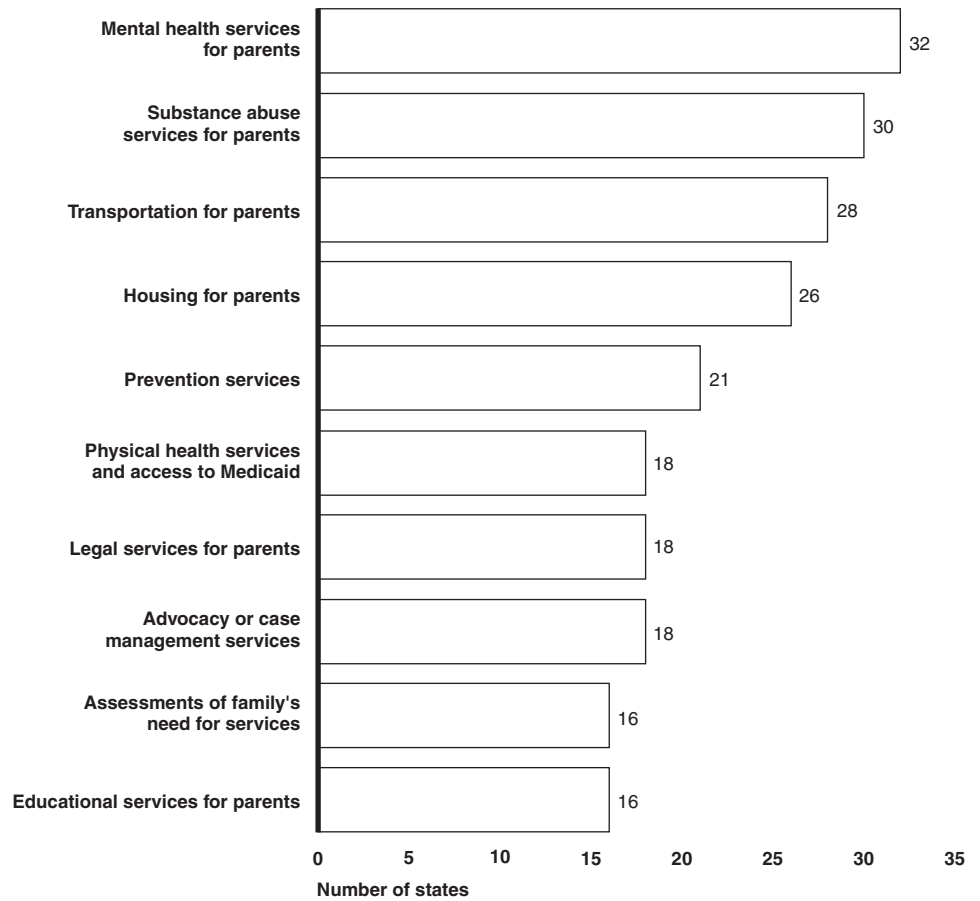
Fig. 1: States Reporting Dissatisfaction with the Level of Services Provided to Children in the Child Welfare System



Source: GAO analysis of state child welfare survey responses.

States also reported that they were dissatisfied with the level of services provided to at-risk families in the child welfare system. These services are needed to help prevent the removal of children from their homes or to help facilitate the reunification of children with their parents after removal. Specifically, more than half of states responded that they were dissatisfied with mental health services, substance abuse services, transportation services, and housing for parents in at-risk families. (See fig. 2.)

Figure 2: States Reporting Dissatisfaction with the Level of Services Provided to Parents in At-Risk Families in the Child Welfare System



Source: GAO analysis of state child welfare survey responses.

States we visited reported that funding constraints were among the reasons maintaining an adequate level of services was difficult. For example, while maintenance payments to foster families for children under state care are provided as an open-ended entitlement for federal funding under Title IV-E, federal funding for family support services is capped at a much lower level under Title IV-B. In addition, many states experienced budget deficits that adversely affected overall funding for social services. In prioritizing funding needs, child welfare officials in 40 states responding to our survey reported that family support services, such as those that could prevent removal of a child or help with reunification of a family, were the services most in need of greater federal, state, or local resources. Officials from 29 states responded that child

protective services such as investigation, assessment of the need for services, and monitoring were next in need of additional resources.

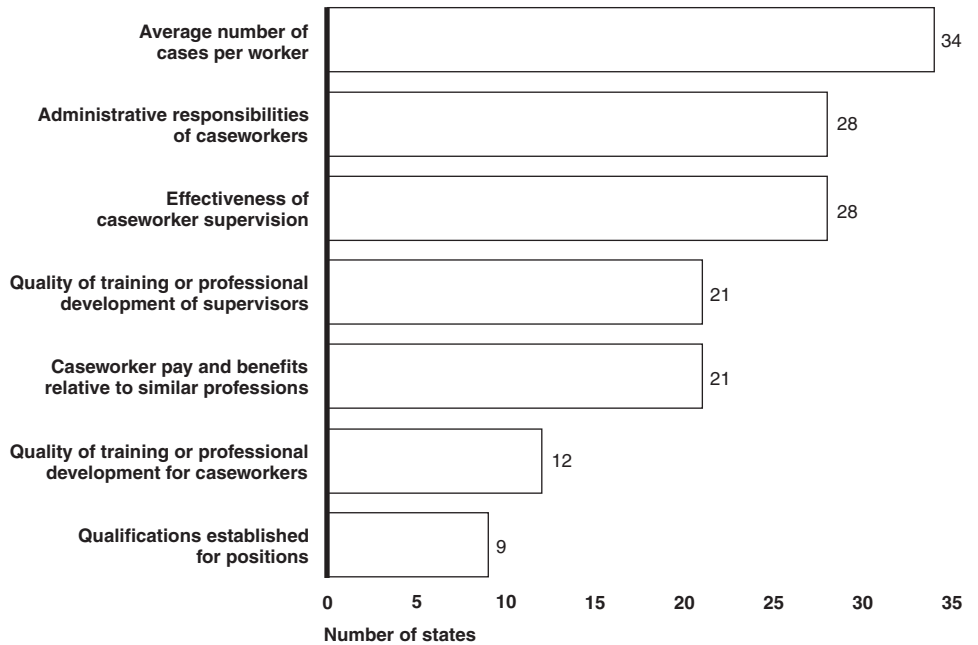
Another reason providing services may be challenging in some states or areas is that some caseworkers and families may be unaware of the array of existing services offered by numerous public and private providers. In North Carolina, for example, state officials reported that about 70 percent of children and families in the child welfare system received services from multiple public agencies, and the Catalog of Federal Domestic Assistance (CFDA)—a repository of information on all federal assistance programs that is periodically updated—lists over 300 federal programs that provide youth and family services. However, caseworkers and families are not always aware of the range of services that are available to support children and families, and child welfare officials cited the need for additional information to help link children and families with needed services. In October 2003, the White House Task Force for Disadvantaged Youth recommended that the CFDA be modified to provide a search feature that can be used to identify locations where federally funded programs were operating.¹⁰

High Caseloads and Other Factors Challenge the Ability of Child Welfare Staff to Adequately Serve Children and Families

State child welfare officials most frequently reported dissatisfaction with the current status of three underlying factors that affect the state's ability to recruit and retain caseworkers to serve children and families in the child welfare system. Specifically, more than half of the states reported dissatisfaction with the average number of cases per worker, administrative responsibilities of caseworkers, and effectiveness of caseworker supervision. (See fig. 3.)

¹⁰A similar model may be found on an HHS Web link, <http://ask.hrsa.gov/pc/>, where users can enter a ZIP code to find the closest community health center locations offering medical, mental, dental, and other health services on a sliding fee scale.

Figure 3: States Reporting Dissatisfaction with Factors That Could Affect the State’s Ability to Recruit and Retain Caseworkers



Source: GAO analysis of state child welfare survey responses.

Child welfare officials in each of the states we visited reported having trouble recruiting and retaining caseworkers because many caseworkers are overwhelmed by large caseloads. According to the Child Welfare League of America, some child welfare programs lack caseload standards that reflect time needed to investigate allegations of child maltreatment, visit children and families, and perform administrative responsibilities. CWLA set caseload standards of no more than 12 cases per caseworker investigating allegations of child maltreatment, and no more than 15 cases for caseworkers responsible for children in foster care. However, according to CWLA, in most states, average caseloads in some areas are often more than double the CWLA standards.

State child welfare officials we interviewed also reported that increasing amounts of time spent on administrative duties made it difficult to recruit and retain staff and limited the amount of time caseworkers could spend visiting families. For example, child welfare officials in three states we visited estimated that some caseworkers spent a significant amount of time on administrative duties such as entering case data in automated systems, completing forms, and providing informational reports to other

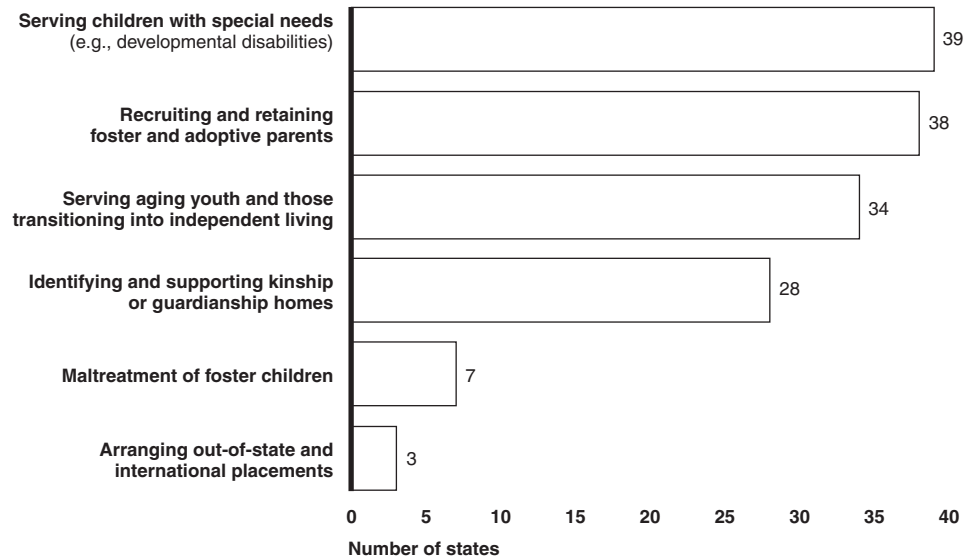
agencies. This administrative burden has limited caseworker ability to ensure timely investigations of child maltreatment and to make related decisions concerning the removal of children from their homes, according to officials, and influenced caseworker decisions to seek other types of employment.

Some states we visited reported that the lack of effective supervision also adversely affected staff retention and sometimes resulted in delays providing appropriate services to children and families. Lack of supervisory support was cited as a problem in terms of supervisor inexperience and inaccessibility. For example, a Texas state official said that because of high turnover, caseworkers are quickly promoted to supervisory positions, with the result that the caseworkers they supervise complain of poor management and insufficient support. In Arizona, caseworkers have also expressed dissatisfaction with the support they received from their supervisors, and this has negatively affected recruitment and retention. Child welfare officials reported that lack of access to supervisors was frustrating to caseworkers because it delayed their ability to specify appropriate permanency goals for children and to develop case plans to meet the needs of children and families in their care.

Serving Children with Special Needs Is among Factors Challenging States' Ability to Place Children in Appropriate Homes

State child welfare officials most frequently identified four factors underlying the challenge to find appropriate homes for children. (See fig. 4.) More than half of the states reported that finding homes for children with special needs, recruiting and retaining foster and adoptive parents, serving older youth and youth transitioning into independent living, and finding and supporting kinship or guardianship homes were among their greatest concerns.

Figure 4: States Reporting Factors of Greatest Concern in Making Appropriate Placements for Children



Source: GAO analysis of state child welfare survey responses.

Child welfare officials in two states we visited said that the lack of therapeutic foster care homes that can properly care for children who have significant physical, mental, or emotional needs makes it challenging to find them an appropriate home. In addition, these officials said that some of the existing facilities are inappropriate for child placement because they are old and in poor condition or provide outmoded treatment services. Because of the absence of high-quality therapeutic settings, child welfare officials said that it has become increasingly difficult to place children in homes that can appropriately address their individual needs.

Recruiting and retaining foster and adoptive parents has become an increasingly difficult aspect of placement for a variety of reasons, such as the lack of a racially and ethnically diverse pool of potential foster and adoptive parents, and inadequate financial support. For example, child welfare officials said that some locations have relatively small populations of certain races and ethnicities, making it difficult to recruit diverse foster

and adoptive parents.¹¹ Inadequate financial support also hinders recruiting and retaining foster and adoptive families. Financial support for foster and adoptive families varies widely among states and local areas, and may not keep up with inflation. According to a California child advocacy organization, for example, the state's payments to foster parents of \$450 per month per child have not been adjusted for inflation since 2001. As a result, according to the organization, the supply of foster care providers has not increased markedly during this time.

Obtaining permanent homes for older youth and for youth aging out of foster care is a continuing placement challenge for states. For example, Texas child welfare officials said that it is difficult to place adolescents with adoptive parents because older youth can choose not to be adopted. Finding housing for youth transitioning into independence also can be difficult in high-cost areas or in areas where special arrangements have not been made with housing agencies and landlords that typically require a cosigner on the rental application or a large deposit before moving in.¹²

More than half of the states also reported that limitations in their ability to identify and support placements with family members or legal guardians limited opportunities to place children in appropriate homes. For example, child welfare officials in Ohio reported a lack of resources to conduct outreach to family members that may be able to provide a stable home for children in foster care with less disruption to the child. Michigan officials also reported that the lack of financial resources made it difficult for the state to meet its placement goals for those children who had been removed from their home and who had been directed by the court to be placed with other family members.

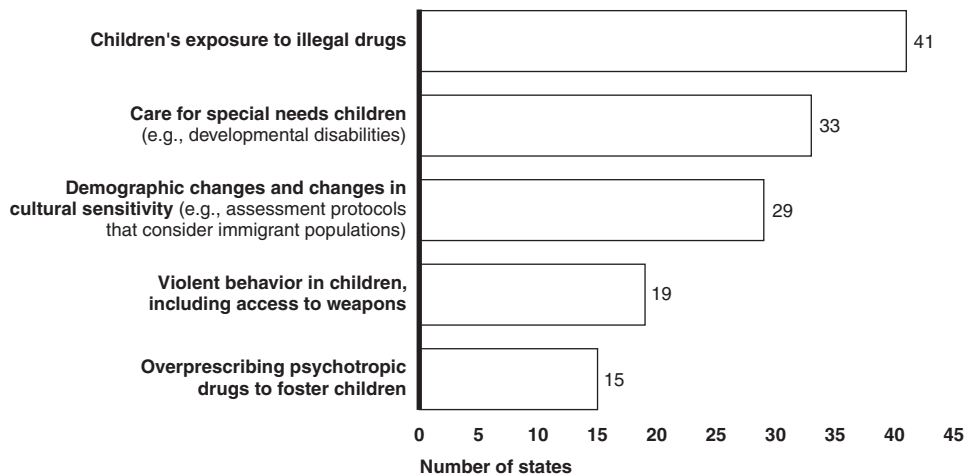
¹¹Generally, states and other entities that receive federal financial assistance and are involved in adoption or foster care are prohibited from delaying or denying the placement of a child for adoption or into foster care, on the basis of the race, color, or national origin of the adoptive or foster parent, or the child, involved. 42 U.S.C. § 671(a)(18). However, HHS guidance recognizes that some children may have specific needs based on the child's race or ethnicity, and HHS has required that states put in place a process for ensuring the diligent recruitment of potential foster and adoptive families that reflects the ethnic and racial diversity of children needing homes.

¹²See GAO, *Foster Youth: HHS Actions Could Improve Coordination of Services and Monitoring of States' Independent Living Programs*, [GAO-05-25](#) (Washington, D.C.: Nov. 18, 2004).

Increasing Complexity and Diversity of Child Welfare Population Expected to Challenge States in the Future

While states have experienced child welfare challenges for many years, states identified several emerging issues that are of increasing concern because of their impact on the well-being of children in the child welfare system. Most states reported a high likelihood that three issues will affect their systems over the next 5 years: children’s exposure to illegal drugs, caring for special or high-needs children, and changing demographics and cultural sensitivities. (See fig. 5.)

Figure 5: State-Reported Emerging Issues That Are Likely to Affect Children in the Child Welfare System over the Next 5 Years



Source: GAO analysis of state child welfare survey responses.

Although the overall percentage of drug-related child welfare cases has not increased, officials in the states we visited reported that the type and location of drug abuse underlying maltreatment cases is changing, requiring increased attention by child welfare agencies in certain areas. For example, child welfare officials reported an increasing number of children entering state care as a result of methamphetamine use by parents, primarily in rural areas. Child welfare agencies in these areas may need to train caseworkers on how this drug is likely to affect parents or caregivers who use it in order to safely investigate and remove children from homes, as well as assess the service needs of affected families to develop an appropriate case plan.¹³

¹³Methamphetamine users often exhibit poor judgment, confusion, irritability, paranoia, and increased violence.

State child welfare officials in all five states we visited said that finding homes for special needs children is a growing issue because it is hard to find parents who are willing to foster or adopt these children and who live near the types of services required to meet the children's needs. For example, child welfare officials in Texas reported that the state does not have a sufficient number of adoptive homes for children with special needs. As a result, these children generally stay in foster care for longer periods of time.

Child welfare officials we interviewed also said that the growing cultural diversity of the families who come in contact with the child welfare system has prompted the need for states to reevaluate how they investigate allegations of maltreatment and the basis on which they make decisions that could result in the removal of children from their homes. Child welfare officials in several states reported that the current protocols for investigating and removing children from their homes do not necessarily reflect the cultural norms of some immigrant and other minority families. These differences include limitations in family functioning that may be caused by poverty, the environment, or culture as opposed to those that may be due to unhealthy family conditions or behaviors. In response to growing cultural diversity, several states we visited stated that they are revising their protocols to account for religious and language differences among families who come in contact with the child welfare system.

State Initiatives to Resolve Challenges

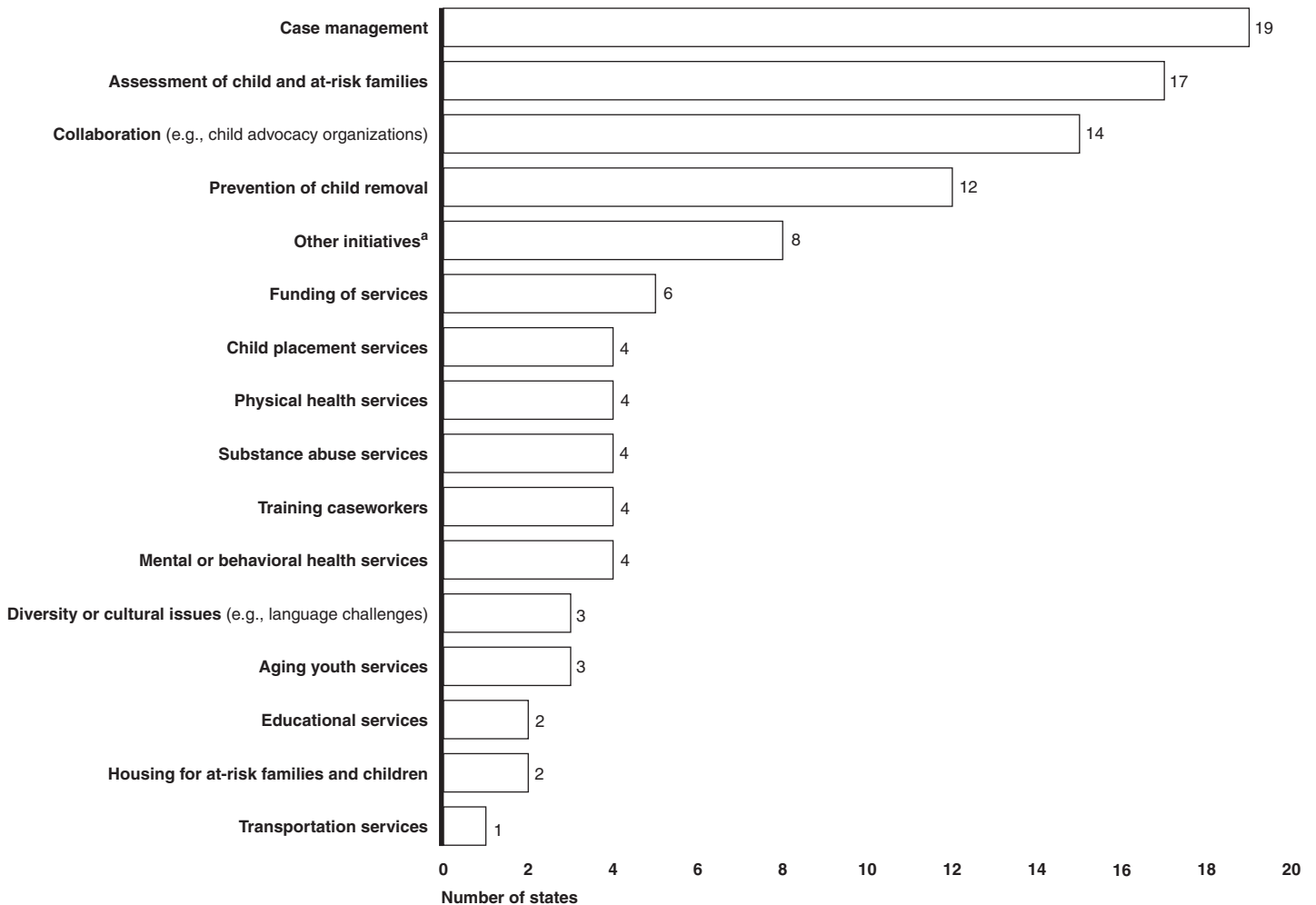
States reported implementing various initiatives to improve child outcomes, but these initiatives did not always mirror those factors states reported as most necessary to address in overcoming their primary challenges. For example, with respect to services, states most frequently reported that they were challenged by the lack of mental health and substance abuse services for children and families, yet only four states reported having initiatives to improve the level of these services. (See fig. 6.) This may be because these services are typically provided outside the child welfare system by other agencies.¹⁴ Recent legislation supports states' efforts to improve substance abuse services. For each fiscal year from 2007 through 2011, the Child and Family Services Improvement Act of 2006 reserves funds under the Promoting Safe and Stable Families

¹⁴We previously reported on how problems requiring interagency solutions often go unaddressed in such areas as transportation and housing. See [GAO-05-25](#) and GAO, *Child Welfare: Improved Federal Oversight Could Assist States in Overcoming Key Challenges*, [GAO-04-418T](#) (Washington, D.C.: Jan. 28, 2004).

program for competitive grants to improve outcomes of children affected by parent/caretaker abuse of methamphetamine or another substance.¹⁵

¹⁵The law reserves \$40 million for fiscal year 2007, \$35 million for fiscal year 2008, \$30 million for fiscal year 2009, and \$20 million for each of fiscal years 2010 and 2011.

Figure 6: State-Reported Initiatives to Improve Services to Children and Families



Source: GAO analysis of state child welfare survey responses.

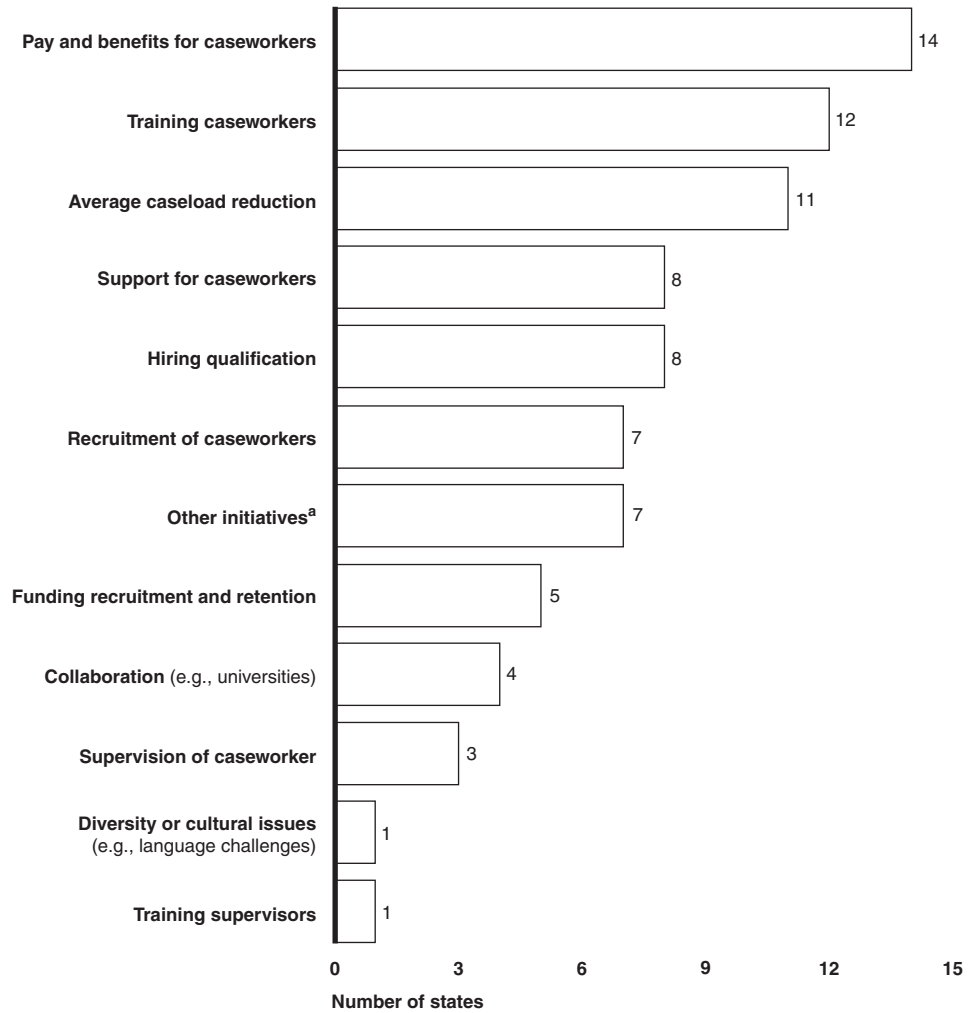
Most states also reported that they had implemented initiatives to improve recruitment and retention of child welfare caseworkers, but few states reported initiatives to address two of the most frequently reported factors underlying this challenge—the administrative burden on caseworkers and effective supervision. (See fig. 7.) Recent law supports states’ efforts in this area as well. For fiscal years 2008 through 2011, the Child and Family Services Improvement Act reserves funds to support monthly caseworker visits to children who are in foster care with an emphasis on activities

designed to improve caseworker retention, recruitment, training, and ability to access the benefits of technology.¹⁶ In addition, the law reorganized the Child Welfare Services program funded under Title IV-B, adding a purpose section to the law that included: “providing training, professional development, and support to ensure a well-qualified child welfare workforce.”¹⁷

¹⁶The law directs the Secretary of HHS to reserve the following amounts: \$5 million for fiscal year 2008, \$10 million for fiscal year 2009, and \$20 million for each of fiscal years 2010 and 2011.

¹⁷ Pub. L. No. 109-288, sec. 6(b)(3) (codified at 42 U.S.C. 621).

Figure 7: State-Reported Initiatives to Recruit and Retain Caseworkers



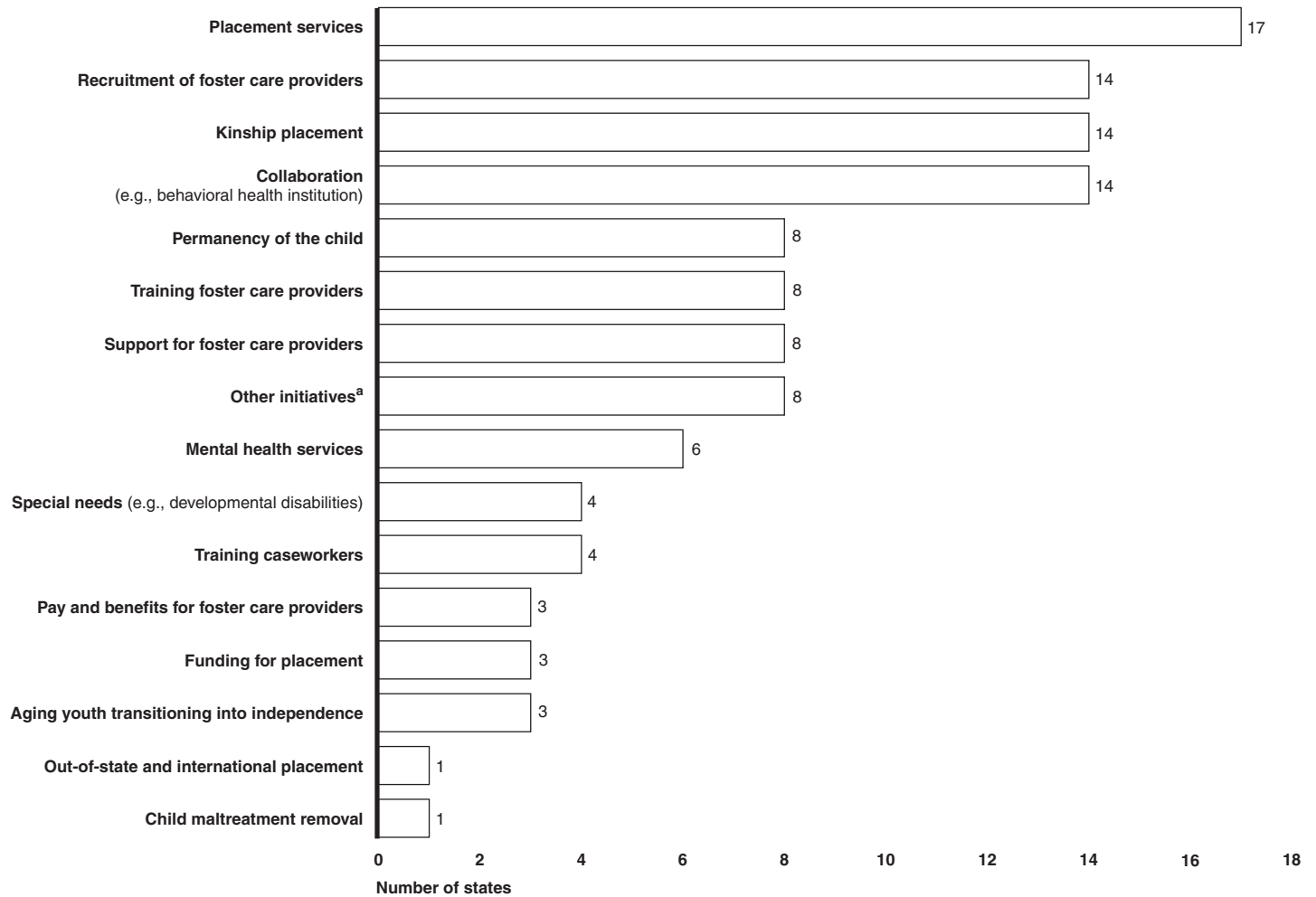
Source: GAO analysis of state child welfare survey responses.

Almost all states reported implementing initiatives to improve their ability to find appropriate homes for children, but few states reported initiatives that addressed two of the three most frequently reported factors underlying this challenge (see fig. 8). For example, three states reported initiatives to find appropriate homes for older youth transitioning to

independence, and four states reported initiatives to find appropriate homes for children with special needs.¹⁸

¹⁸GAO previously reported that child welfare agencies focused on preparing youth for independent living while they were in foster care, but were less apt to work with other agencies—such as the local housing authority—to transition youth out of care because of conflicting policies and a lack of awareness about needed services. See [GAO-05-25](#).

Figure 8: State-Reported Initiatives to Find Appropriate Homes for Children



Source: GAO analysis of state child welfare survey responses.

Some states implemented initiatives under federal demonstration projects, and evaluations of outcomes states were required to conduct under these projects showed mixed results. In general, the demonstration projects offered states the flexibility to use federal funding under Title IV-B and

Title IV-E in eight different program areas¹⁹ in an effort to improve services and placements—addressing the three primary challenges reported by states. As of 2006, 24 states had implement 38 child welfare demonstration projects.²⁰ However, evaluation results were mixed across child welfare outcomes. For example, while Illinois found strong statistical support for the finding that funding for assisted guardianships increased attainment of permanent living arrangements, none of the other four reporting states found similar conclusive evidence of this finding. Similarly, among four states using Title IV-E funds to fund services and supports for caregivers with substance abuse disorders, Illinois was the only state that demonstrated success in connecting caregivers to treatment services.

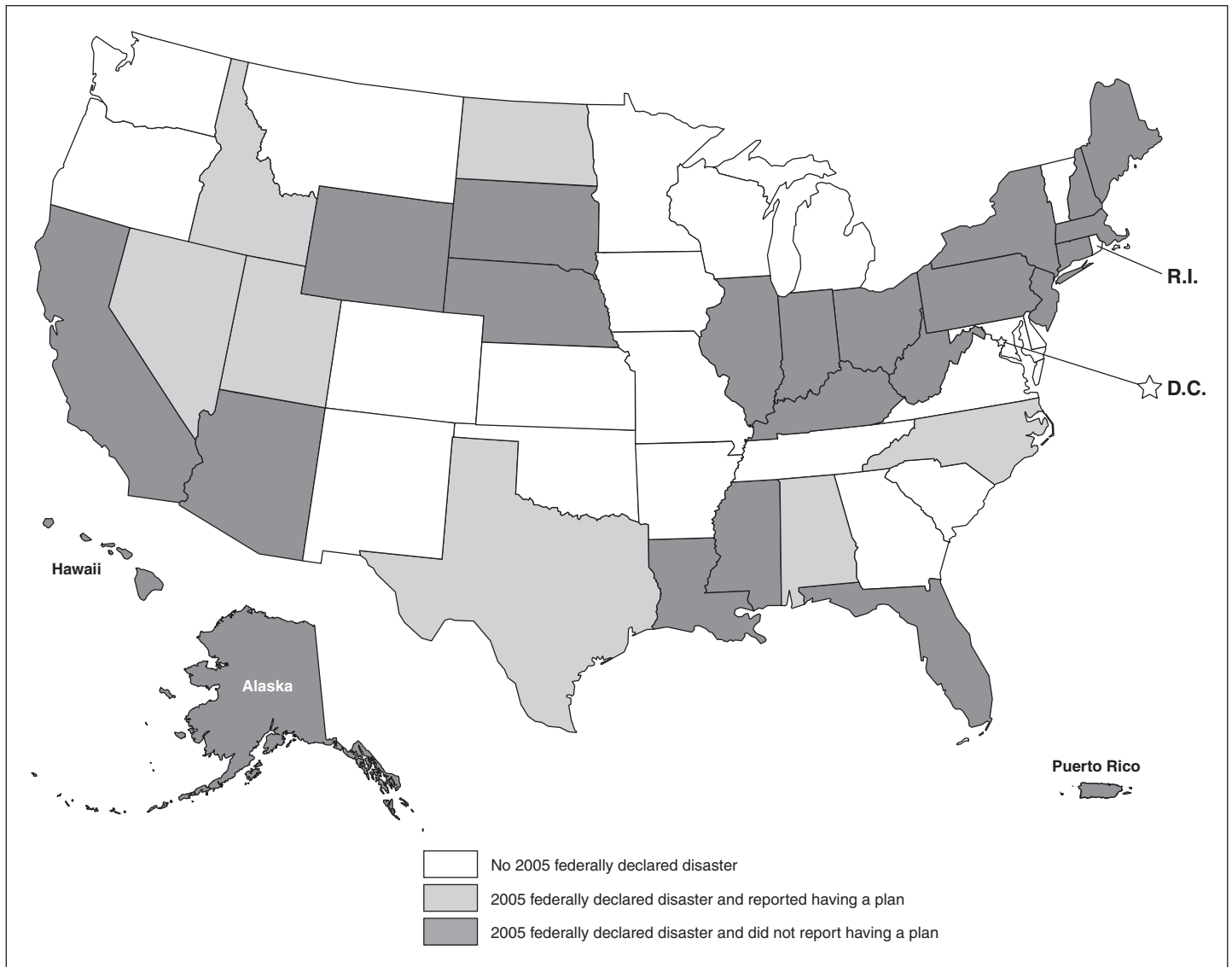
Federal Action Taken To Ensure States Develop Plans to Serve Children and Families Displaced by Disaster

Several actions have been taken by HHS and the Congress to better ensure that states are prepared to continue child welfare services for children and families displaced by disaster across county or state lines. We reported in July 2006 that although 29 states, plus Puerto Rico, experienced a federally declared disaster in 2005, only 8 of these states reported having a written child welfare disaster plan. (See fig. 9.)

¹⁹Projects in the eight program areas included (1) providing monthly subsidies equal or comparable to foster care maintenance payments to relatives or other caregivers who assume legal custody of children; (2) providing capped Title IV-E allocations in exchange for flexibility in spending child welfare dollars for new services and supports; (3) using Title IV-E dollars to fund services and supports for caregivers with substance abuse disorders; (4) using alternative managed care financing mechanisms to reduce costs; (5) increasing the variety and intensity of services and supports to reduce out-of-home placement rates and improve other outcomes; (6) strengthening existing or provide new post-adoption and post-permanency services and supports; (7) tribal development of administrative and financial systems to independently administer Title IV-E foster care programs and directly claim federal reimbursement; and (8) training for public and private sector child welfare professionals serving children and their families.

²⁰States can no longer apply for participation in federal demonstration projects because the program authorization expired in March 2006.

Fig. 9: Disaster Plan Status for States with Federally Declared Disasters in 2005

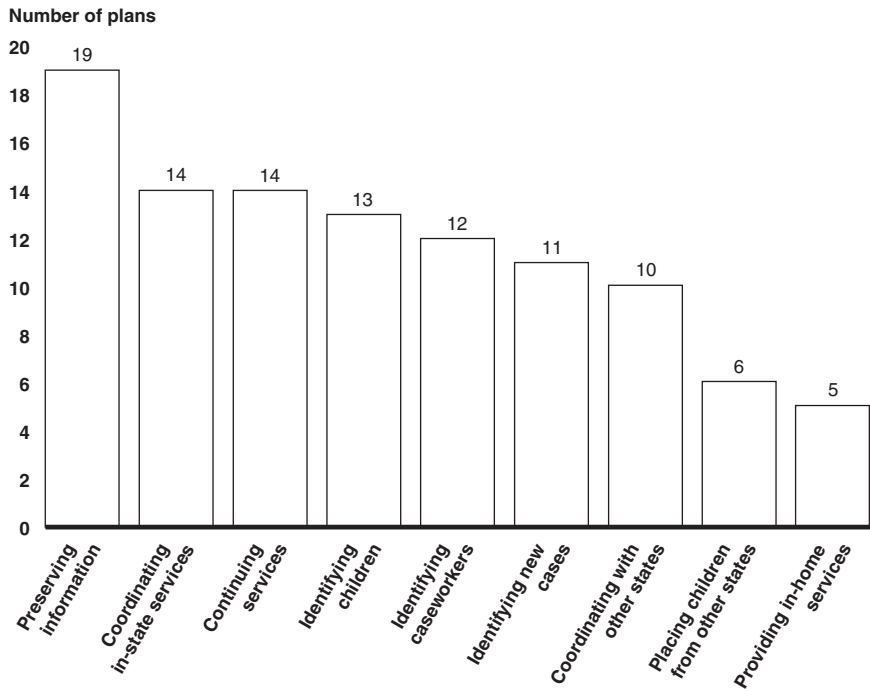


Source: Analysis of GAO national survey of state child welfare systems challenges; Map, Map Resources.

In addition, while 21 states in all reported having a disaster plan in place, there was great variance in the extent to which they addressed selected child welfare program elements. For example, most states included strategies to preserve information, but few states had included strategies for placing children from other states. (See fig.10) The need for such plans

was highlighted when close to 2,000 of the 5,000 children in Louisiana's child welfare system were displaced in the aftermath of Hurricane Katrina.

Fig. 10: Program Components Addressed by State Disaster Plans



Source: Analysis of GAO national survey of state child welfare systems challenges.

At the time of our review, HHS had issued guidance to states in 1995 to help states develop child welfare disaster plans and also provided nearly \$3 million for technical assistance to states. This guidance, however, did not address strategies states needed to continue services to child welfare families displaced across county or states lines. State child welfare officials reported that additional federal assistance would be helpful, including information on disaster planning requirements or criteria, training on how to develop a disaster plan, examples of good plans, and forums for exchanging information with other states.

HHS took action that addressed states' concerns and our report recommendations including updating its 1995 disaster plan guidance, providing technical assistance, and asking states to voluntarily submit

copies of their disaster plans for review by December 2006.²¹ Further, the Child and Family Services Improvement Act of 2006 also established a legislative requirement for states to submit child welfare disaster plans to HHS that prepare for displacement of children. The deadline set by HHS for submission of these plans is June 30, 2007.

Concluding Observations

State challenges in serving the children and families in the child welfare system are long-standing and continuing. Resolving these problems has been difficult, however, in part due to the child welfare system's heavy reliance on various nondedicated funding streams at the federal and state levels that require an interagency approach to establish appropriate priority and funding for child welfare families across different programs and populations. As funding fluctuates or declines, full awareness of resources outside the child welfare system becomes especially important, and we recommended in our October 2006 report that the Secretary of HHS improve awareness of and access to various social services funded by the federal government.

HHS disagreed with our recommendation, stating that it was insufficient to address the need for additional services and that the recommendation incorrectly implied that local child welfare agencies were not already aware of and using such resources. We acknowledged that increasing awareness of existing federal resources is not the only action needed, but in the course of our work we found that caseworkers sometimes were unaware of the full array of federal resources, such as health and housing, available in their locale or had not coordinated with other agencies to use them. We continue to support the view that federal action, such as modifying the CFDA, would allow caseworkers and others to more easily identify services and service providers funded by federal agencies in closest proximity to the families they serve.

History has shown that in the absence of specific federal requirements or dedicated child welfare funding, many states have been slow to address existing and future challenges, such as recruiting and retaining child welfare workers or preparing child welfare disaster plans. Recent federal

²¹GAO's July 2006 report recommended that HHS guidance to states address the dispersion of children and families within and across state lines, and also recommended that HHS develop and provide training to states on child welfare disaster planning. This report also asked the Congress to consider requiring states to develop and submit child welfare disaster plans for HHS review.

action has been taken to establish requirements and dedicate funding to states to help address these specific problems now and in the future. The next round of HHS state oversight reviews will determine the extent that these actions and others taken by states have been able to improve child outcomes.

GAO Contacts

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Related GAO Products

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