

## Chapter 1 : State and Federal Policy Reform - The Annie E. Casey Foundation

*Child Welfare Reform. We have undertaken a massive effort to overhaul Michigan's child welfare system. The recent agreement with Children's Rights Inc. builds upon reform efforts that have been underway since and focus on the improvement of safety, permanency and well-being of children served by Michigan's child welfare system.*

State of Washington reached an historic settlement, creating a blueprint for reform of the child welfare system in that state. Panel members have a particularly broad range of experience and expertise. Emotional, Psychological Harm The road to agreement between the parties began in when a private attorney, Tim Farris, in Bellingham, Wash. The case eventually went up to the Supreme Court of Washington on appeal. This produced a settlement agreement the parties signed on July 31, , and the court officially approved in November The agreement requires that the state “working with an independent oversight panel of experts and with input from stakeholders, including counsel for plaintiffs” make reforms in all of the major areas the lawsuit cited. These six areas are placement stability, mental health, safe and appropriate placements, foster parent training and information, sibling placement, and services to adolescents. The agreement will terminate in unless an enforcement action is pending. A full-time staff person coordinates panel activities, which include at least quarterly public meetings, issuing monitoring reports every six months, and receiving input from the plaintiffs, DSHS, and any other interested parties. John Landsverk, a nationally known researcher on improving the care of children in child welfare systems, and director of two research centers in San Diego, chairs the panel. The mental health expert is Jan McCarthy, who began her career as a caseworker. McCarthy is a national leader in addressing issues related to community- based, child-welfare systems of care and strengthening collaboration between child-welfare and mental-health systems. Jess McDonald fills the child-welfare administrator position. He is former director of the Illinois Department of Children and Family Services, and a clinical professor of social work. The two at-large members are Jeanine Long, a former Washington State senator, and Dorothy Roberts, a professor and researcher who studies the intersection between child welfare and race and poverty. The settlement agreement required that it address mental health and adolescent services within the first six months, and placement stability, safe and appropriate placements, foster parent training and information, and sibling placement within a year. Goals in the settlement agreement are broad. One of the 14 action steps for placement stability requires the Department to develop and implement concrete strategies to increase appropriate matching of children and caregivers. Under the settlement agreement, the Department is responsible not only for completing the action steps within a defined time period, but also for meeting the benchmarks that measure whether the lives of foster children throughout the state actually improve. For example, if the percentage of children experiencing three or more placements while in care does not decrease, DSHS will be held accountable “one of the features that makes the reform process in Braam particularly notable. All meetings were open to the public. Among attendees were numerous child welfare advocates, service providers, state employees, foster parents, attorneys for the plaintiff foster children, and attorneys for and representatives of DSHS. All members of the public were free to share their opinions and ideas with the panel. Comments from foster parents and anecdotes from service providers about individual foster youth were the most compelling testimony. Throughout this process, attorneys for the plaintiffs and for DSHS have exchanged countless letters with the panel, advocating inclusion or exclusion of certain outcomes, benchmarks, and action steps. The process culminated in a page implementation plan, released in February The panel discussed standards at its public meetings in March and last month and is expected to release its standards sometime this fall. One can occur if DSHS asserts that it cannot implement the mandated reforms because it lacks necessary funding. The second can occur if the Department fails to implement prescribed reforms. This is where professional standards come into play. If the Department asserts lack of funding, plaintiffs may immediately initiate an enforcement action in court. The standards applied would be those the oversight panel has established. It will publicly issue a progress report every six months. The first report, which received considerable media attention in Washington State when it was released on March 28, , found that the Department had not completed 32 of 45 action steps that it was required to

complete during the first monitoring period. Among other things, the Department had failed to ensure that mental health professionals periodically reassess the mental health needs of foster children and that there be multidisciplinary case staffings for children who have been in four or more placements. These two action steps address key concerns in the original lawsuit. The named plaintiff, Jessica Braam, encountered more than 34 placements and a lack of necessary services while she was in the custody of DSHS. The purpose of the action steps is to ensure that other foster children do not have similar experiences. Among key action steps the panel addressed in rejecting the proposed compliance plan are caseworker visits to foster children every 30 days and devising a way to meet caseload standards set by the national Council on Accreditation. However, that remains to be seen over the next six years of the implementation process. The panel will be in place until State of Washington, 81 P. The agreement can also be terminated if the parties agree. It will be terminated automatically if all outcomes have been achieved and sustained for two years. Websites for More Information on Braam v.

**Chapter 2 : An Evaluation of Welfare Reform Policy in New York State**

*System Reform Jurisdictions across the country are challenged to improve their child welfare systems to better ensure that children are safe and growing up in permanent families that can ensure their well-being.*

Economic Stability of Welfare Recipients and Recent Welfare Leavers The hearings convened by the Social Services Committee sought to elicit testimony specifically in regard to the economic stability and viability of welfare recipients and those individuals and families who have recently left welfare for work. Data related to these trends are essential in gaining a genuine understanding of the degree to which welfare reform policy has either facilitated or hindered the process of lifting families out of poverty and into self-sufficiency. The Assembly considers the long-term economic well-being of public assistance recipients to be one of the most important measures of the success of welfare reform. The following list of questions was posed to witnesses who testified at the hearings: What administrative data exists to demonstrate earnings levels and employment stability of welfare recipients and recent welfare leavers? What percentage of individuals leaving welfare currently earn enough to put their household income above the federal poverty level FPL? How does this figure compare with statewide statistics of working families living below the FPL? Is there any identifiable relationship between overall poverty rates throughout the State and the impact of welfare reform policies? Are there any specific policies that either restrict or expand opportunities for low-income families to rise above the FPL? What evidence exists demonstrating how to most accurately calculate the Self-Sufficiency Standard? What evidence exists to demonstrate the level of access to and receipt of transitional benefits such as child care, Medicaid, Child Health Plus, Family Health Plus, Food Stamps, and unemployment insurance by individuals who no longer receive public assistance? Is there any evidence of administrative barriers or county variation affecting the distribution of public benefits? How does the application process either facilitate or inhibit the opportunity to obtain benefits to which individuals are entitled? How does the availability of these benefits affect overall economic stability? How many single parents in New York State are not working and not receiving welfare? Is there any data demonstrating how this population is meeting its basic needs? General Economic Trends - Trudi Renwick, Fiscal Policy Institute This testimony highlighted that there has been a sharp decline in manufacturing jobs nationwide, and the problem has hit many areas of upstate New York hardest. The manufacturing job decline in our State has approached 21 percent since Real wages for workers in the bottom half of the wage distribution were no higher in than in - only high-wage workers received a small increase in the value of real wages. There has also been a clear trend away from available high paying jobs to low paying jobs for many workers throughout the State. The primary industries that offer employment opportunities include health care, social assistance, government, education, and food service. In general, these industries pay less than those losing jobs such as manufacturing, information services, and science and technology, which are increasingly hard to find. This has led to a decline in middle-income families. At the same time, the share of families reporting high incomes has increased more in New York than in the U. Furthermore, many of the upstate metro areas, including Rochester, Binghamton and Elmira, lost jobs in the first part of Without other sources of job growth, these areas will likely continue to experience increased unemployment and a reduction in young working age population. Renwick also testified that poverty rates in New York have been declining very slowly only by 6 percent from to At the same time, welfare caseloads have dropped dramatically 63 percent between and For those receiving public assistance, the basic grant levels fall far below the federal poverty level FPL. Since the basic grant has not been raised since , its purchasing power has eroded by more than 50 percent. Furthermore, the rise in homelessness and increasing demand at food pantries demonstrates a rise in those struggling to make ends meet. This witness also noted that, according to a report by the Rockefeller Institute of Government, "Leaving Welfare: While the poverty rate for all New York working families was 9 percent, the poverty rate for recent welfare leavers exceeded 50 percent. The only group that has experienced any significant increase in earning power included those who gained access to higher education. Workers throughout the State without a high school education have seen their wages decline by Treading Water in a Tenuous Recovery. Manufacturing decline in parts of upstate New

York has been much steeper than for the U. Manufacturing job decline has been nearly 21 percent, which puts New York among the top four states in the nation experiencing a loss. New York State has only gained back half of the , jobs that were lost during the economic recession that ended in November Job growth began for the U. Real wages for workers in the bottom half of the wage distribution were no higher in than Only high-wage workers received an increase in real wages during that timeframe, showing that workers did not experience any gain from increased productivity. Data from the first half of shows that median hourly pay is declining. Racial disparities in New York wages have continued over the past decade. Hispanic and African American workers received the same wages in constant dollars in as in , while white workers received a 6 percent increase in hourly pay. Gender disparities have narrowed. Although males still earn significantly more than females overall, the female-male median wage ratio increased from 76 percent in to 84 percent in The increase in the share of families at the bottom income levels substantially exceeded the increase at the top of the income distribution in New York and in the rest of the U. In addition, for never married single mothers, work rates increased 74 percent in the same time period. Sprague, who runs a job training and placement program, testified that job placement programs have a sharp drop in retention at the day mark due to the re-budgeting process that occurs after public assistance recipients begin paid employment. This re-budgeting causes them to realize that a loss of supportive services, such as housing subsidies, child care, Food Stamps and Medicaid, would be devastating. Families must have an open and active public assistance case for the full five year limit, which restricts their ability to increase wages out of fear of becoming ineligible for welfare benefits, including the rental subsidy. Since these families are clearly at risk of falling back into homelessness, the consequences of losing eligibility for HSP are potentially severe for many families who would have no place to turn other than the shelter system. This witness also explained that transitional job programs provide clients with work experience, intense mentoring on-site, and support in overcoming all barriers to employment. These programs provide employers with an incentive to hire because they are guaranteed employees who are better prepared for work and who are receiving supportive services to resolve issues as they arise. Direct placement in job opportunities with strong career growth and wage increase potential help clients progress along the path toward long-term, permanent self-sufficiency. Finally, in providing direct information to clients about the availability of transitional benefits such as child care, Food Stamps and Medicaid, these clients are more likely to continue working for higher wages even as they become ineligible for public assistance. In , Action for a Better Community, Inc. Seventy-five former welfare or cash assistance recipients whose cases were closed between January 1, and March 31, were surveyed. Nearly two-fifths of the respondents Slightly over a quarter While a high percentage of families had health insurance, a lower percentage received Food Stamps. However, Medicaid covered most In comparison, only Research has consistently demonstrated low Food Stamp participation rates for those who recently left welfare due to laws restricting Food Stamp eligibility, increased income and assets, lack of entitlement awareness and individual choice. A majority of the families continued to rely on some form of public assistance, suggesting that a year of transitional benefits may not be enough time to move families to self-sufficiency. The study found former welfare recipients at all income levels in the same situation when it came to making ends meet. Most had not reached self-sufficiency. In spite of their struggles, these families are considered a "success," in that they stayed off the welfare rolls. However, it is likely that without continued support, these families will find themselves cycling back into the welfare system. Dunlea testified that many welfare "success" stories involve families who actually fail to escape poverty. Most of the families studied turned to emergency food programs on a regular basis to supplement household income. This witness also noted that in a survey conducted by Hunger Action Network, it was found that most local social services districts do not provide post-employment training programs for welfare leavers despite the "work first" approach of welfare reform. In addition, the local districts did not conduct any type of tracking of former welfare recipients to help ensure that they were informed of the availability of job training programs for workers in the area. Maxwell, Terrence June Barriers to Employment and Self-Sufficiency While welfare reform policy has facilitated the transition from welfare to work for some individuals, many other poor families in New York face significant barriers to employment and self-sufficiency. To better understand the extent to which these barriers have prevented families from

obtaining and maintaining employment, the Committee sought testimony documenting the specific obstacles that remain for those currently on the welfare caseload and those struggling to remain permanently independent of public assistance. The following questions were posed to witnesses in relation to barriers: What do statistics show in regard to education levels of these individuals, particularly families that have reached their 5-year TANF time limit and have transitioned to Safety Net Assistance? What is the long-term impact of educational attainment in terms of job opportunities and overall economic stability? What percentage of welfare applicants and recipients indicate that they have a disability? Of those, what percentage are validated by the local social services district? What assistance do these individuals receive in obtaining federal Supplemental Security Income SSI benefits or receiving necessary specialized services? How are public assistance households impacted by the presence of a family member who is an SSI recipient? What percentage of welfare applicants and recipients indicate having domestic violence issues? Is there any evidence of county-to-county differences in access to domestic violence services or in granting waivers available under the Family Violence Option? What data is maintained, for program planning and development purposes, on the rate of incidence for particular types of barriers to self-sufficiency? The audit identified a need for the Legislature to clarify which agency at the State level is responsible for coordinating the various services available to welfare recipients. Sturm noted that, according to reports by the U. Government Accountability Office GAO , studies have shown that many TANF recipients have characteristics that make employment, and therefore self-sufficiency, difficult to attain. Potential obstacles to employment include homelessness, poor physical condition, mental health problems, substance abuse, alcoholism, domestic abuse, limited English proficiency, educational barriers, low skill levels and poor work histories. The audit, however, reported that no systematic inventory exists to identify the incidence rate of these barriers to self-sufficiency in New York State. If OTDA had data showing the incidence of particular barriers to self-sufficiency in each district, it would have a more effective basis for approving the local district TANF plan. If policymakers had reliable data on the characteristics of the public assistance recipients in local districts, they could more effectively develop programs tailored to the needs of the hard-to-employ recipients in the area. Access to Education a. Kristin Brown, Empire Justice Center This witness emphasized that studies indicate that higher education is the best deterrent to welfare recidivism, because it leads to earnings which make the return to welfare unlikely. Preliminary results of a survey of graduates showed that all were employed 94 percent full time. Siegfried, access to basic education and training programs significantly improves the employment outcomes for current and former welfare recipients. According to the Employment Specialist at the Partnership for the Homeless, a primary programmatic barrier to the employment and education programs is that workers are not informed about current programs that exist for clients.

## Chapter 3 : System Reform - Child Welfare Information Gateway

*SPARC Peer Learning Network member organization Massachusetts Law Reform Institute recently released a comprehensive set of recommendations for sustained reform of the Massachusetts child welfare system following a high profile death of a child under the department's supervision.*

Implementation in New York City Since passage of the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, public assistance caseload declines, new state welfare laws, and changes in the federal law itself have significantly altered the costs to New York City of federal welfare reform. To better understand the fiscal impact of these changes, IBO has updated its October analysis of welfare reform. Our principal findings include: City officials have broad financial and legal leeway in how they implement federal welfare reform in the next few years. The city has the flexibility to focus policies on local welfare-related needs and constraints. City officials do not have to increase the number of welfare recipients enrolled in work programs in order to meet either federal or state law. Moreover, the city has already met and exceeded federally mandated work quotas because NYC has such a high percentage of its welfare recipients in work programs. Under a scenario of a gradually expanding work program for welfare recipients, budget surpluses for welfare programs will persist through 2000, then turn to deficits. Steep caseload declines and revisions to both state and federal welfare laws have important fiscal and policy implications for the city. The changes have both reduced the cost of welfare reform and lowered the percentage of welfare recipients who must participate in work programs. As a result, city officials have much more financial and legal leeway to implement federal welfare reform than was projected two years ago. It is not clear, however, if recent city policy initiatives to mandate near-universal work participation for welfare recipients take best advantage of that flexibility. Cost and funding estimates are presented through federal fiscal year 2000, the final year of the current federal welfare block grant authorization. In contrast, under a universal work program scenario, all but the most severely disabled recipients would be required to participate in work programs. As will be shown, neither program is mandated by federal law because each calls for work program participation rates that exceed the minimum federal requirements without penalty. The social and economic impacts of welfare reform on the lives of New Yorkers and the local economy are beyond the scope of this report. These concerns are certainly as important as fiscal ones and our choice of focus is due in part to data limitations. The city thus far has not provided data on the labor force experience of recipients who have left the welfare rolls. Nor has the city collected data on low-income families who no longer qualify for benefits or those who have been discouraged from applying. Were data available, further analyses could examine the impact of welfare reform on individual families, low-income communities, local labor markets, and city government service provision. Instead, in the absence of such data and analysis, the city has begun to implement a potentially costly program of universal work participation. Organization of the report. An introductory section details the caseload declines and changes in state and federal welfare laws that have occurred over the last two years. The following two sections analyze public assistance to those not covered under the federal law: All of the various cost and funding estimates developed in the preceding sections are then brought together to calculate the total cost of welfare reform under the baseline work program scenario. That section is followed by a discussion of the cost of adopting a universal work requirement. An appendix examines how the cost of welfare reform would increase in an economic downturn. Additionally, a technical appendix detailing our methodology is available from IBO upon request. While significantly increasing the role of states in developing and implementing welfare policies, the act includes time limits for cash assistance, work quotas for adult heads of families, restrictions on the eligibility of children for Supplemental Security Income SSI, and limits on the eligibility of legal aliens for various forms of assistance. Since then, a number of events have affected the fiscal impact and implementation of federal welfare reform. Because of this faster-than-expected decrease, IBO has lowered its caseload projections for the next several years. Lower caseloads have translated into a reduction in total grant outlays for all levels of government. In addition, decreasing caseloads have significantly lowered city costs of implementing expanded work programs. State Welfare Reform Plan. The state law maintains a two-tiered

system of public assistance at current benefit levels. In addition to Family Assistance for households with minor children, the state- and local-funded Safety Net Assistance program was created to replace the Home Relief HR program. People eligible for SNA include adults without minor children, families who have reached the FA time limit, and individuals who are ineligible for FA because of their immigration status or violations of the rules covering substance abuse. For Family Assistance, the new state law implements federal provisions governing participants in Temporary Assistance for Needy Families programs, including work participation quotas and a five-year limit on receiving aid. Changes in Federal Law. The act includes provisions modifying the welfare law, the most important of which eases restrictions on the eligibility of legal aliens for Supplemental Security Income assistance. Congress further modified the federal law in June by restoring Food Stamp benefits to certain classes of legal immigrants who began residing in this country prior to August 22, Caseload Changes and Fiscal Impact One of the most critical events driving welfare costs over the last two years is the faster-than-expected decrease in the number of individuals in New York City receiving Family Assistance. From July to June , the number of FA recipients declined by , or 23 percent; on average, the caseload declined by 8, people a month. Since its modern peak in March , the FA caseload has decreased by , or 29 percent. IBO projects that the number of FA recipients will continue to decrease, reaching an average of , in , , in , , in , and , in This action is expected to result in a corresponding increase in the caseload of the Safety Net Assistance program as families reaching the federal time limit shift to the city- and state-funded program. Legal aliens, who would have been assisted by the past federal welfare program, will now also fall under the SNA program. The social and economic impact of this caseload decline is not clear. Data limitations make it nearly impossible to determine the status of those who have left the welfare rolls, although there is some recent evidence that former recipients are having a hard time finding employment. The ways that this cost reduction takes place will be discussed in later sections. The projections in Figure 1 reflect the caseload changes expected to result directly from the provisions of the federal law. In the short run, tighter restrictions on SSI eligibility will cause some children to shift to FA, producing a somewhat higher caseload than if the new federal law had never been enacted. This upward effect on caseload size, however, will increasingly be offset by the effects of two other provisions of welfare reform. We estimate that 62, will reach this limit on January and will be forced to shift to SNA, resulting in a decrease of about 50, in the average number of recipients for that year. For , on the other hand, we project the FA caseload will be 48, less than what the comparable AFDC caseload would have been in the absence of federal welfare reform. Corresponding increases in SNA caseloads will be discussed in a later section of this report. See the next section for a more extended discussion of TANF funds. Finally, to more fully demonstrate the fiscal impact of the new federal law on the city, the last line of Figure 1 summarizes the impact of FA grant cost changes before taking city budget changes into account; significant city funding surpluses are shown in each year. This excess amount has frequently been referred to as the "TANF surplus. From the perspective of city officials, the term surplus is misleading, since a large portion of TANF money does not actually represent extra or additional program funding. The TANF surplus must be used for programs previously funded under the old welfare law and other old social service laws that were replaced by TANF and other block grants. See the section on child care needs below. There is a great deal of uncertainty involved in attempting to project the TANF surplus and its distribution in future years. Using our estimates, we assume a generally constant level of funding throughout the years of our analysis. The one exception occurs in , when large numbers of FA recipients will reach their five-year limit and be forced to transfer to SNA. Since fewer recipients will be eligible for federal funds, the TANF surplus will increase significantly. Work Requirements The city must fulfill a variety of mandates contained in the new federal and state welfare laws to implement its work programs for the Family Assistance population. Those requirements specify the acceptable types of work and training programs, the minimum hours of participation each week, and the proportion of adult recipients who must be engaged in those activities. The federal requirements contain two main elements affecting the number of recipients who must participate in work programs. The rate increases in 5 percent increments each year to 50 percent for However, states that successfully reduce their caseloads from the base are given credit towards their participation rate. States failing to meet the rates face fiscal penalties. Second, the law mandates work activities for all recipients

after two years of receiving benefits. Enforcement of this requirement would effectively override the stated work participation rates and accelerate the rate at which states must create work programs. Significantly, however, the law does not penalize states for non-compliance with this provision. The new state law holds local districts responsible for fulfilling the increasing federal work participation rates. Failure to achieve minimum rates may result in districts incurring their share of any fiscal penalties assessed against the state for failure to achieve the federal quotas. Moreover, the state law requires all adult recipients of public assistance to be engaged in work activities "as soon as practicable. However, like the federal law, the state law does not penalize districts for non-compliance with this provision. The state allows exemptions from the work requirements for individuals who are ill, incapacitated, 60 years or older, teenagers in school, caring for an ill or incapacitated member of the household, women within a month of childbirth, and for a limited time, women with children younger than one year old. The extraordinary impact of this credit during a period of rapid caseload decline can be seen in Figure 2. For example, the average number of recipients in was As shown in Figure 2, achieving the federal work quotas would require the city to include only 28, cases in work programs in Further, there are no provisions in the new state welfare law that would penalize the city for failing to increase its FA work participation rates beyond the rates specified in federal law. In sum, city officials have extraordinary freedom in designing any future Family Assistance work program. They can expand the current work program, freeze it at its current size or even shrink it a little and still satisfy federal law. In addition, work program participants beyond those required by the minimum federal quotas would not be bound by the minimum hours requirements or limitations on types of activities found in the federal law. While the city has numerous options in creating work programs for public assistance recipients, it has begun to expand its current work program into a program of universal work participation. The program is discussed in more detail in the section, Universal Work Program Scenario, below. Baseline Work Program Scenario: However, the city will also receive additional work program funds that will more than offset the increases. In its baseline work program scenario, IBO assumes that the city will gradually increase the FA work program to achieve a work participation rate of 35 percent in and 40 percent in and beyond. This scenario roughly corresponds to the policy followed by city officials until recently, one that emphasized a gradually expanding work program without attempting to achieve universal work participation. Figure 3 presents work program caseloads and cost information for this scenario. As shown in Figure 3, however, those costs would be more than offset by newly available funds. New funds would come from three sources. Another source is the new federal Welfare-to-Work formula grant program that will support state work programs. Those funds will be provided in two installments and may be spent over four years. In order to receive the funds the state and city must identify one dollar in combined matching funds for every two federal dollars, but matching funds do not necessarily require new state or city spending.

### Chapter 4 : Child Welfare Outcomes | Children's Bureau | ACF

*Under federal welfare reform, the child protective system will be less able to respond to growth in incidence of maltreatment without additional state and local resources.*

### Chapter 5 : What's New in Child Welfare?

*The Commissioner suggested that the child support collection system has changed from being the crude reimbursement mechanism to state and federal government that it was prior to welfare reform to being an important income supplement system for working custodial parents.*

### Chapter 6 : Laws & Policies | Children's Bureau | ACF

*Their time and service to this council truly gives us the opportunity to create a new vision for child welfare in our state. Our council members come from diverse backgrounds including healthcare, law enforcement, education, and*

*government among others.*

### Chapter 7 : State Resources - Child Welfare Information Gateway

*In March , the Center for the Support of Families (CSF) began to develop a plan of action to systematically reform child welfare in North Carolina and to allow for better supervision and administration of social services in the state's counties.*

### Chapter 8 : Child Welfare Reform in Arizona

*services, intensive child welfare staff training, post-adoptive services, etc. Jurisdictions which were approved for the flexible funding waivers have been key hubs in local, state, and national child welfare reform and have documented successes in.*

### Chapter 9 : Welfare Reform Revisited: Implementation in NYC

*Child Welfare is a critical state responsibility and includes protecting children from abuse and neglect, and ensuring that children have safe, stable and permanent living situations. States and the federal government spend about \$29 billion every year on child welfare services.*