

**The Fostering Connections to Success and
Increasing Adoptions Act: Implementation Issues
and a Look Ahead at Additional
Child Welfare Reforms**

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The passage of the Fostering Connections to Success and Increasing Adoptions Act (P.L. 110-351) represents the most significant federal child welfare reform in more than a decade. While the scope and nature of the federal reforms are far reaching, the actual impact of the legislation on children will depend largely upon how it is implemented. Implementation of the Act will include the process of promulgating and issuing federal regulations, decisions by state policymakers as to how or if to respond to new federal funding opportunities, and efforts made by the larger child welfare community to provide input into program and policy development. This brief summarizes what P.L. 110-351 says and what it means for some of the nation's most vulnerable children. In addition, although the child welfare community is celebrating the passage of the Act, most recognize that the legislation did not address some of the larger, longstanding, structural deficiencies with federal child welfare financing. Thus, the brief ends with a look towards the future and legislative opportunities for additional federal child welfare reform.

What the Act Says and What it Means for Children

The Fostering Connections to Success and Increasing Adoption Act alters federal policy in five key areas: support for kinship care, supports for older foster youth, ensuring positive educational and health care outcomes for foster children, support and incentives for adoption, and direct access to federal funds for Indian tribes. In addition, financing changes provide greater federal reimbursement to states for a few key activities.

¹ It is important to recognize that the Act does not limit payments to only those relatives who cared for children as foster parents when they were *placed* in care. States can continue to look for relatives throughout a child's time in foster care, and if relatives are found late in the process, they can become foster parents during the 6-month pre-guardianship phase and be eligible for IV-E reimbursable payments.

Supporting Kinship Care

The Act provides unprecedented support for relatives caring for foster children. This support includes federal reimbursement under Title IV-E for guardianship assistance payments; requirements for states to provide relatives with notice of the placement of a related child in foster care; codification of existing federal guidance permitting flexibility in foster care licensing for relatives; requirements for states to make reasonable efforts to keep siblings together in foster care; and grants to support maintaining family connections.

Subsidized guardianship. The Act gives states the option of obtaining federal reimbursement for ongoing assistance payments made on behalf of children who exit foster care to guardianship with a relative. To be eligible, a child must reside with the prospective relative for at least six consecutive months and be eligible for IV-E payments while in the relative's home.¹ In addition, a child is eligible only if "being returned home or adopted are not appropriate permanency options for the child."

It is important to understand that, in reality, eligibility for subsidized guardianship is not just based on a child's IV-E eligibility, but on whether or not a child is supported by a federal foster care payment. According to the Act, the amount of a kinship guardianship assistance payment "shall not exceed the foster care payment which would have been paid on behalf of the child if the child remained in a foster family home." Thus, children in "unlicensed" or "approved" kinship foster care who are supported by state funds or Temporary Assistance for Needy Families (TANF) funds would not be eligible to receive federally reimbursed guardianship payments. This is why the Congressional

Budget Office (CBO) estimated that this section of the bill would actually result in a cost savings of \$828 million over 10 years – the guardianship payment would replace the foster care payments, but the states and the federal government would achieve savings from lower administrative costs.

How will states respond to this offer of federal reimbursement, and what will be the impact on children in kinship care? Currently, 49 states allow kin to pursue guardianship for children when reunification is not possible, but in many of these states, kin are not eligible to receive ongoing payments or payments that are equal to what the child would have received in foster care. In 18 states, kin are not eligible to receive any ongoing payment upon guardianship. In 10 additional states, kin receive payments that are less than what the child would have received in foster care (typically a TANF funded payment).

Obviously, if states are already funding subsidized guardianship programs, they will likely continue providing these payments and seek IV-E reimbursement. Some of these states are providing guardianship subsidies through Title IV-E waivers, while others are using state or other federal funds. In these states, the additional cost to the state of providing guardianship subsidies will either be zero or negative. But what about those states that are not currently providing guardianship subsidies? While the Act allows these states to begin seeking federal reimbursement for subsidized guardianship, not every state will choose this option, or may choose to only offer guardianship subsidies to a narrow group of children. If states offer guardianship subsidies to only those children who are in foster care **and** receiving a foster care payment **and** are assumed would remain in foster care without a guardianship subsidy, then states could break even and may even save money – the state saves the cost of the foster care payment and associated administrative expenses, and only incurs the cost of a guardianship subsidy, which is no more than the

foster care payment rate.

However, offering guardianship subsidies may increase state costs. First, the availability of guardianship assistance may reduce the likelihood that children could achieve permanency through unsubsidized guardianship – why would relatives agree to take voluntary, unpaid guardianship when they can receive ongoing assistance. In many states where guardianship subsidies are not offered, children often exit foster care to relatives through unsubsidized guardianship. Second, offering guardianship subsidies to children who would otherwise remain in foster care but not supported by a foster care payment obviously would significantly increase state costs, since states could not seek federal reimbursement for such payments. Currently, relatives in 22 states may care for children in state custody without being eligible to receive a foster care payment.

For those states that do offer subsidized guardianship, there are several other decisions that they will need to make. What eligibility requirements will states place on receipt of payments (beyond federal requirements)? How will states set the rate of payment (payment can be equal or less than foster care payments)? If states save state funds or other federal funds as a result of IV-E payments for guardianship, will these funds be reinvested in the child welfare system or directed elsewhere?

Beyond eligibility requirements for guardianship subsidies, the Act also includes case plan requirements that kinship care advocates may find problematic, depending upon how they are enforced. States are required to document “the steps that the agency has taken to determine that it is not appropriate for the child to be returned home or adopted” and “the efforts the agency has made to discuss adoption by the child’s relative foster parent as a more permanent alternative to legal guardianship.” When required to “rule out”

reunification and adoption and to specifically state that adoption is more permanent than guardianship, will states intentionally or unintentionally place undue pressure on relatives to adopt children rather than seek guardianship? Currently, only 28 of the 49 states that permit guardianship as a permanency outcome require that adoption be ruled out before pursuing a guardianship arrangement. States may need assistance in developing tools for explaining the differences between adoption and guardianship, and how to communicate the differences with relatives and children.

Notice of placement. The Act requires states “within 30 days after the removal of a child from the custody of the parent” to “exercise due diligence to identify and provide notice to all adult grandparents and other adult relatives of the child.” Moreover, the state must inform relatives of their options “to participate in the care and placement of the child” including the requirements “to become a foster family home and the additional services and supports that are available for children placed in such a home.”

While it is uncertain how or if the U.S. Department of Health and Human Services (HHS) will define “due diligence” or enforce this requirement, effective notification of relatives is a protection for children that kinship care advocates have long sought. In seeking to meet this requirement, states can benefit from the knowledge gained over the past decade in the implementation of a variety of intensive relative search models.

Advocates and some research have contended that kinship care providers are often not well informed of their options for children removed from their parental homes, and have been intentionally or unintentionally excluded from receiving foster care payments. A critical issue in this section of the Act is that the notification requirement is for all children within 30 days after the

removal of a child from the custody of a parent, NOT 30 days after the child is placed in state custody. Increasingly, states are placing children removed from their parents’ homes with kin to avoid taking state custody. In fact, 39 states recently reported that they permit these types of placements, and 29 require caseworkers to seek out kin following a child abuse and neglect investigation to avoid having to take a child into state custody. This section of the Act would require that states inform kin that if they agree to become foster parents instead of “voluntary” care providers, that they will have access to significantly higher financial assistance and support services. Prior research has documented that kin often report taking children “voluntarily” due to perceived threats by child welfare agencies that if a child is taken into state custody, there is no guarantee that the relative will be allowed to care for the child.

Foster care licensing standards. The Act codifies existing HHS regulations that states may waive non-safety-related foster care licensing standards on a case-by-case basis for kin seeking to become foster parents, and may seek Title IV-E reimbursement for eligible children placed with such kin. The Act specifically states that the “non-safety standards” are “as determined by the state.” It is important to note that neither this Act nor any previous legislation or regulation prohibits states from using unlicensed kin to care for children in state custody. However, states using unlicensed kin (23 states allow kin to meet different standards than non-kin foster parents and are thus considered unlicensed) may not seek federal reimbursement under Title IV-E for children placed in such care.

This section of the Act also requires HHS to submit a report to Congress on states’ use of unlicensed kin, including “a review of any reasons why relative foster family homes may not be able to be licensed, despite state authority to grant...case-by-case waivers of non-safety li-

censing standards.” In requiring this report, Congress has made a clear statement that the federal government is allowing states the flexibility they need to safely use kinship care and to support these placements under Title IV-E, and that when children in kinship foster care are not supported by a foster care payment it is because the state has consciously chosen to exercise this option.² At the same time, the Act is calling into question the safety of children in unlicensed care – if only non-safety standards have been waived, then these children should be supported by a foster care payment.

There are two key reasons why states may be using unlicensed kinship care instead of licensing the kin by granting them waivers from certain standards. First, states are reluctant to claim that existing standards are not relevant to the safety of a child. At the same time, because licensing standards are often created and enforced by boards outside the control of the child welfare agency, most states’ licensing standards appear to focus more on assessing what is easy to measure, what can be defended in appeals of licensing actions, and what is needed to limit liability for the agency, rather than on what constitutes requirements for a safe and loving family. Thus, case-by-case waivers of standards may be difficult due to liability concerns. The second reason that states may use unlicensed kinship care is to save money. A state may question, if kin are willing to care for a child without receiving a foster care payment, why they should provide a payment. Moreover, some state officials may believe that kin have a moral obligation to care for their related child and thus should not receive the same compensation as an unrelated caregiver.

As this Act is implemented, states will need to determine whether to allow (as 22 states currently do) case-by-case waivers of foster care licensing standards, and whether to expand them. States without procedures in place, or with limited procedures, may benefit from examining the standards and waiver procedures of states that have used waivers more extensively. Given the clear language in the Act, it will also be interesting to see how states will justify continuing to use “unlicensed” kin. It will also be important to examine whether pressure on states to provide foster care payments to all kin caring for children in state custody leads to greater use of “voluntary” care (even though the notice requirements may decrease such placements, as discussed above).

Placement with siblings. Although comprehensive data are lacking, evidence suggests that many children in foster care who have siblings that are also in foster care are not placed together with their siblings. The Act requires states to make “reasonable efforts...to place siblings removed from their home in the same foster care, kinship guardianship, or adoptive placement... and in the case of siblings removed from their home who are not jointly placed, to provide frequent visitation or other ongoing interaction between the siblings.”

It is uncertain how HHS will require states to demonstrate that they make “reasonable efforts” to place siblings together and to provide “frequent visitation” when siblings are not placed together. It is similarly uncertain how HHS will assess performance on these measures, though requiring data on sibling placements in the Adoption and Foster Care Analysis and Reporting System (AFCARS) could be a first step.

² It is also noteworthy that to receive subsidized guardianship payments, relatives must meet foster care licensing criteria but not necessarily adoption criteria. Some states have foster care standards that are less stringent than their adoption standard. In these states, kin may be assessed for guardianship based on different, less stringent criteria than non relatives are for adoption. Allowing this does not appear to be materially different from allowing differential foster care licensing standards.

To meet the requirements of the Act, states will likely only have to include in their state plan their policy for achieving sibling placements and visitation. However, states may see this as an opportunity to assess the existing barriers they face in placing siblings together or in maintaining frequent contact of siblings placed apart. The advocacy and philanthropic communities can assist states by articulating the importance of sibling connections (as well as when joint placement is contrary to children's well-being) and identifying best practice models.

Family connection grants. The Act authorizes grants to states, Tribes, and nonprofit organizations to implement programs designed to help children who are in, or at risk of entering foster care to reconnect with family members. The Act authorizes \$75 million over 5 years for the implementation of four specific program models: kinship navigator programs, intensive family finding, family group decision making, and residential family treatment. Three percent of the funds authorized are set aside for conducting a rigorous evaluation of the programs funded.

Support for Older Foster Youth

More than 25,000 children “age out” of the foster care system each year without achieving permanency through reunification, adoption, or guardianship. Under prior law, Title IV-E reimbursable foster care (and adoption assistance payments) could not be made after a child turned 18. In addition, foster care payments could only be made on behalf of children in “a foster family home or child-care institutions.”

Over the past decade, increased funds have been dedicated to assist foster children who “age out” or are likely to “age out” of the system. These funds have supported the expansion of independent living programs and vouchers for education and training supports.

Extending payments past 18. The Act provides states with the option to continue providing IV-E reimbursable foster care, adoption, or guardianship assistance payments to children up to the age of 19, 20 or 21 if the youth is 1) “completing secondary education or a program leading to an equivalent credential;” 2) “enrolled in an institution which provides post-secondary or vocational education;” 3) “participating in a program or activity designed to promote, or remove barriers to, employment;” 4) “employed for at least 80 hours per month;” or 5) “incapable of doing any [of the above] due to a medical condition.” In addition, the Act amends the definition of a child-care institution to include “a supervised setting in which the individual is living independently, in accordance with such conditions that the Secretary [of HHS] shall establish in regulations.”

Obviously, states and advocates will have great interest in how HHS defines “a supervised setting in which the individual is living independently.” For example, will a typical college dormitory meet this definition? States will also be interested in how taking this option may affect requirements for following youth who “age out” as part of the National Youth in Transition Database.

As mentioned above in regards to the option to provide guardianship subsidies, it is uncertain whether states will elect to provide ongoing payments on behalf of youth past the age of 18. Obviously, if states are already extending payments on behalf of youth past the age of 18 with state or other federal funds (we do not know how many states currently do so), they will likely continue providing these payments and seek IV-E reimbursement. However, for those states that are not currently providing this assistance, the incentive of federal matching funds for only Title IV-E eligible children may be insufficient for the states to start providing assistance. Let's assume, for sake of example, that 70 percent of a state's foster care population of 18-year-olds is Title IV-E eligible, and the state has a 60 percent

Medicaid matching rate. If the state provides subsidies to all children past age 18 (it seems highly unlikely that states would extend assistance only to children that are Title IV-E eligible), the federal government would only reimburse about 42 percent of the total cost. During a period of severe constraints on budgets, many states will have difficulty funding the required state match. If states do elect to extend payments past the age of 18, they have the discretion to add eligibility conditions that go beyond the federal requirements, and this may limit the financial cost.

States may want to consider their policies for extending financial assistance past the age of 18 for all children in their custody together. If states allow one class of children (e.g. those aging out) to receive ongoing financial assistance and not others (e.g. those adopted), it may inadvertently create perverse incentives that run counter to the goal of permanency.

The advocacy and philanthropic communities may seek opportunities to influence state decisions on whether and how to extend payments past the age of 18, including articulating how extending care can help youth. In addition, remaining in foster care past the age of 18 is voluntary, and youth who have spent long periods of time in state custody may not want to remain in care, even if it is in their best interests. As a result, states may also want to consider policies and procedures that allow youth to come back into state custody after they have left. Child welfare agencies will also need tools and training that explain how to talk with youth about making the decision to stay in or return to care.

Advocates may also be concerned about a possible unintended consequence of extending adoption assistance (or guardianship payments) to only those youth age 16 or older at the time of permanency. This provision could provide an incentive for prospective adoption parents of fos-

ter youth younger than age 16 to delay finalization until the child reaches the age of 16. While this possibility seems highly unlikely for “stranger” adoptions, the possibility may be less remote for foster parent adoptions.

Transition plan. The Act requires states, for all youth during the 90-day period immediately prior to aging out of care, to “provide the child with assistance and support in developing a transition plan that is personalized at the direction of the child, includes specific options on housing, health insurance, education, local opportunities for mentors, and workforce supports and employment services.”

Extending eligibility for transition services. The Act extends eligibility for Independent Living Program (ILP) services to children adopted or placed in kinship guardianship at age 16 or older. In addition, the Act extends eligibility for education and training vouchers to children who exit foster care to kinship guardianship at age 16 or older (those adopted after age 16 were already eligible).

Ensuring Positive Educational and Health Outcomes for Foster Children

Under prior law, states were required to maintain case plans for children in foster care that contained, “to the extent available and accessible,” the health and educational records of the child, including the names of providers, the child’s grade level performance, the child’s school records, assurances that a child’s placement in foster care took into account proximity to the child’s school of origin, a record of the child’s immunizations, known medical problems, medications taken, and other relevant health and educational information. Despite these requirements, there has been widespread concern that child welfare agencies have not consistently met the educational and health care needs of children.

Promoting educational stability. The new Act adds state case plan requirements for ensuring the educational stability of children in foster care, including assurances that the state agency “has coordinated with appropriate local educational agencies...to ensure that the child remains in the school in which the child is enrolled at the time of placement.” If remaining in the child’s school of origin is not in his or her best interest, the state must assure that the local educational agency provides immediate enrollment in a new school, with all of the child’s educational records provided to the new school.

Ensuring children are enrolled in school. The new Acts also requires states to provide assurances that foster children are enrolled in school, home schooled, in an independent study program, or incapable of attending school on a full-time basis due to the medical condition of the child. It is noteworthy that the section of the bill is titled “educational attendance requirement,” yet there is no additional language about attendance. For example, there are no provisions requiring states to address truants or dropouts. It is also noteworthy that CBO estimates that this title would reduce federal spending by almost \$500 million over ten years, presumably as a result of IV-E disallowances for children not enrolled in school. It is not certain whether HHS will view this provision the same way and/or enact regulations to assess state performance on this measure. As with assessing performance with sibling placements, it would appear that changes to AF-CARS requirements may be at least one of the ways that HHS could determine whether states are meeting this requirement consistently. Regardless of HHS regulations, states will need to determine how they will track school enrollments of children in their custody, and how they will respond when those children drop out of school.

Coordination of health care services. The Act requires states to develop a plan for the ongoing oversight and coordination of health care services for children in foster care. The plan should ensure a coordinated strategy to identify and respond to the health care needs of children in foster care placements, including mental health and dental health needs. The plan should outline a schedule for initial and follow-up health screening, how health needs identified through screenings will be monitored and treated, how medical information will be updated and appropriately shared, how continuity of health care will be ensured, and how oversight of prescription medications will be achieved. Little is currently known about existing state policies and procedures to ensure effective and appropriate coordination of health care services, and the field could benefit greatly from the identification and dissemination of model programs.

Support and Incentives for Adoption

In 2006, more than 50,000 children were adopted from foster care. However, this represented less than half of the children that were “free” for adoption. As noted above, more than 25,000 children age out of foster care each year without achieving permanency. Since 1997, the federal government has provided states with incentives to increase the number of children adopted from foster care. In 1996, Congress also enacted legislation to promote the adoption of foster children in the U.S. through the provision of a non-refundable tax credit.

Extension/expansion of adoption incentives. The Act extends the adoption incentives program for five years, changes the baseline for determination of incentive payments, and increases the level of the incentive payments. In addition, states may receive additional payments if their adoption “rate” exceeds the highest ever previ-

³ It is important to note that although there was considerable discussion about extending the incentives to include guardianships or reunification, the final Act only includes incentives for adoption.

ously recorded since 2002.³ The Act defines the adoption “rate” as the number of foster care adoptions finalized during the fiscal year divided by the number of children in foster care on the last day of the proceeding fiscal year. This rate fails to take into account the number of children for which adoption was not a goal, and actually may penalize states with high rates of reunification. It appears that this definition simply mirrors the existing HHS measure that was created due to the lack of reliable data on the case plan goals of children in care. States may want HHS to allow them some flexibility in assessing changes in the adoption rate using a more accurate measure.

Informing parents of the adoption tax credit.

In 2004, it appears that taxpayers claimed the tax credit for less than one in four foster children adopted, even though all were eligible to receive the credit. Addressing this issue, the Act requires states to inform any individual who is adopting, or whom the state is made aware is considering adopting, a foster child of their eligibility for the adoption tax credit. It appears that many child welfare agency staff are themselves ill informed about the adoption tax credit, and will need training as well as documentation to assist prospective adoptive parents in understanding this benefit.

Support for Indian Tribes

Under previous law, Indian Tribes could not access federal Title IV-E funds to administer their own foster care or adoption assistance programs, but instead had to have an agreement with a state government to access IV-E funds. More than half of the federally recognized tribes currently do not have such an agreement.

Direct access to IV-E funds. The Act permits states and tribes to continue to operate or create agreements to administer the IV-E program, but it also allows tribes or tribal consortia to directly

access and administer IV-E. Tribes are now also eligible to receive direct allocations of federal funds from the John H. Chafee Independence Program. There are numerous requirements that tribes will be required to meet, and HHS will be issuing detailed regulations on a number of key issues. The Act requires HHS to provide technical assistance, implementation support, and start-up grants to assist tribes in their transition to administering their own IV-E programs. Tribes will likely need considerable technical assistance to assess and enhance their capacity to meet the burdens of administering IV-E. In addition to the federal assistance, states can assist tribes by providing both financial and non-financial resources.

Federal Fiscal Changes

The Act made several other changes that did not alter federal policy priorities, but did alter the level of reimbursement that states can receive. Because these provisions have the potential to alter federal expenditures, it is likely that HHS will issue regulations that identify allowable expenses.

De-link adoption assistance from Aid to Families with Dependent Children (AFDC). Under previous law, states could only claim reimbursement for special needs children adopted from foster care who met Title IV-E income eligibility standards (i.e., children who were removed from the home of parents whose income would have made them eligible for AFDC in 1996). The Act removed this requirement, and thus states, over time, can seek reimbursement for adoption assistance payments made on behalf of all special needs children who meet other IV-E eligibility requirements.

Increasing reimbursement rate for training. Title IV-E training dollars have been available to reimburse states (at an enhanced 75 percent rate) for costs associated with training public agency

workers. The Act allows states to seek enhanced reimbursement (prior law allowed reimbursement at the administration rate of 50 percent) for costs associated with training private agencies, which are defined as “state-licensed or state approved child welfare agencies providing services,” as well as court personnel, attorneys, guardian ad litem, court appointed special advocates, and prospective relative guardians. States will be concerned with how HHS defines “state approved child welfare agencies providing services,” and whether certain providers that states want to train are excluded by the definition.

Increasing reimbursement rate for education-related travel. Under previous law, states could seek Title IV-E reimbursement for travel-related expenses as an administrative expense (with a 50 percent reimbursement rate). States may now include costs associated with “reasonable travel” expenses for transportation to a child’s school of origin in the foster care payments (reimbursed at the Medicaid matching rate). HHS will likely provide guidance to states on what constitutes “reasonable travel” expenses.

The Role of the Courts

Some of the key decisions facing states, and the potential contributions that the advocacy and philanthropic communities can make in implementation of the Act, are discussed above. However, the courts also have an opportunity to influence the implementation of many of the key provisions of the Act. For example, judges can ask:

- 1) caseworkers how they have made due diligence to notify relatives of children in care;
- 2) relatives identified if they were informed of the option of becoming foster parents;
- 3) child welfare officials whether unlicensed kinship care placements are safe, and if so, why

they were not licensed with waivers of non-safety standards;

- 4) caseworkers what reasonable efforts were made to keep siblings together in foster care, and when separated, what reasonable efforts are being made to ensure frequent visitation;
- 5) caseworkers of foster youth who will be aging out of the systems, and the foster youth themselves, about the transition plan that has been developed;
- 6) caseworkers about the efforts taken to allow children to remain in their school or origin; and
- 7) prospective adoptive parents if they were informed about their eligibility for the federal adoption tax credit.

What’s next on the legislative horizon?

As described above, P.L. 110-351 has the potential to significantly affect state child welfare policy and practice in numerous ways. However, the Act did not address longstanding concerns among child welfare experts about structural problems in federal financing. Experts argue that the existing federal financing structure limits the flexibility states have, fails to make states accountable for child or system outcomes, provides insufficient incentives for states, unnecessarily drains resources for administrative purposes, or simply denies states the resources needed to implement meaningful reforms. The perceived problems of the federal financing structure and proposals to address these problems have been well documented elsewhere; however, the two issues that have received the

greatest attention are eligibility for Title IV-E and the imbalance between titles IV-E and IV-B.

While the Act removed income requirements for reimbursement of adoption assistance, eligibility for reimbursement of foster care payments under Title IV-E remains linked to 1996 AFDC income standards. A recent survey found that IV-E penetration rates remained virtually unchanged between SFY 2004 and SFY 2006. However, the longer trend is downward, and this linkage can only hurt states' ability to obtain federal reimbursement in the future. Moreover, many policymakers are concerned about the message that maintaining this link sends – that the federal government only has a financial stake in the care of foster children from poor families. There appears to be widespread consensus that de-linking Title IV-E from AFDC is necessary and appropriate, but the complex nature of the financing structure (including how to address historical inequities) makes legislative reform challenging.

In addition to not addressing de-linking of foster care from AFDC, the Act did not address the imbalance between federal funds allocated for foster care and adoption and the funds allocated for prevention and child protective services. With IV-E an uncapped entitlement and IV-B capped (and at a relatively low level), researchers and advocates have noted that states lack any financial incentive to achieve the child welfare goals of keeping families together and ensuring timely permanency for children removed from their homes. Reducing the number of children in foster care only reduces the amount of federal revenue states receive. Numerous legislative proposals have been floated to provide states greater flexibility in their use of IV-E dollars, and to make states more accountable for positive outcomes for children.

Reauthorization hearings for TANF (reauthorization is needed in 2010) will consume much of the attention of the Congressional com-

mittees that are also responsible for child welfare oversight. However, this does not necessarily mean that additional child welfare reform is not possible or even unlikely. Discussions about child welfare have often been tied to discussions of the broader social service net generally, and TANF specifically (child welfare reforms were widely discussed during passage of the Personal Responsibility and Work Reconciliation Act). Moreover, a significant portion of federal funds expended on child welfare comes from TANF and money transferred from TANF to the Social Services Block Grant. While there may be concerns about discussing child welfare in the context of TANF reauthorization, child welfare advocates will need to balance these concerns with the real possibility that this may be one of the legislative vehicles most likely to move forward.

Implementing the Fostering Connections to Success and Increasing Adoptions Act (P.L. 110-351)

What the Act Says	Regulatory Concerns	What it Means for States	Guidance Needed
<i>Supporting Kinship Care</i>			
<p><i>Subsidized guardianship</i></p> <ul style="list-style-type: none"> • Gives states option to use IV-E funds for guardianship assistance. • Limits eligibility to children receiving foster care payments and residing in care with relative for 6 consecutive months. • Adoption and reunification must be ruled out. • Payments can be extended to age 19, 20, or 21 for youth age 16 at time of guardianship. 	<ul style="list-style-type: none"> • What is a “medical condition” in regards to extending guardianship assistance past age 18 to youth who do not meet other pre-conditions? • What must states do to “rule out” adoption and return home? • What must states do to “discuss adoption by the child’s relative foster parents as a more permanent alternative to legal guardianship”? 	<ul style="list-style-type: none"> • Will states take option for subsidized guardianship, will they extend payments to age 19, 20, 21? • What conditions will states place on receipt of payments (beyond federal requirements)? • How will states set the rate of payment? • If states save state funds or other federal funds as a result of IV-E payments for guardianship, will these funds be reinvested? • How will states adjust guardianship payments “based on circumstances of the relative or needs of the child”? How will relatives be informed of this possibility? • Will states allow minor/distant criminal offense to disqualify relatives from payments? 	<ul style="list-style-type: none"> • Need to develop tools for explaining the differences between adoption and guardianship, and how to communicate with relatives about this. • Need to determine how to take into account “circumstances of the relative or needs of the child” in determining whether to adjust guardianship payments.

What the Act Says	Regulatory Concerns	What it Means for States	Guidance Needed
<p><i>Notice of placement</i></p> <ul style="list-style-type: none"> States must exercise due diligence to identify and provide notice to adult relatives within 30 days of a child's removal from home. 	<ul style="list-style-type: none"> How will states demonstrate that they "exercise due diligence" to identify and provide notice to all adult relatives within 30 days of removal? How, if at all, will HHS assess whether states are exercising due diligence in providing notice to relatives? 	<ul style="list-style-type: none"> What resources (financial and staff) will states assign to achieve due diligence in relative notification? 	<ul style="list-style-type: none"> Need to identify best practices in relative search.
<p><i>Foster care licensing standards</i></p> <ul style="list-style-type: none"> Codifies existing regulations that allow states to waive non-safety related standards on a case-by-case basis. 	<ul style="list-style-type: none"> What guidance, if any, will HHS provide on "non-safety" standards? 	<ul style="list-style-type: none"> Will states allow/expand case-by-case waiving of licensing standards? How will states justify continued use of "unlicensed" kin? With ongoing, strong fiscal disincentives for states to provide foster care payments to kin, will this lead to greater use of "voluntary" care? 	<ul style="list-style-type: none"> Need to identify "model" regulations for licensing that allow flexibility for kin.
<p><i>Placement with siblings</i></p> <ul style="list-style-type: none"> States must make reasonable efforts to place siblings removed from their home in the same foster care placement. State must make reasonable efforts to provide for frequent visitation for siblings not placed together. 	<ul style="list-style-type: none"> How will states demonstrate that they make "reasonable efforts" to place siblings together? How will states demonstrate that they allow for "frequent visitation" when siblings are not placed together? How, if at all, will HHS assess whether states are making reasonable efforts to place siblings together, ensuring frequent visitation? 	<ul style="list-style-type: none"> How will states identify existing barriers to placing siblings together? How will states address these barriers? How will states identify existing barriers to maintaining frequent contact (including requirements/support for foster parents)? How will states address these barriers? 	<ul style="list-style-type: none"> Need to identify best practices for ensuring siblings are placed together and that frequent visitation occurs when siblings are not placed together. Need to articulate importance of sibling connections as well as when joint placement is contrary to well-being.

What the Act Says	Regulatory Concerns	What it Means for States	Guidance Needed
<p><i>Family connection grants</i></p> <ul style="list-style-type: none"> Authorizes grants for kinship navigator programs, intensive family finding, family group decision making, or residential family treatment. 	<ul style="list-style-type: none"> How will HHS grant requirements guide grantees in their choice of programs to implement? What HHS grant requirements will affect the evaluations of the programs implemented? 	<ul style="list-style-type: none"> How, if at all, will states assess gaps in services to kinship caregivers? Will states expand navigator programs to serve adoptive parents, reunified parents? Will states use this opportunity to ensure reasonable efforts to notify relatives? 	<ul style="list-style-type: none"> Need to identify evidence-based models.
<i>Support for Older Foster Youth</i>			
<p><i>Extending payments past 18</i></p> <ul style="list-style-type: none"> Allows states to claim IV-E reimbursement for foster care maintenance payments made on behalf of children up to age 19, 20, or 21 who are in a supervised independent setting. 	<ul style="list-style-type: none"> How will “a supervised setting in which the individual is living independently” be defined? What affect might this have on requirements for the National Youth in Transition Database? 	<ul style="list-style-type: none"> Will states continue providing payments to ages 19, 20, or 21? What conditions will states place on receipt of payments (beyond federal requirements)? Will states allow youth who have left care to come back in, and under what circumstances? 	<ul style="list-style-type: none"> Need to explain how/why extending care can help youth. Need to develop tools that explain how to talk with youth about making the decision to stay in care or re-turn.
<p><i>Transition plan</i></p> <ul style="list-style-type: none"> Requires development of a transition plan for youth who will leave care within 90-days 	<ul style="list-style-type: none"> What requirements, if any, will HHS impose on the development of transition plans? 	<ul style="list-style-type: none"> How will states develop transition plan protocols, train staff, and assess performance? 	<ul style="list-style-type: none"> Need to develop tools/best practices for developing transition plans.
<p><i>Eligibility for ILP for children adopted, in guardianships after age 16</i></p> <ul style="list-style-type: none"> Extends eligibility for Chafee ILP services and Education and Training Vouchers. 	<ul style="list-style-type: none"> How will states show that children (and parents) are aware of their eligibility and are notified of supports available? 	<ul style="list-style-type: none"> How will states encourage these children to participate in ILP services? 	<ul style="list-style-type: none"> Need to develop guidance on need for ILP services for adopted/guardianship children.

What the Act Says	Regulatory Concerns	What it Means for States	Guidance Needed
<i>Ensuring Positive Educational and Health Outcomes for Foster Children</i>			
<p><i>Promoting educational stability</i></p> <ul style="list-style-type: none"> Requires states to address educational stability in child's case plan. 	<ul style="list-style-type: none"> What case plan requirements, if any, will HHS impose to ensure that educational stability is addressed? How, if at all, will HHS hold states accountable for ensuring educational stability? 	<ul style="list-style-type: none"> How will states ensure educational stability? 	<ul style="list-style-type: none"> Need to identify barriers and strategies for addressing barriers to educational stability.
<p><i>Ensuring children are enrolled in school</i></p> <ul style="list-style-type: none"> Requires state assurances in Title IV-E plan that all children of age are enrolled in school. 	<ul style="list-style-type: none"> What assurances will HHS require to meet enrollment requirements? How will enrollment be defined (e.g. will attendance, school drop outs be addressed)? How, if at all, will HHS assess states' compliance with the enrollment standard? 	<ul style="list-style-type: none"> How will states track enrollment of foster children in school? How will states ensure enrollment in school, respond to foster children who drop out? 	<ul style="list-style-type: none"> Need to identify drop-out prevention and reengagement strategies for foster children.
<p><i>Coordination of health care services</i></p> <ul style="list-style-type: none"> Requires states to develop plan for the ongoing oversight and coordination of health care services for children in foster care. 	<ul style="list-style-type: none"> What requirements will HHS place on title IV-B plans to ensure health care coordination? How will HHS hold states accountable for coordination and collaboration with state Medicaid agency, development of plan for ongoing oversight and coordination of health care services? 	<ul style="list-style-type: none"> What procedures, structures will states implement to ensure health care coordination? 	<ul style="list-style-type: none"> Need to identify best practice models for developing structure, procedures to ensure ongoing oversight and coordination of health care services.

What the Act Says	Regulatory Concerns	What it Means for States	Guidance Needed
<i>Support and Incentives for Adoption</i>			
<i>Extend Adoption Assistance to 21 for kids adopted at 16</i>	<ul style="list-style-type: none"> Same as above for guardianship payments 	<ul style="list-style-type: none"> Will states extend adoption assistance payments beyond age 18, and under what conditions? 	<ul style="list-style-type: none"> Need to provide guidance on benefits of extending adoption assistance payments.
<i>Extension/expansion of adoption incentives</i> <ul style="list-style-type: none"> Extends, increases, and changes baseline for adoption incentives. 	<ul style="list-style-type: none"> Will HHS refine the definition of “adoption rate”? 	<ul style="list-style-type: none"> Will incentives increase efforts for older child and special needs adoption? 	<ul style="list-style-type: none"> Need to identify promising approaches to older child and special needs adoption.
<i>Adoption tax credit</i> <ul style="list-style-type: none"> Requires states to inform prospective adoptive parents of eligibility for adoption tax credit. 	<ul style="list-style-type: none"> How, if at all, will HHS hold states accountable for ensuring that prospective adoptive parents are informed of adoption tax credit? 	<ul style="list-style-type: none"> How will states train staff, develop written materials to explain adoption tax credit? 	<ul style="list-style-type: none"> Needs to develop tools for explaining the tax credit for families adopting from foster care and assurances that they are eligible.
<i>Support for Indian Tribes</i>			
<i>Direct access to IV-E funds</i> <ul style="list-style-type: none"> Allows tribes direct access to IV-E funds. 	<ul style="list-style-type: none"> What regulations will HHS impose on key issues such as determination of service area, foster care standards, financial capacity, and determination of FMAP rate? What regulations will HHS impose on allowable in-kind match? 	<ul style="list-style-type: none"> How, if at all, will states assist tribes in meeting non-federal match requirement? 	<ul style="list-style-type: none"> Need to develop tools to assist tribes in assessing their capacity.
<i>Technical assistance</i> <ul style="list-style-type: none"> Sets aside funds for technical assistance and start-up grants. 	<ul style="list-style-type: none"> How will technical assistance and one-time start up grants be awarded? 	<ul style="list-style-type: none"> Can states assist tribes in building management capacity, information infrastructure? 	<ul style="list-style-type: none"> Need to provide technical assistance to supplement federally-funded assistance.

What the Act Says	Regulatory Concerns	What it Means for States	Guidance Needed
<i>Federal Fiscal Changes</i>			
<p><i>De-link of adoption assistance from AFDC</i></p> <ul style="list-style-type: none"> Removes AFDC income eligibility requirement for federal reimbursement under Title IV-E. 	<ul style="list-style-type: none"> How will states demonstrate that “savings” are reinvested? 	<ul style="list-style-type: none"> How will states invest savings? 	<ul style="list-style-type: none"> Need to identify remaining eligibility barriers and how to address barriers.
<p><i>Increasing reimbursement rate for training</i></p> <ul style="list-style-type: none"> Increases rate of reimbursement for training of certain populations currently not included in enhanced rate. 	<ul style="list-style-type: none"> How will HHS define “state approved child welfare agencies providing services”? 	<ul style="list-style-type: none"> Will increased reimbursement rates increase private provider, cross-system trainings? 	<ul style="list-style-type: none"> Need to identify/develop model training programs.
<p><i>Increasing reimbursement rate for education-related travel</i></p> <ul style="list-style-type: none"> Increases rate of reimbursement for travel expenses associated with keeping foster children in school of origin. 	<ul style="list-style-type: none"> What guidance, if any, will HHS offer in determining “reasonable travel” for the child to remain in the school in which the child is enrolled at time of placement? 	<ul style="list-style-type: none"> Will states increase foster care payments, as needed, to cover transportation costs for children? 	<ul style="list-style-type: none"> Need to identify model approaches to meeting school-related transportation needs of foster children.