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Rethinking Foster Care Referrals with New Research, Advocacy, and Proposed Laws

Moderated by: Bob Williams

Speakers: Steven Eldred

Diane Potts

Trish Skophammer



Agenda

- Foster care referrals: Why we do what we do
- Research on Effectiveness, Racial & Economic Disparities
- One State's Experience
- Strengthening Families for Success Act
- Advocacy
- Panel Discussion
- Audience Questions



Introduction: Foster Care Referral Process

- Section 471(a)(17) of Social Security Act requires child welfare agency to secure assignments of rights to child support in foster care cases “where appropriate”
- Referral generally involves:
 - Establishment and enforcement against removal parent (former custodial parent)
 - For non-custodial parent, establishment and enforcement of support obligation or redirection of support obligation to the state
- Recent studies on cost effectiveness and timeframes raise questions on referrals for removal parent



Effectiveness, Racial & Economic Disparities

Trish Skophammer, Director- Child Support Services Division
Ramsey County Attorney's Office



Cost-effectiveness- Minnesota Study

Estimated expenditures	Expenditures	Cost-per-case	Cost of collections	Expenditure per dollar collected	Cost effectiveness ratio
Total expenditures	\$138,301,873	\$632	\$6,830,024	\$2.70	\$0.36
Salary & fringe, attorney	\$91,298,249	\$417	\$4,506,519	\$1.80	\$0.55
One-half salary & fringe, no attorney	\$38,857,294	\$177	\$1,912,839	\$0.76	\$1.31

Racial Disparities- Minnesota Study

Race	General population	In out of home placement	Living in poverty
African American	13%	23%	34%
Native American	1%	2%	34%
Hispanic	18%	21%	28%
Asian	6%	1%	12%
Two or more	3%	7%	20%
White	61%	44%	12%
Total population	n/a	n/a	19%

Economic Disparities- Minnesota Study

- Minnesota study-
 - 47% of parents had no recorded earnings
 - 32% of parents had income less than \$10,000
 - Only 20% had income above \$10,000

Source: Skophammer, 2017

Child Support Collections to Offset Out-of-Home Placement:
A Study of Cost-Effectiveness



Economic Disparities- Wisconsin Study

- Wisconsin study, in the year prior to placement-
 - 59% of mothers has no recorded earnings
 - 26% of mothers had earnings below \$10,000
 - Only 15% has earnings above \$10,000

Source: Cancian, Cook, Seki, Wimer, 2012

Interactions of the Child Support and Child Welfare Systems:

Child Support Referrals for Families Served by the Child Welfare System



Circumstances of the families

- Low income and poverty
- Single parents
- Domestic violence
- Parent's substance abuse
- Parent's mental health
- Parent's history as victim of abuse
- Isolation and poor social network
- Neighborhood crime and disorder
- Housing instability
- Children with disabilities
- Beliefs about parenting
- LGBTQ youth
- Families in crisis!

<https://www.childwelfare.gov/topics/can/>



Financial and Policy Impacts of Foster Care/Child Support Cases One State's Experience

Steven Eldred, Retired Director
Orange County Department of Child Support Services



Federal, State Roles

- Federal Guidance leaves great latitude to the states on which if any foster cases to refer to the child support program (42 U.S.C. 671)
- Once the case is referred, most states leave little discretion to the child support program on whether to establish/enforce.
- Overall, child-welfare-guided structure



Original Approach

- Child Support collections on foster cases was seen as a way of recouping the state money expended on these poverty-level cases.
- California Welfare and Institutions Code 903.4:
 - *(2) It is the purpose of this section to substantially increase income to the state and to counties through court-ordered parental reimbursement for the support of juveniles who are in out-of-home placement. In this regard, the Legislature finds that the costs of collection will be offset by the additional income derived from the increased effectiveness of the parental support program. [Emphasis added]*



First, Do No Harm

- California recognized that asking parents to pay support when they are in reunification programs was not a good idea – those parents have enough on their plate and are usually poor.
- 20 years ago, the Legislature passed Family Code 17552 – requiring the State Department of Social Services to work with the State Department of Child Support Services to promulgate regulations limiting referrals for support in reunification cases.
- California has extensive regulations on referrals, based on child's best interests.
- https://www.sccgov.org/ssa/opp2/18_financial/18-2.html



California Structure- Best of Intentions

- Family Code 17552:
 - (1) Whether the payment of support by the parent will pose a barrier to the proposed reunification, in that the payment of support will compromise the parent's ability to meet the requirements of the parent's reunification plan.
 - (2) Whether the payment of support by the parent will pose a barrier to the proposed reunification in that the payment of support will compromise the parent's current or future ability to meet the financial needs of the child.



- https://www.sccgov.org/ssa/opp2/18_financial/18-2.html
- The social worker determines whether it is in the child's best interest to refer each child's parent(s) to the Local Child Support Agency for repayment of foster care funds. In making the determination, the social worker considers whether the payment of support will pose a barrier to the proposed reunification, in that the payment of support will compromise:
 - The parent's ability to meet the requirements of the parent's reunification plan.
 - The parent's current or future ability to meet the financial needs of the child.
 - The parent's ability to meet the needs of other children in the household who may be at the risk of removal.



- In considering the best interest of the child, the social worker evaluates each case on an individual basis and takes into consideration the circumstances of the family (CDSS MPP 31-503), which may include:
 - The parent's employment status
 - Housing status
 - The impact on other children who may be at the risk of removal
 - Availability of community-based services
 - Effort to reunify
 - Whether parental rights have been terminated
 - Connection with CalWORKs or other public assistance programs



Best of Intentions

- *California*—Of those States we identified as having policies that went beyond a statement that a referral was to be made, California's had the most extensive criteria for assessing the best interests of the child and the circumstances of the family. Child welfare services workers are required to
 - "...evaluate each case on an individual basis considering the best interests of the child and the circumstances of the family, which may include but are not necessarily limited to, the parent(s)' employment status, housing status, the impact on other children who may be at risk of removal, availability of community-based services, efforts to reunify, whether parental rights have been terminated, connection with CalWORKs or other public assistance programs" (California Department of Social Services, 2009).

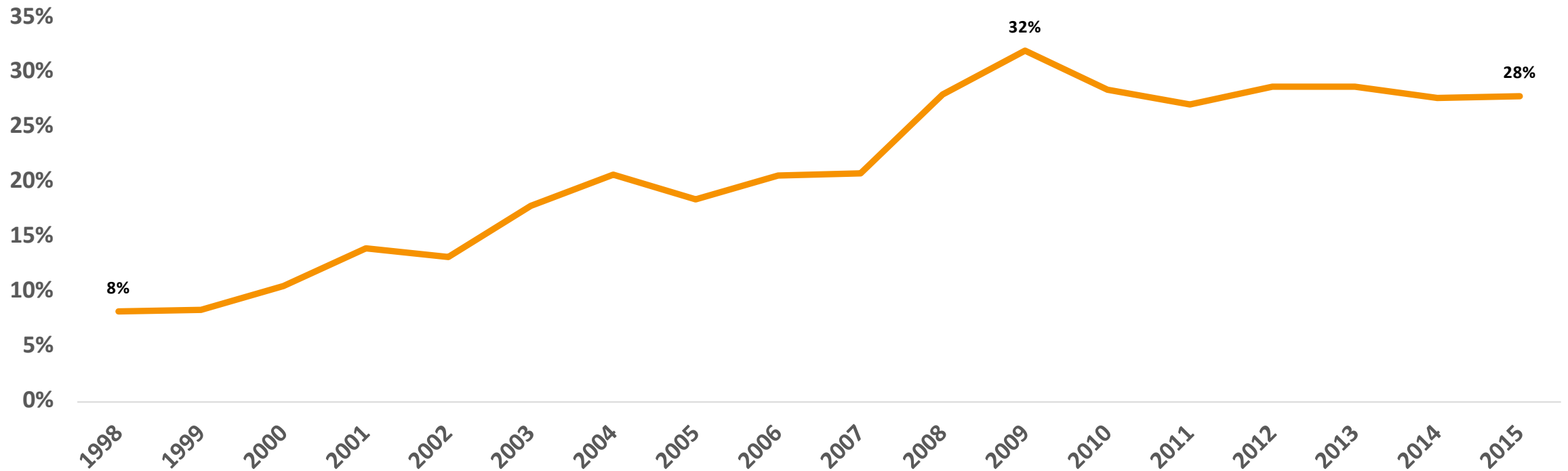
(Child Support Referrals for Out-of-Home Placements: A Review of Policy and Practice Chellew, Noyes, Selekmán, Institute for Research on Poverty, 2012 p.13)



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But did it work?

**Percent of Foster Children
Referred to Child Support**
California from 1998 to 2015
(n=207,520)



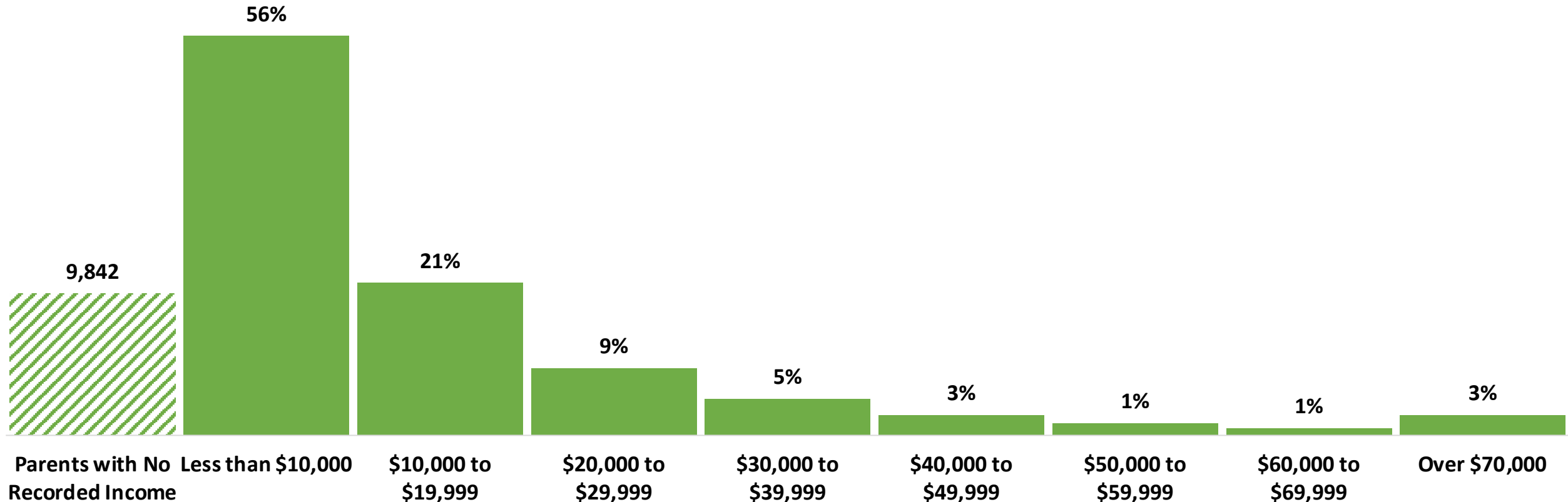
Economics of Foster Care Collections

- How do Foster Cases compare to general population cases?
 - Less?
 - Same?
 - More? - - 1.5 times? Double?
- Using a double – general case estimate, cost-to-collection ratio is \$0.21 collected for every dollar expended. Even at even-ratio, collections would be \$0.40 for every dollar collected.
- Based on 62,000 cases in one fiscal year.



Foster Care Parents Reported Income

Annual Reported Income
Foster Care Parents
California Child Support Caseload in FFY 2018
(n=59,566)



Lessons Learned

- If a state wants to limit referrals, vigilance is required – annual training and reinforcement of state policy.
- 1984 systems could not pull accurate data on family income, collection rates, etc. Now we can, and should, adjust policy accordingly.
- Foster populations are almost exclusively poverty-level. Integrated child welfare/child support policy is critical for effective management of outcomes.
- Child Support Program involvement may have a social welfare benefit, but as a recoupment program it is a clear failure.



Lessons Learned

- Not enough to block referral of custodial parent's case for establishment – what about the income stream from non-custodial parents into the custodial parent's household?
- Interference with that income stream may jeopardize custodial parent's housing stability, ability to complete reunification programs.
- But support follows the child!
- Exceptions for needy caretaker cases ? (grandparents, aunts/uncles)
- Integrated Child Welfare/Child Support review of policy is critical!



Title IV-E Legislative and Advocacy Updates

Diane Potts, Vice President of Child Support and Workforce Services at Public Knowledge



Strengthening Families for Success Act

- S.4844 (Senator Wyden, Oregon; Senator Van Hollen, Maryland), 10/19/2020
- H.R.8704 (Rep. Danny Davis), 10/30/2020
- Some differences between bills
- Staff in Senate Finance Committee has indicated that reintroduction expected in late May or early June



Strengthening Families for Success Act

- Contains two major changes to foster care cases:
 - Elimination of cost recovery and change to distribution of payments
 - Case closure for intact families



Strengthening Families for Success Act

- Referral process from Title IV-E to child support program remains same
- Act would eliminate child welfare cost recovery
 - Effective October 1, 2023
 - Current child support collections will no longer be retained to reimburse cost of foster care



Strengthening Families for Success Act

- New Distribution Rules
 - Current child support collections would either be paid to foster parent or deposited into savings account to be used for child's future needs
 - Collections on child support arrears would be deposited into savings account for child's future needs
 - Amounts in savings account payable to child once reaches age of 18
- Fiscal impact
 - States: \$24,628,624
 - Federal government: \$33,627,010



Strengthening Families for Success Act

- Government Accountability Office report on:
 - How states implemented distribution requirements
 - How amounts distributed or saved were used in even of reunification
 - Recommendations for best practices
- Case Closure for Intact Families
 - When child support agency becomes aware of case with intact two-parent household, agency must close case unless either parent requests it stay open



NCSEA Resolution for a National Review of Child Support and Child Welfare Referral and Coordination Policies

- NCSEA urges the Administration for Children and Families to:
 - Develop guidance that provides where there is formal reunification plan that referral to pursue support against removal parent is appropriate only if child welfare agency determines referral is in best interest of child
 - Fund research on impact of child support referrals on out-of-home placements
 - Identify best practices in child support/child welfare interactions and disseminate such information nationally



NCSEA Resolution for a National Review of Child Support and Child Welfare Referral and Coordination Policies

- NCSEA urges the Administration for Children and Families to:
 - Convene federal-state workgroup consisting of child support and child welfare leaders from at least 6 states
 - Identify best practices
 - Develop recommendations for information-sharing
 - Assess impact of best-interests-of-the-child standard
 - Specify agenda for future research on impact of child support establishment
- Adopted by NCSEA Board on August 11, 2020



Resource List

- [NCSEA Resolution for a National Review of Child Support and Child Welfare Referral and Coordination Policies](#)
- [S.4844 \(Van Hollen\), 10/19/2020](#)
- [H.R.8704 \(Davis\), 10/30/2020](#)
- [Child Support and Foster Care in California](#)
- [Child Support and Foster Care in California Infographic](#)
- [Child Support Collections To Offset Out-of-Home Placement- A Study of Cost Effectiveness](#)
- [Making Parents Pay- the unintended consequences of charging parent for foster care](#)
- [State Foster Care Agencies Take Millions of Dollars Owed to Children in Their Care](#)
- <https://www.law.berkeley.edu/wp-content/uploads/2015/12/Making-Families-Pay.pdf>



Questions?

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