EASTERN REGIONAL INTERSTATE CHILD SUPPORT ASSOCIATION

Foster Care Referrals – Has Anything Changed?

January 14, 2026

Policy & Legislation

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Our Presenters

- Dr. Trish Skophammer, Child Support Services Division Director, Ramsey County (MN) Attorney’s Office
- Connie Chesnik, Administrator, Division of Family and Economic Security Wisconsin Department of Children and Families
- Diane Potts, Director of Policy and Legislation, Division of Child Support Services, Illinois Healthcare and Family Services
- Moderator: Rachel Tilley, Quality Assurance Administrator, Franklin County (OH) Child Support Enforcement Agency (FCCSEA)

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Agenda

- The Research
- The Guidance
- The Implementation

The Research

Title IV-E = Low-Income by Definition

- Eligibility is based on this historical AFDC standard of need
  - Approximately 185% of the poverty level, or $39,127 annually for a family of two.
- Studies in Minnesota and Wisconsin show 80% of parents had annual income is under $10,000.
- Wisconsin study shows 52-59% of parents had zero income in the year prior to placement.

- Berger, L.., et al. (2024). Child Support and Child Welfare System Interactions. Wisconsin Department of Children and Families and the Institute for Research on Poverty (IRP).
- Cancian, M., Cook, S., Seki, M. & Witmer, L. (2016). Making parents pay: The unintended consequences of charging parents for foster care. Children and Youth Services Review, 72, 100-110
- Skophammer, Trish. (2017). Child Support Collections to Offset Out-of-Home Placement Costs: A Study of Cost Effectiveness. Dissertation for the Graduate School of Hamline University

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The Research

Delayed Reunification

- $100 increase in cost recovery payment is predicted to increase time to reunification by 6.6 months.
- Parents “experiencing financial precarity” prior to placement, less likely to reunify when reimbursement orders are in place.
- Study predicts that a mother-to-government order doubles the length of time a child spends in foster care.
- Placements were shortest when there was a father-to-mother order in place.

- Berger, L.., et al. (2024). Child Support and Child Welfare System Interactions. Wisconsin Department of Children and Families and the Institute for Research on Poverty (IRP).
- Cancian, M., Cook, S., Seki, M. & Witmer, L. (2016). Making parents pay: The unintended consequences of charging parents for foster care. Children and Youth Services Review, 72, 100-110

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The Research

Cost Effectiveness

- For every dollar spent by the child support program
  - Minnesota $0.36
  - California $0.27
  - Washington $0.39
- Does not include the cost of the courts or child welfare
- Orange County study shows child support recoups $0.04 for every dollar spent on foster care placement

- Orange County Department of Child Support Services. (Second Edition, July 2020). Child Support and Foster Care Special Study.
- Skophammer, Trish. (2017). Child Support Collections to Offset Out-of-Home Placement Costs: A Study of Cost Effectiveness. Dissertation for the Graduate School of Hamline University.
- Washington State Department of Social and Health Services, Economic Services Administration, Division of Child Support. (2019). Washington’s Cost Effectiveness for Foster Care Child Support Cases.

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The Guidance

The Issue

Most states' child welfare agencies refer all children receiving Title IV-E federal foster care services to the state child support enforcement agency, which then can issue child support orders that seek to collect child support from the children's parents to offset the cost of their foster care.

Child Support Referrals Delay Reunification

- Most children placed in foster care are there due at least in part to their parents' economic hardships, and charging for such care as most states do imposes extra hardships and does delays reunification.
- Research finds an estimated 85 percent of families investigated by Child Protection Services have incomes below 200 percent of the federal poverty line.
- Poverty and neglect are not one and the same: experiencing poverty does not mean a child is unsafe in their own home or that a parent is incapable of caring for their child.

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The Guidance

Joint Federal Guidance July 2022

The policy provides that agencies should consider across-the-board policies that "may reflect that an assignment of the rights to child support for children in title IV-E foster care is not required except in very rare instances where there will be positive or no adverse effects on the child, or the assignment will not impede successful achievement of the permanency plan. Only cases that have been thoroughly reviewed, and will not disrupt the reunification process, should be referred to the state IV-D agency for the establishment of paternity or a support order.

OCSE and Children's Bureau

- Reducing a parent's income impedes their ability to engage in reunification efforts, potentially extending the time the child spends in foster care.
- Securing an assignment of the rights to child support is generally deemed not to be cost effective.
- We ask that child welfare agencies make the necessary amendments to their systems to effectively implement a policy where the default position is not to refer parents to the child support agency.

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The Implementation

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Federal law

42 USC 671(a) State Plan for Foster Care and Adoption Assistance

(a)Requisite features of State plan In order for a State to be eligible for payments under this part, it shall have a plan approved by the Secretary which—

(17) provides that, *where appropriate,* all steps will be taken, including cooperative efforts with the State agencies administering the program funded under part A and plan approved under part D, to secure an assignment to the State of any rights to support on behalf of each child receiving foster care maintenance payments under this part…

Current Wisconsin policy definition of 'where appropriate'

Referral decision made at time of initial placement based on answers to 3 referral questions:

(1) Is the referral in the best interest of the child?

(2) Is this placement expected to be long term?

(3) Is the worker aware of a court order for child support OR is this otherwise an appropriate case to refer to child support services?

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The Impact in Wisconsin

Wisconsin Data

- Recent research in Wisconsin found that a referral to child support lengthened the average child's time in OHC to **21 months**, compared to only **9 months** for children whose families were not referred to child support.
- The Department of Children and Families estimates that ceasing child support collection for children in OHC would result in an over **$18,000** savings, **per child,** on placement costs alone (based on average monthly placement costs), due to the significant reduction in the length of stay for these children.
- The additional 13 months of time in OHC equates to nearly **160 additional hours** of work for each assigned child welfare worker, taxing an already overburdened workforce.

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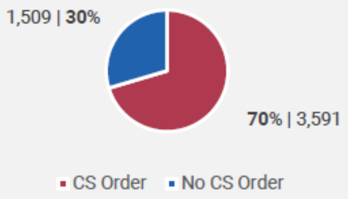
Limiting Child Welfare Referrals to Child Support

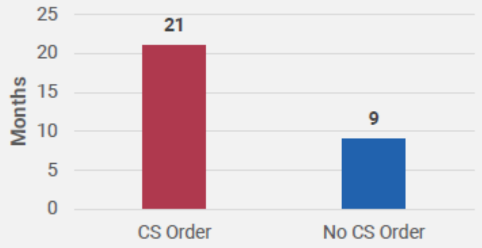
Referring families to child support to recover out-of-home care (OHC) costs **delays family reunification** and **increases both the length of time children spend in OHC** and **the costs associated with OHC.**[1]

By the Numbers [2]

Children Referred by Child Welfare Agencies to the Child Support Program in Wisconsin



Average Lenth of Stay in Out-of-Home Care by Referral Type



Limiting child support referrals is likely to expedite family reunification and reduce costs associated with OHC. DCF estimates the cost of no longer intercepting child support payments for children in OHC will result in a ~$1.8 million annual reduction in county child support collections during the first two years of implementation. The Governor has proposed a corresponding increase in the Children and Families Allocation (CFA) in the 2025-27 biennial budget to address this gap. However, counties should achieve realized cost savings in the following biennium. **The reduced length of stay when there isn't a child support order could contribute to significant cost savings to counties over time.**[3]

Total Cost of Care for Children Who Entered OHC in 2018

Just **4%** of the total out-of-home care costs ($186.2 million) was **collected** via **child support referrals**.

Monthly Cost of Out-of-Home Care Per Child by Placement Type

At a minimum, counties can expect to save to the below amounts per month for reduced stays in OHC.

$375 | Foster Care	**$12,000** | Group Home	**$20,000** | RCC

Basic foster care rate; many families receive more based on child needs. For group settings, daily maximum rate multiplied by 30. Many group placements cost more based on child needs.

[1] https://reforminggovernment.org/wp-content/uploads/2025/01/Reforming-Child-Welfare-in-Wisconsin.pdf.
[2] Data based on a cohort of children placed in OHC in 2018 and followed through June 30, 2024, to assess both child support and child welfare outcomes.
[3] Approximate $2.4 million dollar reduction in child support collections over the course of two years. Cessation of referrals would amount to an approximate 16% reduction in child support collections for children in out of home care in the first two years of implementation.

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Wisconsin Proposed Legislation

- Would remove the assignment to the state of child support orders and arrearages existing at the time a child enters foster care.
- Would remove the role of the Juvenile Court in establishing child support orders.
- Would add language the ‘best interests of the child’ factor on modifications of existing orders to include:
  - The impact on the child of family expenditures to improve any conditions in the home that would facilitate the reunification of the child with the family, if appropriate and;
  - The importance of the placement that is least restrictive of the rights of the child and the parents and the most appropriate for meeting the needs of the child and family.
- Would permit a county agency to make a referral to child support if the following conditions exist:
  - (a) The parent’s or parents’ income exceeds 400 percent of the poverty line, as defined and revised annually under 42 USC 9902(2).
  - (b) The parent or parents are receiving adoption assistance under s. 48.975 for the child.

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The Barriers

- The Fiscal Impact:
  - Not pursuing support should result in OHC placement cost savings to child welfare agencies. However, loss of collection revenue has an immediate impact on agency operating budgets while the placement savings would accrue over time.
  - Existing arrearages on IV-E foster care child support orders are high and the proposed elimination of those arrearages creates an illusion of significant lost revenue when in fact, Wisconsin collects less than 4% of the annual amount due per year.
- The Policy Impact:
  - Families involved in child welfare may also need services from the child support program to establish paternity. Ending referrals would be a detriment to families in those cases.

Illinois: Then

- Automatic referrals to pursue support against parent in reunification process
- Time-consuming manual process required dedicated staff
- Limited post-referral data provided by child welfare agency
- For child support order, little to no consideration of reunification process
- Child support establishment and enforcement against other parent is not impacted by child welfare case

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Illinois: Reforming Policy and Process

- Growing concern in Illinois about obligating reunification parent in foster care cases
  - Pre-ACF joint guidance
  - Growing body of research justifying re-examination of foster care referral policies
- Collaboration with Department of Children and Family Services
  - Jointly examined research studies
  - Addressed agency’s fiscal concerns – always sticking point in past
  - Designed ideal process that will:
    - Allow parent to focus on reunification process, not repaying foster care
    - Addresses situations where reunification is not/no longer the goal
    - Continued enforcement with other parent allows more financial resources for family

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Illinois: Public Act 103-0984

- Introduced SB3367 on February 7, 2024
  - Initial annual income threshold
- Final Bill
  - Reflected new policy of Illinois to preserve the financial security of a child's parent seeking reunification
  - No child support against former custodial parent prior to the permanency goal of return home being ruled out by the court
  - Removed Illinois law that made parents liable for foster care expenses
  - Effective August 9, 2024

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Illinois: Now

- No foster care recoupment cases against parents seeking reunification
- Child support enforcement continues against other parent bringing needed financial resources to family
- Results include improved program performance and processes including no more dedicated staff
- Also aligns with Illinois changes to TANF cases
- Illinois now has consistent policy protecting fragile families and children from government recoupment

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Now It’s Your Turn!

If your program **has made changes** to its foster care referral process, please put your NAME and PROGRAM in the chat!

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Minnesota's Statutory Change

- Statute change effective July 1, 2022
- Prior to change in federal guidance
- Requires consideration of best interest of child and family
- Covers IV-E, non-IV-E
- And collections that happen outside of child support
- MN Statutes §260B.331 and §260C.331

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Interim Guidance

- Communicate with social service agency
- Assure that referrals were intentional and pursuant to new guidance
- Establish paternity where appropriate, deviate to $0
- Close for inappropriate referral
- Default position is existing orders are paid to custodial parent
- If choosing to wait for final guidance to close, document reasons for taking no action

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Ramsey County Policy and Practice

- Closed cost recovery cases
- Put charging back on the mom & dad cases
- Forgave IV-E and non-IV-E arrears
- Shut down most incoming referrals and non-IV-E applications
- Assess whether paternity should be established
  - Working with Child Protection Attorneys on guidance

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Q&A

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Thank You!

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Thank You for Attending!!

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