U.S. Department of Health and Human Services
Assistant Secretary for Planning and Evaluation

FOSTER CARE SUMMARY:

1991

Office of the Assistant Secretary for Planning and Evaluation

The Office of the Assistant Secretary for Planning and Evaluation (ASPE) is the principal advisor to the Secretary of the Department of Health and Human Services (HHS) on policy development issues, and is responsible for major activities in the areas of legislative and budget development, strategic planning, policy research and evaluation, and economic analysis.

ASPE develops or reviews issues from the viewpoint of the Secretary, providing a perspective that is broader in scope than the specific focus of the various operating agencies. ASPE also works closely with the HHS operating divisions. It assists these agencies in developing policies, and planning policy research, evaluation and data collection within broad HHS and administration initiatives. ASPE often serves a coordinating role for crosscutting policy and administrative activities.

ASPE plans and conducts evaluations and research--both in-house and through support of projects by external researchers--of current and proposed programs and topics of particular interest to the Secretary, the Administration and the Congress.

This paper was prepared by HHS's Office of Family, Community and Long-Term Care Policy (now the Office of Disability, Aging and Long-Term Care Policy). For additional information about this subject, you can visit the ASPE home page at http://aspe.hhs.gov. The Project Officer was Karl Ensign.

FOSTER CARE SUMMARY: 1991

Karl Ensign

Office of the Assistant Secretary for Planning and Evaluation
U.S. Department of Health and Human Services

1991

Prepared for
Office of the Assistant Secretary for Planning and Evaluation
U.S. Department of Health and Human Services

BACKGROUND

Number of Children in Care

Substitute care services were provided to an estimated total of 434,800 children during FY 1986 (the last year for which detailed statistics are available), including both children receiving Federally-assisted foster care maintenance payments and children receiving State-funded foster care. During 1986, approximately 166,300 children entered foster care and 161,300 left, with an estimated 273,500 remaining in care at the end of that year. The median time they spent in care was 17 months. Less detailed data are available for 1987 and 1988. By the end of 1987 an estimated 285,000 children remained in foster care, increasing to approximately 323,000 by the end of 1988. At this time the number of children in foster care is not known beyond that year. Unofficial estimates indicate the number of children in foster care at the end of 1989 may have reached 360,000.

More recent, but limited, data are available on children receiving Federally-assisted foster care maintenance payments under title IV-E. In FY 1986, on average 110,749 children were served each month by programs funded under this title at a Federal cost of $637.2 million, and by FY 1988 these numbers had risen to 132,109 and $891.4 million respectively. The most recent estimates from the Congressional Budget Office project the 1990 average monthly title IV-E caseload to be 179,000 at a Federal cost of $1.5 billion, rising to an estimated 267,000 and $3.4 billion respectively by 1995.

Historically, the foster care system has been plagued by a general lack of quality, reliable data. This problem has not been alleviated, despite the fact that significant legislative reforms were enacted in 1980.

Sources of Federal Funding

Three major Federal programs, all established under the Social Security Act, provide funds for foster care for children:

- child welfare services under title IV-B, which includes a funding authority for foster care and related services;
- foster care maintenance payments under title IV-E, which authorizes funding for children from families eligible for Aid to Families with Dependent Children (AFDC) at the time of substitute care placement;
- and services related to foster care (but not maintenance costs) under title XX (the social services block grant program).

Federal law places income and categorical restrictions on those who may be served under title IV-E. Titles IV-B and XX are free from any such restrictions, although States often establish eligibility requirements for title XX.

AFDC foster care, which had been part of the general program of Aid to Families with Dependent Children (AFDC) under title IV-A of the Social Security Act, was amended by the Adoption Assistance and Child Welfare Act of 1980 (P.L. 96-272). This legislation continued AFDC foster care as a required Federal matching grant program, but transferred it to a newly created title IV-E. It also changed the funding mechanism for this program and the child welfare services programs under title IV-B, providing linkages between the two to encourage less reliance on foster care placement and greater use of services aimed at preventing placement and encouraging family rehabilitation. The entitlement nature of AFDC foster care was retained, but under title IV-E its open-endedness is potentially limited by a provision that is contingent on the funding level of title IV-B.

Table 1 shows the current funding mechanisms for child welfare services, foster care, and adoption assistance programs.

Both titles IV-B and IV-E are administered by the Administration for Children, Youth, and Families (ACYF), in the Office of Human Development Services (IMS), Department of Health and Human Services (HHS).

The Adoption Assistance Program

The Adoption Assistance and Child Welfare Act of 1980 also created and permanently authorized a new adoption assistance entitlement program under title IV-E. The legislation specified that by FY 1983 States were required to establish programs to provide adoption assistance payments for parents adopting "special needs" children originating from families eligible for AFDC (and/or SSI) for which Federal funds could be claimed based on the Medicaid matching rate for each State. In addition to being AFDC-eligible, such children are defined as having a specific condition (such as a mental, emotional, or physical handicap; membership in a minority or sibling group; or being an adolescent) that prevents placement without assistance payments. Before designating a special needs child, the State must determine that he or she could not be returned to the family, and that reasonable placement efforts have been made without providing this specialized assistance.

The Independent Living Program for Adolescents in Foster Care

In 1986, title IV-E was amended by P.L. 99-272 to include section 477, which established the Independent Living Program to assist youth who would eventually be emancipated from the foster care system. Several surveys conducted during the mid-1980s showed that a significant number of homeless shelter users had been recently

discharged form foster care. In part, the program's services were designed to compensate adolescent youth that are not provided the benefits believed to come from reunification with their original family, or placement in an adoptive home.

In a 1981 article in Children and Youth Sciences Review, researchers Hornby and Collins estimated that fewer than 20% of foster care adolescents will be reunified with their parents, and that fewer than 1-in-20 is likely to be adopted. Historically, approximately 40% of the children in foster care are adolescents. In 1987, this represented approximately 114,000 youth. According to HHS, in FY 1987 the Independent Living Program targeted over 20,000 youth. The precise number that are served by the program is not known.

An annual entitlement amount of $45 million was established for 1987 and 1988 to provide States with the resources to establish and implement services to assist AFDC-eligible children age 16 and over make a successful transition from foster care to independent adult living when they become ineligible for foster care maintenance payments at age 18. The same amount was made available the following year and the program was expanded under P.L. 100-647. States can now provide independent living services to all youth in foster care aged 16 to 18 (not just title IV-E-eligible youth) and States can claim follow-up services provided to youth up to six months after their emancipation from substitute care. Fifty million dollars was available for the program in 1990. Beginning in FY 1991, States will be required to match 50 percent of Federal funds for the program above $45 million due to provisions included in P.L. 101-239 (see table 1).

TABLE 1. Federal Funding of the Child Welfare, Foster Care, & Adoption Assistance Services		
Program	**Budgetary Classification**	**Federal/State Funding**
Title IV-B Child Welfare Services Program.	Nonentitlement Authorization.	Federal match of 75 percent, total capped at State allotment.
Title IV-E Foster Care Program:		
Foster care assistance payments.	Authorized entitlement.	Open-ended Federal match at State's Medicaid rate.
Administrative costs.	Same.	Open-ended Federal match of 50 percent.
Training expenses (State personnel and foster parents)	Same.	Open-ended Federal match of 75 percent.
Title IV-E Adoption Assistance Program:		
Adoption assistance payments.	Same.	Open-ended Federal match at State's Medicaid rate.
Nonrecurring adoption expenses.	Same.	Open-ended Federal match of 50 percent.[1]
Administrative costs.	Same.	Open-ended Federal match of 50 percent.
Training expenses (State personnel and adoptive parents).	Same.	Open-ended Federal match of 75 percent.
Title IV-E Independent Living Program	Same.	100 percent Federal funding for first $50 million in FY 1990.[2] Beginning FY 1991, States will be required to match Federal funding above $45 million at 50 percent.[3]
Title XX Social Services Block Grant Program.	Authorized Entitlement.	100 percent Federal match, with a funding ceiling of $2.8 billion.

1. The Federal government reimburses 50 percent of total expenditures for any one placement, up to a maximum of $2,000 per placement.
2. $45 million in preceding years.
3. The entitlement ceiling for the program is $60 million for FY 1991, $70 million for FY 1992.

TRENDS IN FOSTER CARE CASELOADS

Background

The number of children in the United States who are in foster care per 1,000 children (the incidence rate) has ranged from 3.9 in 1962 to 4.8 in 1988. Despite the apparent stability of these numbers over the 16-year period, there have been substantial swings in direction within the last decade. In 1980, the incidence rate of children in foster care was 4.4. The rate dropped to 4.0 in 1983, and grew to 4.2 in 1987. However, between 1987 and 1988, the incidence rate of children in foster care grew very substantially, increasing to 4.8. This is the largest one-year change in the history of the program.

The number of children in Federally assisted AFDC/title IV-E foster care has grown significantly in the years since the program was created. The number grew steadily from 1962 to 1977, then decreased slightly from 1977 to 1983. Since 1983, the number of foster children funded under title IV-E has increased steadily and the proportion of the roster care population funded under title IV-E has increased substantially. In 1972, approximately 20 percent of the total foster care population was funded under title IV-E. By 1988 this proportion increased to 41 percent.

Recent Trends

More detailed information is available on these trends from a number of State data collection systems. Currently, some of the most interesting data is obtained from a joint data analysis effort of the New York State Department of Social Services and the Illinois Department of Children and Family Services. Despite their notable geographic differences, both States show remarkable similarities in recent caseload trends. In 1988, New York accounted for approximately 14 percent of the total U.S. foster care caseload. Illinois accounted for approximately 5 percent.

Recent increase in caseloads.-- In both States yearly admissions and discharges from foster care were fairly equal until 1986. Midway through that year the caseload in both States increased as new admissions into foster care increased and discharges from care fell. In the time period from 1983 to 1989 this resulted in a 80 percent caseload growth in New York, and a 30 percent increase in Illinois' foster care caseload. California's caseload nearly doubled in the five-year period 1985- 1989, growing form 37,000 children to 67,000. Unofficial estimates indicate that the entire U.S. caseload increased from approximately 269,000 in 1983 to 360,000 in 1989, and increase of 33 percent.

The impact of crack cocaine on the child welfare system.-- There is widespread speculation that these increases largely resulted from the introduction of

crack cocaine into the country during the mid-1980s. The availability of crack has been linked to the abuse of children of all ages. According to a 1990 publication by the House Subcommittee on Human Resources, Ways and Means, New York City officials blame the introduction of crack for the three-fold increase in that city's child abuse and neglect cases involving parental substance abuse between 1986 and 1988. However, the biggest impact that crack has had on the child welfare system is the large increases in very young infants entering the foster care system at birth as a result of prenatal drug usage, drug toxicity at birth, and abandonment at the time of birth in the hospital (boarder babies). Drug-exposed infants also often enter substitute care shortly after they are born as a result of a diagnosed failure to thrive, or parental abuse and neglect.

The 1988 National Association for Perinatal Addiction Research and Education (NAPARE) estimates that 11 percent of all pregnant women use illegal drugs and that 375,000 infants are born drug-exposed each year. A 1990 General Accounting Office (GAO) study conducted for the Finance Committee reported that the actual number of drug-exposed infants born each year is unknown, although the study noted that the two most widely cited estimates are 100,000 and 375,000. An HHS Office of the Inspector General (OIG) 1989 survey of 12 cities found that 30 to 50 percent of drug-exposed infants enter foster care. Last year, half or all New York City infant foster care admissions were boarder babies. Eighty to ninety percent of these cases involved substance abuse.

Data from New York and Illinois show how these trends are stretching State child welfare systems to their limits. From 1985 to 1988, New York foster care infant admissions (children less than one year old) increased by 89 percent. Illinois experienced a 58 percent increase in infant admissions during these same three years. In 1984, only one percent of all infants born in New York City were placed in foster care, but by 1988, this increased to nearly 2.8 percent of all infants. In the hardest hit neighborhoods as many as 12 percent of all children spend some time in foster care. In both States nearly all infant admissions occur in the first few days following birth.

In addition, this rise in infant admissions may portend large increases in foster care caseloads in the future. Not only do younger children spend the longest length of time in foster care, but historically many children that are admitted and discharged from foster care eventually re-enter care. During 1989, 15 percent of New York's admissions into foster care was comprised of children re-entering care. A 1988 Illinois study by researchers Dr. Mark Testa and Dr. Robert Goerge found that nearly 40 percent of the earliest cohorts of foster children that are reunified with their parents eventually reenter substitute care.

Poor service delivery systems and overburdened staff.-- The background paper for a Fall, 1989 forum by George Washington University characterized the delivery of child welfare services as "a crisis intervention system in crisis," blaming this on a "schism between demand and resources." While it is unclear if money alone would solve the low esteem which plagues the child welfare profession, there is universal agreement that systems designed to intercede on behalf of the nation's victimized

children are barely equipped to handle their charge. According to the Children's Defense Fund (CDF), one-quarter to one-half of all maltreatment cases that resulted in a child's death were previously known to the child welfare system.

A June, 1988 report by the Association for Children of New Jersey on decision-making for children in foster care entitled "Splintered Lives" illustrates the impact of staffing problems on the delivery of services. The study found that staff turnover was frequent, meaning that 40 percent of the cases had 2 caseworkers and 26 percent had three or more during a 20 month study period. Each of the offices studied had a vacancy rate of at least five positions at any one point in time. In Edison, New Jersey, 10-12 positions were vacant for several months and the office lost 50 percent of its staff from June, 1986 to July, 1987. Moreover, there were long delays in filling these vacancies. On average, it took six to eight months to rill a vacancy when a worker resigned and six months to one year to rill vacancies created by promotions. Staff vacancies resulted in high caseload levels. Each worker would have been responsible for up to 35 cases at any one point in time if all positions had been filled. However, in 1987, on average each worker was responsible for 52 cases at any one time.

This overburdening of staff drastically effected decisions made on behalf of foster care children and the study concluded that the elements of the review system (case assessment, notice to parents, and external reviews) were often late or were not conducted at all. For instance, almost one-half of the initial and periodic case assessments were conducted late. Twenty-six percent of the initial and 56 percent of the subsequent required service agreements were not conducted at all and there was virtually no review of the children six months after they were placed. In fact, only one-quarter of the cases had an internal placement conference and of those, only 37 percent were conducted on time. One-half of the initial and periodic assessments were inadequate according to the State's own standards as required information was often omitted.

TRENDS IN FOSTER CARE COSTS

Title IV-E Increases in Relation to Title IV-B

Given the trends in caseload growth, it is not surprising that increasingly foster care children are funded under title IV-E, and that Federal foster care expenditures for title IV-E have increased significantly. Although funding for title IV-B child welfare services has increased by 54 percent from 1981 to 1990 ($163.6 million to $252.6 million), during this same time period Federal title IV-E expenditures increased 122 percent (from $278.4 million to $617.7 million).

Increases in Title IV-E Administrative and Training Cost Expenditures

Expenditures for what are labeled "administrative costs" have increased significantly since 1980. In fact, at some point in the 1990s the amount expended on these costs may be equal to the Federal reimbursement of States' title IV-E maintenance claims. HHS predicts that this will take place within the next fiscal year (FY 1991). Partly because of a difference in methodologies, the Congressional Budget Office (CBO) predicts that this will take place approximately four years later in FY 1995.

In October of 1987, the HHS Office of Inspector General published a report on the high absolute levels of title IV-E administrative and training costs and the wide variation of claims among States. The report found that the administrative costs associated with the foster care program are much higher than those associated with similar programs such as AFDC, and the Medicaid and Food Stamps programs. However, this was attributed to the fact that allowable title IV-E administrative costs include activities that are not allowed as administration for other comparable programs. Claimable title IV-E administrative costs include:

- referral to services at time of intake;
- preparation for, and participation in, judicial determinations;
- placement in foster care;
- development of a case plan;
- case reviews;
- case management and supervision;
- recruitment and licensing of foster homes and institutions;
- foster care rate setting.

States, public interest groups, and most Congressional leaders claim that these activities have increased as a result of caseload growth, and have become more expensive because the children currently entering foster care have more complex problems then they have historically. HHS claims that cost categories are too broad, allowing States to improperly transfer costs to the Federal government.

Decline in Title XX Funding

Except for an increase in 1976 aimed specifically at funding child care services and a general increase of $200 million that became effective in 1979, the overall funding level of the title XX program remained relatively stable during the 1970s. However, title XX funding has not kept pace with inflation. In 1990 dollars the value of title XX funding decreased by 53 percent from 1977 to 1991.

Title XX is an important funding source for many State social service programs including Child Protective Services (CPS), services to prevent placement in roster care, and substitute care programs. However, States use title XX funding for many other programs as well including day care services, community and home care for the elderly, services for the developmentally disabled, employment development programs, various residential programs, and emergency shelters. In general, States are given wide discretion on the manner in which they can spend their title XX allotment. According to a 1989 report by the National Association of Social Workers, Inc. (NASW), programs funded with title XX dollars are required to meet the following objectives:

- achieve or maintain self-sufficiency to prevent, reduce, or eliminate dependency;
- prevent or remedy neglect, abuse, or exploitation of children and adults;
- prevent or reduce inappropriate institutional care by providing community and home-based care;
- secure referral or admission to institutional care when other forms of care are not appropriate.

Federal, State, & Local Share of Funding

Because of these resource constraints, a significant share of foster care and related services were funded with State and local funds. A survey of 31 States by the American Public Welfare Association (APWA) found that Federal funds account for just 30 percent of foster care maintenance payments and 40 percent of foster care services.

DEVELOPMENTS IN CHILD WELFARE SERVICES

Services to Strengthen Families and Prevent Foster Care Placement

Preplacement prevention services. A number of States have placed a great deal of emphasis on preplacement prevention strategies specified in P.L. 96-272. Although these services vary according to State and local needs, a background 1990 briefing paper prepared by Theodore Ooms, Director, Family Impact Seminar, provides a common definition for the form such services often take: "family preservation services are defined as time limited intensive interventions offered to families facing the crises of imminent removal of a child from their home for placement in substitute care." Typically, a social worker with a small caseload begins working intensively with a family in the home within 24 hours of referral, counseling the family on interaction skills and providing it with resource referrals. The services often continue for one to four months.

Historically, the most well-known of these programs is Homebuilders, which was developed in 1974 in Tacoma, Washington by two behavioral psychologists. Currently, this particular program operates in over a dozen States and numerous localities. Variations of this program are even more wide-spread. Homebuilders is based on the concept that families become abusive because they lack the emotional and financial resources to cope with an external stress. However, the threat of having a child placed in foster care in turn provides a "window of opportunity" in which families can learn to change and improve their basic interaction. The State of Maryland's Intensive Family Services program (IFS) provides a programmatic example of this strategy. Piloted in 1985 and expanded significantly in 1986, the program provides intensive services for families in which a child is at-risk of foster care placement. There are no financial eligibility requirements and no fee is charged for services. IFS services include: providing family and individual counseling; teaching parenting skills and child development; purchasing basic services (food, clothing, shelter, day care, transportation, respite care); and purchasing specialized care (diagnostic testing, family therapy, substance abuse or sexual abuse treatment).

The practice of preplacement prevention has grown for a number of reasons. First, ideally these programs may limit the number of children in substitute care to those children in immediate physical danger, thereby lowering States' caseload levels. Second, the vast majority of foster children are eventually reunified with their families (nationwide, 66 percent of all foster care children were in 1985). An effective preplacement prevention program seeks to address the familial problems that led to the threat of substitute care placement at the time when those problems are the most apparent. Third, conceivably such a program can be less expensive than lengthy or repeated stays in foster care. The Maryland Department of Human Resources reports that in FY 1989 it served 1,000 children with Family Support Centers at a cost of $1,370,000 (on average $1,370 per child), and 1,000 children with IFS at a cost of $2,936,400 (on average $2,936 per child). Comparatively, 7,050 children were placed in

foster care at a total cost of $39,199,600 (on average $5,560 per child). The cost per child in need of a specialized home was $21,420 and the costs associated with residential and institutional care were even higher. However, these programs are less cost-efficient if they fail to obviate the need for repeated future preventive services or foster care placement.

The effectiveness of preplacement prevention programs vary by the measure employed. Homebuilders of Tacoma, Washington reports a 98 percent success rate in keeping the family intact for four to six weeks while services are provided, and a 1983 study conducted by the Florida auditor general determined a State preplacement prevention program had an 85 percent success rate in keeping children at home six months after services were terminated. However, according to an article by Harvey Frankel in the March, 1988 "Social Service Review," no encouraging results can be reported from the few studies that have compared a group of families receiving such services with a group of similar families that has not. Over time, children from both groups are placed in foster care at roughly equal rates. More definitive research that follows this control/experimental design is needed.

Family & community support programs.-- Maryland's Family Support Centers provide an example of services that attempt to provide family support in their communities in an effort to alleviate problems before they reach crises proportions. The centers, located in a few communities throughout the State, are available for teen parents and their young children to use on a drop-in basis. The centers' primary objective are to interrupt the cycle of poverty by preventing additional pregnancies, providing health care counseling, encouraging (and if possible enabling) parents to complete their education, acquire job skills, and become better parents. All activities also focus on child development. No fee is charged and there are no financial eligibility requirements.

Service Coordination

Recently, child welfare professionals have increasingly advocated the need for increased service coordination. The impetus for this type of reform rests on the observation that specialized services for children and families are often forced to address problems that are complex and interrelated. It is theorized that a coordinated service system could better-respond to these types of problems, as well as to the overall increased demand for family and children services.

Funded primarily by a number of private nonprofit foundations, two national initiatives are currently underway that encourage the reorganization of such services as Child Protective Services (CPS), foster care, education, mental health, and juvenile justice services into a coordinated child welfare system. One example is the Annie E. Casey Foundation's Child Welfare Reform Initiative currently operating in the States of Maryland, North Dakota, and Connecticut. Another example is the McConnell L. Clark Foundation and National Council of State Legislators (NCSL) Reform and Coordination

of State Services for Children and Families Initiative operating in the States of Nevada and Iowa.

The Casey Foundation Initiative provides incentives for States to pursue statutory, administrative, programmatic, fiscal, and practice-level changes in their child welfare services. One count is selected in each State for program implementation (Prince George's County in the State of Maryland). Program personnel report that their goal is not to add new community programs and resources, but rather to incorporate existing service elements into a coordinated system. After a fiveyear period, the goal is to take the lessons learned at a county level and institutionalize them at a State level.

The Clark Foundation/NCSL Initiative is a similar three-year venture aimed at facilitating the interagency coordination of CPS, foster care, mental health, and juvenile justice in the States of Nevada and Utah. In 1987 Iowa authorized two counties (Scott and Polk) to pool their child welfare funds to fund a coordinated system.

Many States are incorporating the concept of service coordination into their existing programs for children and families. For instance, the Children's Advocacy Center (an interagency program developed by coordinating law enforcement, medical, and mental health personnel) currently operating in Philadelphia, Pennsylvania was formed to serve children that have been sexually abused. The program is designed to avoid the duplication of unnecessary multiple interviews and record keeping, and to encourage information sharing in order to avoid lengthy delays in crises counseling, protective orders, and prosecutions. Funds are being provided jointly by the Philadelphia City Council and the Pennsylvania Department of Public Welfare for the first three years that the program is in operation.

LEGISLATIVE DEVELOPMENTS

Congressional Proposals

There is widespread agreement that ten years after the enactment of P.L. 96-272 the child welfare system is need of additional legislative reform. In the last session of Congress, legislation to improve child welfare and the foster care system was introduced in both the House and the Senate. Acting House Ways and Means Subcommittee Chair on Human Resources Representative Downey (D-NY) introduced the Family Preservation Act of 1990 (H.R. 5020) to "promote family preservation and the prevention of foster care with emphasis on families where abuse of alcohol or drugs (including crack cocaine) is present, and to improve the quality and delivery of child welfare services and foster care." The bill proposed that funding in the child welfare area be increased by $4.5 billion over five years. Finance Committee Chair Senator Bentsen (D-TX) also introduced a bill during that session which proposed to amend title IV-B to establish a program to fund innovative child welfare and family support programs on an entitlement basis. The projected cost was about half that of H.R. 5020. Bentsen's legislation had bipartisan support. Both bills were subsumed by efforts to reach an agreement on the budget.

Early in the current legislative session Bentsen re-introduced an expanded version of last year's bill. The Child Welfare and Preventive Services Act (S. 4) is projected to cost $3.5 billion over five years. Senate Majority Leader Mitchell has been quoted as calling S. 4 a priority of the 102nd Congress. Bentsen's current bill does not have bipartisan support, but that is only because Senate Republicans have expressed an interest in developing their own child welfare reform bill. The primary provisions of S. 4 are those aimed at redirecting the child welfare system towards a network of child and family services which would be aimed at preventing child abuse and neglect and foster care placement, and provisions to promote the creation of comprehensive substance abuse treatment programs for pregnant women and mothers with children. The legislation also calls for a number of state demonstrations to increase knowledge of effective service delivery system models.

Administration Proposal

The administration will also propose legislative changes in the child welfare system. The current draft of the legislation extends the legislative waiver authority of the Secretary of Health and Human Services (contained in section 1115 of the Social Security Act) to include titles IV-B and IV-E. This would allow qualifying states to experiment with child welfare reform models as they did during the last decade with welfare reform. In addition, the proposal contains a prohibition on federal reimbursement for preplacement services claimed by states under title IV-E administration. Finally, the draft legislation increases the amount authorized under title

IV-B to fund state demonstrations of foster care placement prevention, and provides increased federal oversight of states' title IV-E cost claims.