
Summary: Recently, the Annie E. Casey Foundation and Jim Casey Youth Opportunities Initiative released an innovative and groundbreaking proposal for federal finance reform. Over the last several years, child welfare experts and advocates have been addressing the philosophy and process by which the federal government helps fund the child welfare system at the state and local level. Concerns have primarily addressed federal finance reform by suggesting a vast overhaul of how child welfare services are funded on the front-end to better align to the principles by which the federal government has encouraged the improvement of state and local systems.

The Annie E. Casey Foundation and the Jim Casey Youth Opportunities Initiative (hereinafter referred to as “Casey”) presented their proposals on October 23, 2013 in Washington DC. The document containing their proposals is titled, “When Child Welfare Works: A Working Paper – A Proposal to Finance Best Practices” (hereinafter referred to as “Working Paper”). This proposal deserves the utmost consideration by child welfare professionals and advocates, elected officials, budget personnel, and anyone interested in improving the care and services for children who are at risk of being or who have been abused or neglected. PCG examined the Casey report and its recommendations. In this paper, we review the merits and implications of each recommendation to promote discussion of the system’s future. Because of the extraordinary importance that this Working Paper has to the child protection and child welfare community, PCG has provided an extensive report and analysis here to facilitate continued discussion and consideration of the implications of this proposal.
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HISTORY

Prior to 1974 when an allegation of abuse or neglect was made regarding a child, state and local governments provided services to that child and family in a very inconsistent manner. There were very few laws, rules, policies, and regulations that provided protection and safety for the child as well as the family. Prior to 1974, numerous reports demonstrate that services for children and families at the local level were failing those children and their families. In response, the federal government passed the Child Abuse and Prevention Treatment Act of 1974 (CAPTA), which provided the first real effort by the federal government to encourage uniform and supportive services by state and local responses. The Act provided small grants for states to begin to examine child abuse and neglect identification and prevention programs. It also established the National Center for Child Abuse and Neglect to collect and distribute child abuse and neglect data and information to states and localities.

Following several years of continued inconsistent and inappropriate services at the state and local levels, the Adoption Assistance and Child Welfare Act of 1980 (AACWA) passed. Its aim was to end “foster care drift,” a phrase coined as a result of children entering the foster care system and staying for indeterminate periods of time. AACWA addressed contributing factors to the lengthy stay in foster care by providing federal reimbursement to states that implement services, provide protection for families, and follow certain mandates within specified timeframes. There were requirements for the evaluation of reasonableness of services, requirements for review hearings for foster care cases, and safeguards for placement and visitation, along with specified time frames for the activities (all of which would be reviewed by the state judiciary through its juvenile or family courts). Linking federal reimbursement with these activities continues to be an important tool for service improvement and accountability. As imperfect as it was then and continues to be, it remains the single most important opportunity and challenge to provide incentives for system improvement.

Thereafter followed a series of federal acts designed to encourage the improvement of services at the local level. They include the Court Improvement Program of 1993; the Multiethnic Placement Act of 1994; the opportunity for demonstration projects through waivers of federal requirements for reimbursement in 1995; the Adoption and Safe Families Act of 1997; the Foster Care Independence Act of 1999 (the Chafee Act); the Strengthening Abuse and Neglect Courts Act of 2000; the Fostering Connections to Success and Increasing Adoptions Act of 2008; the Child and Family Services Improvement and Innovations Act of 2011; and the Uninterrupted Scholars Act of 2013. The listing is provided to demonstrate the significant efforts by the federal government to support and encourage efforts to improve services to children and families. As a result of these efforts, far fewer children are in foster care today than in previous years, and when children do enter care, they are more likely to achieve permanency more quickly than in the past. Yet there is acknowledgement that the system can and must do better, and that the federal government should align funding with best practices in child welfare. Continuing issues include concerns for children being removed from their homes, remaining in care for extended periods of time, being placed in group and congregate residential placement, failing to be returned to the family of origin, and ultimately leaving the system as an adult with no permanent plan or place to reside.

While there have been historic concerns and complaints about the funding mechanisms made available from the federal government to state and local agencies, the fundamental and overriding concern has been the failure to provide financial support for prevention services and the apparent and interpreted concern that the federal government encourages removal and continued placement out-of-home through the current rules and regulations regarding Title IV-E funding.

The single most powerful way to encourage states to change from a practice that is not working to a practice that is working is for the federal government to stop paying for what does not work and start paying for what does.

There is abundant research regarding the damage caused to children long-term and families short-term with removal and placement out-of-home. The lack of funding for family preservation services has created significant shifts and gaps in how states handle abuse and neglect cases. An Information Memorandum (ACYF-CB-IM-12-04) by the US Department of Health and Human Services, Administration for Children and Families (ACF) released in April 2012 and entitled, “Promoting Social and Emotional Well-Being for Children and Youth Receiving Child Welfare Services,” encouraged state and local agencies to expand beyond the goal of keeping children safe to the goal of improving the social and emotional well-being of children and families by using evidence-based practices to keep children at home and reunify families. Between 2007 and 2010, all but five states reduced their foster care populations, most by more than 5%. With extensive changes in federal funding and the use of evidence-based practices that preserves the family, greater avoidance of out-of-home placement could be achieved.

The federal government has demonstrated a desire to refine the Title IV-E financing process through the reauthorization of legislative authority for Title IV-E waivers. Over the last two years, 17 state and local agencies have been granted waivers of Title IV-E financing rules after extensive application and review. All of this is an acknowledgment of the need for change. The single most powerful way to encourage states to change from a practice that is not working to a practice that is working is for the federal government to stop paying for what does not work and start paying for what does.

For a more complete list of all additional federal activities see https://www.childwelfare.gov/pubs/otherpubs/majorfedlegis.cfm.

DISCUSSION OF THE CASEY PROPOSAL

The specific proposals contained in the Working Paper are designed to align federal funding with best practices in specific and targeted areas and move the system accordingly. Generally, the recommendations can be divided into four specific areas: promoting permanency and well-being, encouraging and supporting family-like settings, workforce continuity, and accountability. Each of the suggested areas provides funding mechanisms along with other recommendations that will improve services to children and families. They will also necessitate changes in practice by the child protection community, the private profit and not-for-profit service sector, federal and state agencies outside of the traditional child protection practice, and all of the supporting programs, services, reporting, and ancillary processes attached to those four areas. It is imperative for everyone involved in the child protection and child welfare system to understand the implications of the Working Paper’s recommendations and to prepare for the probability that these, or something like these, will move forward.

1. Promoting Permanency and Well-Being

These recommendations are designed to support services that will minimize both the length of time and intensity of the placement of children in out-of-home care. They address current best practices and research suggesting that out-of-home placement in a non-homelike environment causes damage to children far beyond the benefits that traditionally have been attached to those placements, particularly when the length of stay is for a long period of time and/or occurs at a young age.

Eliminate Federal Reimbursement for Shelter Care. Shelter care was created as an option for short-term stabilization and assessment of children, after which a child would move into a more appropriate longer-term setting. State and local agencies define and license shelter care differently. Too often it has been a large building that houses multiple children of different ages and needs under one roof, and children often remain in shelter care for longer than is intended. Eliminating federal reimbursement for shelter care would encourage more family home placements but may also require more support services for those families.

Reducing reliance on shelter care would require the establishment of processes to locate more family homes, including extended family members, as well as additional supportive services that include the following: licensing of those homes on an immediate basis; establishing processes for immediate screening and assessment of children and the prospective placement families; timely additional assessments and treatment on an immediate basis; and providing concrete services including things like beds, day care, clothing, transportation, and school facilitation. All of these will need to be considered in light of the current funding available to state and local agencies.

Limit the Length of Federal Reimbursement Eligibility for Foster Care. Under current Title IV-E rules and regulations, there are no limits on the length of time that a child qualifies for federal reimbursement while in out-of-home care. The current recommendation would limit federal Title IV-E reimbursement to no more than 36 total months in a child’s lifetime. Currently, too many children come into the system and remain for extended periods of time. As of September 30, 2012, nearly 71,000 children nationwide – 18% of the nation’s total foster care population – had been in foster care for three or more years. Nearly half of those children had been in care for five or more years. The concept of foster care drift may last as long as two to four years for children who enter the foster care system due to the requirement to work with the families, then to reach permanency, followed by filing of the termination of parental rights process. The journey from removal to permanency through adoption or guardianship leaves many children in limbo for lengthy periods of time. Of the children who exited foster care in FY12, 10% aged out of the system.

In addition, some children who enter the system and then return home may re-enter foster care after months or even years. Re-entry rates vary widely across states. In 2011, rates of re-entry to care within 12 months of foster care discharge ranged from 2.3% to 27.8% depending on the state.

All of this speaks to a need for more efficient and timely efforts to obtain permanency. To be successful, each permanency goal must have sufficient supportive services to allow it to happen quickly, safely, and to make sure that permanency is obtained with long-term success for the child’s well-being. This requires the consideration of additional services implemented in a timely manner, sufficiently broad and in-depth to address child and family issues. These services should be supportive for both child and family for placement out-of-home, as well as integration back into the home, and must change family dynamics enough to prevent re-referral to the system.

Eliminate Federal Title IV-E Reimbursement for Residential Care for Children Under the Age of 13. Abundant research demonstrates that children need to have personal relationships with a loving, caring, supportive individual with whom they can bond and begin to understand a multitude of family and
interpersonal dynamics. Placement of younger children in group home settings inhibits their emotional and social development. While the concept of “family” may be tarnished by the difficulty in the home of removal, children need to establish close relationships with adults. This can only be attained in a family setting. The goal then is to ensure that children under the age of 13 are placed in a homelike setting as quickly as possible after home removal and ideally with a relative or kinship care. While an exception is provided for children in a sibling group to remain in a group home setting, the ultimate goal is for young children to be in a homelike setting. Providing home-based care to more children will require sufficient recruitment of foster homes, including relatives and kin, as well as training and support for foster parents and biological parents to maintain children successfully in their homes.

Limit Federal Title IV-E Reimbursement for Residential Care for Children 13 Years and Older to 12 Months in a Lifetime.

The evolution of child welfare funding was expanded in 1980 with significant reform through AACWA, which focused on reducing foster care placement particularly in large residential institutions. Compelling research indicates that children and youth are placed in residential facilities and remain for extended periods, are often over-medicated, and leave too frequently without successful transitions to a less restrictive placement. Therefore, Casey recommends limiting residential treatment settings for children 13 and older to a lifetime limit of 12 months. This requires tremendous responsibility on the system to ensure that a residential placement is purposefully more short-term than it has been traditionally. It further requires that more available and appropriate transition supportive services are readily accessible and provide better outcomes. When an additional placement in a residential setting thereafter is considered, careful consideration must be given to prior placement type and circumstances, along with its intended success.

This will clearly impact residential placements and will likely result in holding residential facilities to a higher standard of success. Residential placement will be necessarily viewed as a trauma or emergency-type setting to stabilize the child and coordinate services needed to transition the child back to a more homelike environment. In addition, placement agencies (either state or local) will need to more accurately assess that the residential treatment facility is adequate and appropriate to meet the needs of the child. Children and youth may require extensive services while in placement through either internal or contracted supportive services, as well as support services once placement out of the facility occurs.

Some exceptions to this requirement are anticipated, such as children with significant developmental disabilities where transition to an adult developmental program is anticipated. Residential treatment facilities may advocate for additional exceptions, but too many exceptions could ultimately derail this concept.

Placement Outside of a Foster Home Is Designated as an Emergency Care. It is not uncommon that a child in a foster home setting may require some short-term placement outside of that foster home for trauma or stabilization services. This recognizes the damage suffered by many children who have been removed from their home and placed in an out-of-home setting. Currently, rules and regulations of state or local agencies indicate that when that child is removed from a foster home, that home is not entitled to payment or supportive services. Thereafter, when that child is discharged from the trauma or stabilization services, the foster home may no longer have space for that child and an alternative placement must be obtained which is damaging both to the child and to the foster home.

This recommendation states that when a child is placed in a foster home setting and moves to trauma or stabilization services for a period up to 90 days, the other placement is designated as emergency care and the foster family may receive payment reimbursable by the federal government under Title IV-E (so long as the foster family participates actively in the child’s treatment and the plan is for the child to return to that foster home). This recognizes the importance of the bond that may exist between the child and the foster parent and the commitment that is asked of foster parents.

While this is best for children and foster families, it presents other issues. In many jurisdictions, there are not sufficient numbers of quality foster homes that can remain vacant for up to three months while a child is in trauma or stabilization services. In addition, many state or local agencies currently have a limited timeframe of the “bed hold” for three to seven days rather than 90 days. This will increase the cost to the agency in the short term by requiring the agency to pay for placement in the foster home as well as the trauma or stabilization services, even though federal Title IV-E reimbursement may apply.

Create a Federally Funded Individual Development Account.

For those children who are approaching adulthood and are still involved with the state or local agency, the prospect of entering adulthood with limited support and even more limited personal resources can be frightening. While money does not solve all problems nor does it address many of the issues, it can help assuage fears and improve the transition to adulthood. The recommendation is that children in foster care and state custody who turn 16, with some other limiting factors, can open an account and begin saving money with a match from the federal government up to 100% of the amount of the adoption tax credit available for foster care adoptions ($12,650 in FY12). This Individual Development Account is designed to provide youth in foster care approaching adulthood – age 18 or up to 21 in most states – to have the opportunity to achieve some sense of financial security and to provide incentive to learn the necessity of saving for future expenses.
2. Encouraging and Supporting Family-Like Settings

This category recognizes the importance of placing children in family-like settings. When a child cannot remain in the family home, the next best option often is for placement with relatives or kin with whom the child is familiar. Often these family members are aware of the issues and problems of the home that the child comes from and, in many cases, have attempted to work with the family to help resolve those issues. While there are many philosophical viewpoints regarding family and kinship placements, the issue too often is reviewed from the position of the agency or the family rather than from the viewpoint of the child. A child’s best interests typically are to be with someone he or she is familiar with and who has cared for him or her in the past. The following recommendations address placing in a relative or kinship family at the earliest possible moment.

States Must Place All Children in Licensed Foster Homes in Order to Receive any Title IV-E Reimbursement. Currently, in order to receive reimbursement for the care of an individual child, that child must be in a licensed foster home. This change would require all children to be in licensed foster homes in order for any Title IV-E reimbursement to occur. The intent is to ensure that all foster parents, including kin, have access to the training and support needed to care for children.

The process for homes to become licensed is often complicated and lengthy. In many jurisdictions, it takes an average of one year to become a licensed foster home. Qualified, high-quality individuals often drop out of the process because it is so time consuming. Relative and kinship homes can be especially challenging to license as they often do not come to the attention of child welfare agencies until there is a need for an emergency placement, which may not allow sufficient time for licensing. This proposal would require significant review and revision to the current licensing practices of many child welfare agencies, with a focus on making the process less complicated and timelier, an undertaking that would require significant investment of time and resources on the part of the agency.

States Can Establish Different Licensing Standards For Relatives Or Kinship Care. Relatives often are contacted in the middle of the night, on a weekend, before a holiday, or at some other complicated time and asked if they will take children into their home within hours. There is little to no ability to license those homes prior to the placement, and relatives and kin may be deterred by the lengthy licensing process. Recognizing this and wanting to promote kinship and relative care, Casey recommends that states have the authority to implement different standards for the licensing of relative or kinship placements, including an “emergency temporary licensing standard” for 90 days, and still receive federal reimbursement.

Child welfare agencies will need to figure out how to balance this opportunity with potential risks. Just like any prospective foster parent, relatives and kin must be sufficiently reviewed and trained to be sure that they are adequate caretakers and that they fully understand their responsibilities with respect to adhering to court orders, visitation schedules, and contact with the prior caretakers. It will cost agencies money and resources to engage in the necessary requirements to modify current policy and guidelines, to provide support to relative and kin caregivers, and to change culture and support caseworkers and supervisors making these “non-traditional placements” without the full effort of licensing. Ultimately, this has the potential to increase the use of relative and kinship care and improve services to children and families.

Enhance The Availability Of Qualified Foster Homes By Providing More Supportive Services. This recommendation addresses the issue of having sufficient quality foster homes who are recruited, trained, licensed, and supported by dedicated support staff. It includes increasing the Title IV-E reimbursement rate from 50% to 75% for dedicated personnel at state and local agencies to provide foster family related activities. This recognizes that the individuals who provide the recruitment and other supportive services for foster families are critical to ensuring the quantity and quality of foster homes for children entering the system. Further, virtually all of the changes outlined above will hinge on a sufficient base of family foster homes (including relatives and kin) that are supported to care for the children in their homes. The system cannot successfully reduce reliance on residential care without an adequate pool of foster family homes.

This recommendation would further be supported by the new Child Placement, Monitoring, and Support Program of Title IV-E federal reimbursement. The goal is to ensure that the individualized casework services provided to foster homes will be reimbursed by federal funding. The idea specifically is designed to ensure that foster families and those licensed as foster families receive quality support, advice, and counseling as they care for children placed in their homes.

3. Workforce Continuity

One of the more significant issues currently facing most state and local agencies is that of their workforce. From high rates of turnover to inexperienced frontline workers, insufficient training opportunities, inadequate supervision, and overwhelming caseloads, many agencies face substantial issues. These not only put the agency at risk, but also the children and families who rely heavily on the professional expertise of caseworker assessment, recommendation, referral, and implementation once the child and family come to the attention of the agency.

Casey’s Working Paper highlights revisions to administrative claiming for Title IV-E that have been in place since the 1980 legislation. The paper recommends two reimbursement programs...
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– Title IV-E Overhead and Title IV-E Child Placement, Monitoring, and Support – that will replace the single category of Title IV-E administration. Each claiming category will be reimbursed at 50% match rate, except for the foster family support activities noted above, which would be reimbursed at 75%. Each of the recommendations below are intended to alleviate administrative burdens and better support caseworker activities in order to enhance workforce continuity.

A New Title IV-E Overhead Reimbursement Program. In order to streamline administrative claiming, Casey recommends splitting the current Title IV-E administrative expenses into two categories: Title IV-E Child placement, Monitoring, and Support and Overhead. The aim is to separate true overhead costs from case work and case work support activities, so that case work activities can be better supported. Currently, the federal guidance for Title IV-E and the Office of Management and Budget (OMB) Circular A-87 requires a claiming methodology that allocates overhead costs across multiple programs, including Title IV-E. The recommendation is that the current process be replaced by a fixed five percent rate applied to the total Title IV-E reimbursement. This process would relieve many practices currently performed at the state level to appropriately allocate overhead costs, but the cap of five percent should be studied. In comparison to allowable overhead costs in other federal funding programs, five percent may be low. There may also be significant challenges in defining the costs that should be claimed as overhead versus the new Child Placement, Monitoring, and Support Program described below.

A New Title IV-E Child Placement, Monitoring and Support Program. This category would include everything else that is currently allowed under Title IV-E administrative claiming and would expand to include additional caseworker activities. Current federal reimbursement policies do not support all caseworker activities nor the training and supervision for those activities. For example, time spent investigating abuse or neglect allegations and counseling children and families is not reimbursable under current policy, yet those activities are critical for adequately assessing family needs, engaging families, and providing an experience that enhances child and family safety, permanency, and well-being. Further, federal requirements do not allow for reimbursement for caseworker time spent with a family whose children are at home unless the children are at imminent risk of removal from the home. Casey recommends that federal reimbursement should support caseworkers for all work-related activities pertaining to a case, as well as all training and supervision related to such activities. In addition to providing additional federal funding, these changes could alleviate existing administrative burdens, allowing caseworkers to spend more time with families and feel more appreciated and supported overall.

Amend the College Cost Reduction and Access Act of 2000. Current law allows educational loan forgiveness for individuals who are employed by public child welfare agencies after 10 years of service. This also applies to private agencies under contract with public agencies. However, after 10 years, many individuals have already paid off their loans. Casey recommends that the loans be forgiven after four years instead, recognizing that four years of service in the child welfare system has value to the agency and the federal government. This has the probability of greatly reducing turnover rates at the state and local levels, therefore ensuring that more experienced and trained caseworkers will remain in the field, working with and advising children and families.

Eliminate Income Eligibility Requirements for Title IV-E. Currently, Title IV-E eligibility is linked to the 1996 Aid to Families with Dependent Children (AFDC) income eligibility standards. Today, the increase in minimum wage, which continues to put a family of four at the poverty level, would most likely make a child ineligible for Title IV-E due to the outdated income standards. Title IV-E eligibility rates have declined as a result. The proposal set forth by Casey recommends that the federal reimbursement remain at the state’s current level. It also allows states to begin this immediately or to delay for up to three years in an effort to allow states to improve the federal reimbursement before being locked into a permanent level. This would reduce the administrative burdens on caseworkers and others who must compile paperwork to document a family’s income at the time of removal, allowing them to spend more time with children and families.

4. Accountability

Increased accountability in the US economy has led to heightened accountability in the child protection and child welfare system as well. This involves the production of an ever-increasing list of required reporting data to the federal government as well as public accountability for work performed and funding provided. Whenever additional accountability is required, agencies must change their data collection and reporting processes and adapt practices as needed.

Funding Accountability. Over the years, the federal government has provided funding for children and families at risk through different means and processes. These include Aid to Families with Dependent Children (AFDC), Emergency Assistance (EA) and its successor, Temporary Assistance for Needy Families (TANF), Social Services Block Grants (SSBG), and Medicaid. These programs have provided support for children and families involved in the child protection system, but they often do not require the state and local agencies to report on how that money is spent or how effectively it is spent. Examples of the types of funding for child welfare agencies and Casey’s recommendations associated with them are below:

• Social Services Block Granting. Casey recommends reconfiguring these grants so that they can be used for services not eligible for Medicaid reimbursement for children to remain safely in their own homes or to promote reunification.

• Temporary Assistance for Needy Families. Casey recommends continuing to authorize agencies to use these funds for children to remain in home, or in the homes of relatives, but to require that agencies document how those funds are used in order to achieve the goals of keeping children safely at home.
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- **Medicaid.** Medicaid remains an essential support for agencies addressing the needs of abused and neglected children. It not only provides many of the services for mental health care or treatment for children and family members, but it also provides services for programs such as Early and Periodic Screening, Diagnostic, and Treatment that are not uniformly provided or implemented because of the variation in state plans. Medicaid agencies, in partnership with the state and local child protection agencies should be required to submit a plan for how the needs of children, birth parents, and foster families will be met and how family-based care can be encouraged.

- **Reinvestment of Federal Penalties.** Rather than penalize states or local agencies when services fail to meet standards, Casey recommends that those funds not be forfeited and instead be used and monitored by the federal authorities to ensure that improvements are made through a Program Improvement Plan.

**Changes to Department of Health and Human Services Reporting.** Casey recommends that DHHS provide a more detailed and specific accounting of state expenditures of Title IV-B Part 1 to promote a better understanding of what is being done to support a high-quality workforce for the agencies. In addition, Casey recommends that DHHS provide more detailed reports on key indicators of family foster homes, caseloads, and caseworker retention.

This recommendation is particularly important because it addresses the issue of documentation of caseworker support and workload. Some states record caseworker turnover on different criteria which may not include caseworkers who move to a different region or area, caseworkers who advance to the supervisor level, or caseworkers who leave the agency for reasons such as going back to school or a spouse has been transferred to another state. The issue of turnover actually has more to do with the fact that relationships are built between caseworkers and children and families; anything that disrupts that continuity creates confusion and conflict often delays permanency or changes the very direction of service delivery.

However, many believe the issue of caseload size is far more important. From the first round of the CFSR, the federal government came to the conclusion that two things matter for safety and permanency of a child and family involved in the system: caseworker visits to children and caseworker visits to families. Both are significantly impacted by high caseloads. While there is no uniformly established national standard, there are recommendations from some organizations. Most prominently, the Child Welfare League of America recommends caseloads of 12 families for investigations or assessments, 17 children for ongoing cases, and 14 cases for a mixed caseload. When workload within each category increases, caseloads get too high, which diminishes caseworkers’ capacity to fulfill the responsibilities of policy and practice. Reporting these numbers would become a critical part of system improvement and accountability.

Finally, Casey recommends that DHHS require disproportionality reporting. While there has been much documented progress on the issue of disproportionality, the reports provided generally do not provide sufficient information to demonstrate disproportionality across the continuum of child welfare services which include investigation, substantiation, removal from home, placement into group care, reunification, adoption, and aging out. The recommendation is that states be required to report on any plan to address the issues of disproportionality and the progress made in eliminating these disparities.

**CONCLUSION**

Major child welfare financing reform is expected in the future. Hopefully, Title IV-E waivers will provide lessons that can inform the system as a whole. Any reforms, including those highlighted here, will require changes both to case practice and administrative processes, which will ripple through the system from state and local agencies to private providers and ultimately to children and families.

Child welfare agencies have already demonstrated their capacity for change. Foster care placements have declined sharply in recent years, and many agencies have accepted the challenge of developing and implementing demonstration projects that allow them to waive certain Title IV-E reimbursement federal requirements in exchange for implementing innovative programs that improve outcomes for children and families. Child welfare agencies must stay apprised of financing reform developments, share and discuss the implications of reform, and continue to prepare for more change.