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ABSTRACT

The number of children in foster care has nearly doubled in recent years. Despite reform efforts, the U.S. child welfare system is not increasing the number of children who get adopted. The federal government spends over \$12 billion annually on child welfare programs, but the growing government bureaucracy has allowed the problems to worsen. The child welfare system receives government funding without concise performance and outcome standards. Without accountability, there is no incentive for states to ensure speedy adoption. Several states, including Kansas, made accountability a central focus of their restructuring plans. Accountability can be achieved through the establishment of financial incentives and standards for performance and outcomes. State human resources departments and/or community-based agencies must develop a permanency plan for children in foster care, allowing states to emphasize accountability among local providers. Recommendations for alleviating many nationwide problems with child welfare services include establishing accountability through financial incentives; removing onerous state and federal regulations; and allowing full privatization. The child welfare system requires fundamental state-level structural reforms, specifically in foster care and adoption services. Community action by nongovernmental agencies, in swiftly placing foster children into adoptive homes, may benefit children more than expanding government programs. (Contains 93 endnotes.) (SM)

Child Welfare Privatization

Reform Efforts in the States

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March, 2001

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Executive Summary

Despite reform efforts, the child welfare system is failing to increase the number of children adopted in the United States. The number of children in foster care has almost doubled since the mid-1980s, with many languishing in the system for years. This, in addition to the abuse and neglect of many children, is further testimony to the failure of child welfare services.

The federal government is already spending more than \$12 billion per year in taxpayer money on government child welfare programs. But instead of solving the crisis, the growing government child welfare bureaucracy has allowed the problems to worsen.

Currently, the child welfare system is receiving government funding without concise performance and outcome standards. Without accountability, there is no incentive for the state to ensure speedy adoption for children in the foster-care system. Several states, including Kansas, made accountability a central focus of their restructuring plans.

Accountability can be achieved in a variety of ways, including the establishment of financial incentives and standards for performance and outcomes. Currently, state human resources departments and/or community-based agencies must develop a permanency plan for children in foster care, giving states the opportunity to emphasize the accountability of local providers.

The following recommendations would alleviate many nationwide problems with failing child welfare services:

- Establishing accountability through financial incentives;
- Removing onerous state and federal regulations;
- Allowing states to contract with private agencies; and
- Allowing full privatization.

The child welfare system requires fundamental structural reforms at the state-level, specifically in foster care and adoption services. Community action by non-governmental agencies, in swiftly placing foster children into adoptive homes, would benefit children more than expanding government programs.

Introduction

Since the mid-1980s, the number of children in the United States in foster care has almost doubled, from 270,000 to 520,000, yet the number of children adopted per year has remained steady at approximately 20,000.¹ In its effort to address this problem, the federal government is already spending more than \$12 billion per year in taxpayer money on public agencies addressing child welfare.

Instead of solving the crisis, however, the government's efforts are proving short-sighted and counterproductive, leaving fundamental systemic problems unaddressed, and leading to negative social consequences.

Studies show that foster children who are not permanently placed in an adoptive home are far more likely to end up on welfare rolls or in prison than are adopted children.² Successful reform efforts in the child welfare system are essential to a civil society.

Recent federal actions achieved some needed reforms, but still fall short in several key areas. The objective of child welfare services has evolved from protecting abused and neglected children to addressing and improving the needs of children through supporting family development and providing for out-of-home care.³

The goal of The Adoption Promotion Act of 1997 was to improve the nation's child welfare services and to promote adoption or permanent placement for children in foster care. Permanent placement includes placing foster children in adoptive homes or reuniting the children with their biological families. This law provides an incentive of \$4,000 per adoption to states that increase their adoption rate and requires state accountability for swift reform of the failing child welfare system.

States are also given the opportunity to create and implement their own efficient and cost-effective child welfare systems. Despite directives from the federal government, many states are successfully achieving significant reforms through privatization.

In 1992, Michigan began contracting directly with private service providers, and the number of children adopted per year doubled between 1991 and 1997, from 1,320 to 2,647.⁴ Kansas reformed its child welfare services in 1996, and adoptions rose 26 percent in the first full year under the newly privatized system. Florida, Ohio, and Arizona have instituted similar innovative reforms to reduce the time that children spend in foster care. The child welfare system requires fundamental restructuring, specifically in foster care and adoption services. These reforms are necessary if we are to correct the problems inherent in a public service delivery system.⁵

Currently, the child welfare system is receiving government funding without concise performance and outcome standards. Without accountability, there is no incentive for the state to ensure speedy adoption for children in the foster-care system. Several states, including Kansas, made accountability a central focus of their restructuring plans.

Accountability can be achieved in a variety of ways, including the establishment of financial incentives and standards for performance and outcomes. Currently, state human resources departments and/or community-based agencies must develop a permanency plan for children in foster care, giving states the opportunity to emphasize accountability of local providers for their progress in each state's permanency plan. The following recommended solutions would alleviate many nationwide problems with failing child welfare services:

- Establishing accountability through financial incentives;
- Removing onerous state and federal regulations;
- Allowing states to contract with private agencies; and
- Allowing full privatization.

Community involvement, and assistance by non-governmental agencies, in swiftly placing foster children into adoptive homes would benefit the children, both emotionally and financially, more than government involvement. Public sector involvement, though proclaimed to be for the benefit of children may, in practice, perpetuate abuse.

Government Abuse and Neglect of Our Children

While proudly claiming, "children are our future," children often fail to receive the treatment that promise merits. Eighty-five percent of fatalities among children aged five years and younger are a result of abuse or neglect.⁶ Each day, five children die from abuse.⁷ State and federal governments are attempting to provide support programs that ensure the safety and stability of our children, but these programs are promising more than they deliver.

With the shifting objectives from protecting abused and neglected children to addressing and improving the needs of children through supporting family development and providing for out-of-home care⁸, the U.S. foster-care population rose almost 50 percent from FY 1986 to FY 1990.⁹ By 1994, the number of federal programs addressing child welfare burgeoned to 40, with four Cabinet agencies administering the programs and five House committees supervising the programs.¹⁰ Numerous state and local governments and non-governmental agencies also expanded their role in the child welfare system.

The federal government is spending \$12 billion per year on ineffective government programs. In 1995, the U.S. Advisory Board on Child Abuse and Neglect estimated that almost 2,000 infants and young children had died that year from abuse and neglect (see Table 1).¹¹ By any standard, this is unacceptable. It is also avoidable, but not with our current approach.

Table 1: Number of Children Not Removed from Life-Threatening Family Situations

| Year: 1995 ¹ | U.S. Total ² | California ³ | Kansas | Michigan | North Dakota |
|---|--|-------------------------|--------|--------------|--------------|
| No. of children with substantiated reports of abuse/neglect. | 2,946,896 | 458,262 | 30,552 | 139,289 | 7,673 |
| No. of children removed from their homes who were reported as abused and neglected. | 130,685 or 4% | 25,242 or 5% | NA | 6,275 or 4 % | 238 or 3% |
| Percent of children remaining in life-threatening situations. | 96% | 95% | NA | 96% | 97% |
| Ages of children who died of abuse and neglect. | 85% of children 5 and under | NA | NA | NA | NA |
| Relationship of children. | 68% parents (both custodial and non-custodial) | NA | NA | NA | NA |

- 1 The year 1995 was analyzed because comprehensive specific state data were available. More recent figures of 1996 were not available from all states acquired by the same methodology. The Institute for Children conducted an extensive two-year state study and compiled substantial data from the 50 states. The data were analyzed in "The State of the Children: An Examination of Government-Run Foster Care," the National Center for Policy Analysis, August 1997. The lack of comprehensive data is not unique. Most states have difficulty collecting data as the states do not have the costly systems in place, which are required by the federal government.
- 2 Data derived from the *Child Welfare League of America's 1997 State Book* with verification of figures from the *1998 Green Book*.
- 3 California, Kansas, Michigan, and North Dakota were selected because each state has a different child welfare system structure.

Negligence is occurring on the part of the state's child-protective services. Abused and neglected children are typically returned to the same volatile situations from which they were originally removed.

In 1995, only five percent (458,262 reported and 25,242 removed) of children in California who were reported with substantiated evidence as abused and/or neglected, were removed from their abusive situation. Both Michigan and North Dakota removed fewer children from abusive family situations than California, at four and three percent respectively. The national total reflects a disturbing picture: 96 percent of children who were reported abused or neglected were eventually returned to their unhealthy family situations.

Nationwide, the definitions of abuse and neglect vary from state to state. Each state establishes the definition of maltreatment of children.¹² The definitions vary, however, most states have similar broad definitions of abuse and neglect.

According to Dr. Susan Orr in her recent publication entitled *Child Protection at the Crossroads: Child Abuse, Child Protection, and Recommendations for Reform*, physical, emotional or mental, and sexual abuse are considered maltreatment when the parent or custodial guardian intentionally harms the child.¹³ Not providing adequate food, clothing, shelter, or medical care constitutes "neglect."¹⁴

In April 1999, the U.S. Department of Health and Human Services (HHS) reported a decline in the 1997 national child abuse and neglect statistics. Fewer than one million children were reported maltreated. Quoting from the HHS report, "Blending Perspectives and Building Common Ground,"¹⁵ the HHS Secretary stated substance abuse is a substantial factor in one-third of all child abuse and neglect cases, and up to two-thirds of foster-care cases.¹⁶

Subsequently, the report was distributed nationwide, advocating the need for increased concentration on substance abuse treatment services. In the meantime, slightly fewer than one million children continue to live in danger with a potential of being terminally harmed. Yet, over the past several decades, the child protection approach has been to eventually remove maltreated children and place them in temporary shelters or out-of-home placement.

Due to the lengthy process of the child-protective agencies attempting to reform the abusive families, the children remain in the temporary shelters for a long period of time. In 1995, children who were legally free for adoption waited 24.6 months for a permanent home (see Table 2). Some children "temporarily" remain in foster care for two to five years, usually placed in multiple homes during that time.

Table 2: Number of Children in Out-of-Home Care

| Year: 1995 ¹ | U.S. Total | California | Kansas ² | Michigan | North Dakota |
|---|---|--|--|--|--------------|
| No. of children in out-of-home care. | 483,629 | 74,364 | 6,345 | 14,987 | 1,102 |
| No. of children in care with the goal of adoption on last day of 1995. | 74,954 | 7,479 | 897 | 2,821 | NA |
| No. of children legally adopted. | 27,115 or 36% of children who were legally free to be adopted were adopted. | 3,093 or 41% of children who were legally free to be adopted were adopted. | 189 or 21% of children who were legally free to be adopted were adopted. | 1,971 or 70% of children who were legally free to be adopted were adopted. | NA |
| Duration of time children legally free to be adopted were placed in adoptive homes. | 24.6 months (average of 31 states reported) | 27 months | 14.5 months | 12 months | 15.6 months |

1 The year 1995 was analyzed because comprehensive specific state data were available (as in Table 1).

2 The 1995 Kansas data were collected prior to the significant reforms in Kansas.

A Long-Term Temporary Solution

Most children in foster care have been removed from abusive and neglectful family situations. However, too often this temporary solution becomes a long-term response within the child welfare system. Out-of-home placement, or foster care, services were created for temporary shelter of abused and neglected children. Placement in foster care, as explained by Conna Craig and Derek Herbert of the Boston-based Institute for Children, is necessary “when the situation in the biological parents’ home becomes unsafe for the child’s continued residence.”¹⁷

Child abuse and neglect cases reported in the 50 states have increased fourfold since 1976, from 669,000 (10 per 1,000) reported incidents, to 3,126,000 in 1996 (47 per 1,000).¹⁸ In 1995, only four percent of children who were reported abused and neglected were removed from the abusive situation and placed in out-of-home care.¹⁹ In 1997, out of 450,000 reported cases of abused and neglected children who were removed from their homes, only 100,000 or 22 percent did not return to the abusive situation.²⁰

Once children are removed from their abusive environment they are placed in temporary placement services. The court and social workers review the child’s case, and then the child is either returned to his or her biological family with intensive family therapy sessions or placed in foster care.

Child welfare advocates maintain that removing children from their family “is one of the most difficult decisions a child welfare worker has to make.”²¹ Reuniting abused and neglected children with their biological family was the highest priority for child welfare workers. This practice, called family reunification, operates under the assumption that most, if not all, families can be “cured” through state caseworker visitations.²² Typically, these short and intensive visits last between six and 30 weeks.²³

Foster care has become a long-term temporary solution. A service meant to protect children from abusive situations has evolved into a system of convoluted regulations, insensitive bureaucrats, and overwrought caseworkers with no incentives to ensure that the children are placed in adoptive or permanent homes.

Inadequate Protection for Children

The *New York Times* and the *Washington Post* have reported several horror stories of children being returned to abusive homes.²⁴ The stories illustrate the reality that family reunification is not always in the best interest of the children.

The 1995 report of two girls who were repeatedly raped by their parents when they were returned home after spending time in foster care served as an impetus to reform

New York City's child welfare services. Responding to this crisis, Mayor Rudolph Giuliani created the Administration for Children's Services to improve New York City's child welfare system. Yet the reform efforts are producing slow results at best, and the problems the system faced three years ago still remain.²⁵

In Washington, D.C., a pediatric nurse cared for two, 12-week premature, motherless girls who had multiple medical problems. After nursing them to health, the nurse brought the babies home. Then, after a lengthy and arduous process of qualifying as an adoptive parent, she lost the two girls when the biological mother claimed custody three and a half years later. The girls' mother never made an appearance, except by motion in court documents. In this case, the children were returned to their biological mother at the expense of separation from their psychological mother.

The children, who were in a stable, safe, and compassionate home environment, were removed solely because of the concept of family preservation through reunification.²⁶ In both cases, the system failed the children, and the children were the ones who suffered. While family preservation was long thought to be the solution by child welfare services, returning abused and neglected children to an abusive environment is dangerous and unacceptable because such children are likely to become victims again. Short visits by caseworkers will not change learned, abusive behavioral patterns in parents.²⁷

According to Dr. Carol Satuto Bevan, Ed.D., an expert in child welfare reform, the child welfare system must focus on the psychological needs of children, not on their biological lineage. She explains in her recent book, *Too Much, Too Little, Too Early, Too Late*, that the "psychological connections or attachments that children establish form the basis for who they become, what they stand for, and how they will ultimately live."²⁸ The focus should be on "child preservation." The bond between the child and the psychological parents—biological, foster, or adoptive—must be realized, respected, and preserved by the services claiming to support the welfare of children.²⁹

Foster Children Suffer

The results of a recent study of children who graduated from the foster care system, conducted by Westat, Inc., a Rockville, Maryland research corporation, illustrate the extremely harmful and lasting effects of long-term foster care. The study concluded "46 percent had not completed high school, 38 percent had not held a job for more than one year, 25 percent had been homeless for at least one night and 60 percent of young women had given birth to a child. Forty percent had been on public assistance, incarcerated or a cost to the community in some other way."³⁰

Kids' Stories

KidSanctuary, Inc.

As Florida supports the shifting of child-welfare programs to private hands, KidSanctuary is a prototype for a private non-institutional setting. Ray Liberti, the deputy district administrator for the state's Department of Children and Families (DCF), says it "dovetails right in with DCF's philosophy of community-based care."

Ben, a victim of fetal alcohol syndrome, with a two-word vocabulary at age five, was the inspiration for KidSanctuary, launched by Dawn Amora, a foster mom who takes in kids with severe medical problems, and her husband Rick. Based in Loxahatchee, the nonprofit organization for children with mental and social development, consists of a chalet in the woods with dogs and a fishpond.

KidSanctuary takes a practical, hands-on approach toward reuniting children with their biological families or placing them into adoptive homes. Parents or potential adopters must spend one day and night a week, visiting and learning to care for the children. A nurse, physical therapist, and speech therapist are part-time volunteers, and KidSanctuary is currently opening more small group homes in Florida.

Source: Douglas Kalajian, "A Place for Kids like Ben and Charlie," The Palm Beach Post, July 26, 2000.

Joseph

Illinois's Department of Children and Family Services (DCFS) bureaucracy failed Joseph Wallace. The DCFS incompetently trusted Joseph's mentally ill mother to care for him despite repeated signs that she posed a real threat to his safety. Joseph had been in foster care but was returned to his mother in spite of continuing allegations of abuse. DCFS workers failed to notice Joseph's injuries during a visit. In 1993, the mother hanged 3-year-old Joseph.

Source: Mary A. Mitchell, "DCFS again ends up on wrong side of issue," Chicago Sun-Times, March 14, 1999.

Clifford

DCFS failed to equate the 18-pound malnourished body of the five-year-old Clifford Triplett with abuse and neglect. His mother told authorities he had consumed his own feces and urine. He had been burned, beaten, scarred, and

isolated. His aunt had repeatedly contacted DCFS reporting mistreatment. Agency investigators visited Clifford numerous times and reported whip marks. Clifford's siblings were abused, as well. Despite all this, DCFS caseworkers left Clifford in his mother's care.

Sources: Sarah Nordgren, "Welfare Agency Under Scrutiny After Starved Child Hospitalized," Associated Press, November 26, 1993, and Rob Karwath and Terry Wilson, "DCFS Tries To Learn Why System Failed 5-Year-Old," Chicago Tribune, November 27, 1993.

Hell on Earth in Chicago

In 1994, police discovered 19 young children competing with a dog for a bone in a two-bedroom apartment in Chicago. A crippled boy with cerebral palsy had been burned, battered, and bruised. Bowls of rotting spaghetti sat by a flour sack crawling with bugs in the cold, roach and rat dropping infested apartment. There were no lights, the windows were broken, and neither the refrigerator nor the oven worked. The mothers were collecting \$4,692 a month in welfare and food stamps.

A grandmother of some of the children had contacted DCFS several times about the conditions in the apartment. The agency also had been in contact with the families due to two reports of neglect and a baby testing positive for drugs at birth. Three years later, the mothers had nine more children combined.

Sources: Phillip J. O'Connor and Ray Long, "Police Rescue 19 Kids in Filthy Apartment," Chicago Tribune, February 2, 1994, and Colin McMahon and Susan Kuczka, "Roaches, Rotten Food, Filth...and 19 Kids," Chicago Tribune, February 3, 1994.

Children Not Removed from Life-Threatening Family Situations

Washington state Department of Family and Children Services (DFCS) caseworkers unjustifiably reunited Zy-Nyia Nobles with her drug-abusing mother, Aretha Sconiers. Four months later, Sconiers brutally beat three-year-old Zy-Nia to death.

The hospital reported Sconiers to Child Protective Services when Zy-Nia tested positive for drugs at birth. Sconiers then tried to flee the hospital with Zy-Nia, assaulting a security guard. Zy-Nia and her half-brother were placed in foster care in 1997 when their mother was sentenced to prison for a drug conviction. Their mother had a record of drug abuse and violence.

The caseworker, Michelle Garner, who is still on the job, delayed legal actions to terminate Sconiers's parental rights, twice. Three months before the state reunited Sconiers with her children, Sconiers failed a drug test and had no apartment. Garner pushed to have Zy-Nia reunited with Sconiers even when a drug counselor expressed concern that Sconiers had missed two drug tests.

Prior to Zy-Nia's death, the agency failed to investigate a scalding of the child. A month before Zy-Nia died, Sconiers quit her job and canceled appointments with the caseworker. A 924-page file describes bruises covering Zy-Nia's body and skin torn away from her back. The autopsy shows that Zy-Nia died of blows to her abdomen that lacerated her liver, pancreas, and main artery.

Sources: Stacey Burns, "'We are responsible': New DSHS boss says state failed to protect Zy-Nia Nobles," The News Tribune, July 13, 2000, and Ruth Teichroeb, "State Sent Tot to Mom Who Failed Drug Test," Seattle Post-Intelligencer, July 12, 2000, and Rebecca Cook, "Mother Failed Drug Test Months before Reunited with Children," Associated Press, July 13, 2000.

Halie

Two-year-old Halie would not eat her dinner one night. Her mother and her mother's boyfriend decided to tie her, face forward, to an electric heater and leave her for hours. Halie's face, chest, and arm were completely disfigured. Then her mother threw her into a cold shower, dressed her, and took her to a hospital. Halie's mother claimed that Halie spilled hot water on herself. Halie entered foster care after weeks of hospitalization. The Department of Social Services coached her biological mother to maintain her legal rights to the child for 10 years. Halie's mother married her boyfriend and had a child to prove she was a capable parent. A judge offered custody of Halie but Halie's mother refused. Halie turned 18 in foster care.

Source: Conna Craig, "What I Need Is A Mom: The Welfare State Denies Homes to Thousands of Foster Children," Policy Review Number 73, Summer 1995.

Catrina

Catrina was removed from her biological mother 10 times by the time she was two years old. On the tenth return Katrina was burned on her head 48 times with the butt of her mother's cigarettes. After her mother admitted to burning Katrina, the judge sent Katrina back home again. A few months later Katrina was back in foster care. At 10 years old, Katrina lamented, "I understand the first nine times (I was returned,) the judge was trying to give my mom a fair chance." However, Katrina could not understand the tenth time. Now what 12-year-old Katrina wants more than anything is to be adopted. "Everywhere I go, somebody gets money to keep me from having a mom and dad," cries Katrina.

Source: Conna Craig, "The State of Child Welfare Today," in Rethinking Orphanages for the 21st Century, ed. Richard B. McKenzie (Sage Publications, Inc., 1999), <http://www.forchildren.org>.

The Shortage of Adoptable Children: A Misperception

According to a *New York Times* article, infertile couples that want to adopt babies are turning to baby markets. The article cited the lack of available children to adopt through government services.³¹ Yet, the Institute for Children found that 53,462 foster children nationwide were legally free to be adopted in 1997.³² However, due to onerous laws and regulations, which differ from state to state, many children remain in foster care.

Only 36 percent of children who were legally free to be adopted in 1995 were placed in permanent adoptive homes (see Table 2). In California, 4,386 children were available to be adopted. The bureaucratic state welfare system is actively discouraging parents who want to adopt, and those desperate to adopt are turning to private agencies for help.³³ These prospective parents are even willing to pay up to \$100,000 for a newborn, or on average \$15,000–\$20,000 through baby markets.³⁴

Ironically, the federal and state government programs, which are meant to protect our children, are actually acting as abusers and neglecters of children. Financial incentives, inherent in the state and federal government structure, are encouraging the retention of children in foster care until they reach adulthood. On the other hand, there are no incentives to place children expeditiously in adoptive homes. States are actually profiting from keeping children in the system because they continue to receive federal funds.

History of Legislative and Regulatory Barriers

In the late 1800s and early 1900s, private placement agencies began making board payments to non-biologically related families or foster families.³⁵ The concept of the foster-care system developed during the 20th century from “boarding out”³⁶ to the system in its current form. Support for the foster-care system was encouraged by early studies confirming its worth.

More than 90 years ago, a report of California’s State Board of Charities and Corrections, cited by Dr. Tim Hacsí of Chapin Hill Center for Children, University of Chicago, stated that “(t)he best place for a child is a good home.”³⁷ This concept of placing a child in a “good home” lasted until the 1960s. With the steady growth of the foster-care system, its focus remained on placing the child in a family, rather than in an institution or asylum for orphans.

Foster-care populations dramatically increased beginning in 1960, when federal funding became available for biological families who were eligible for Aid to Dependent Children (ADC)³⁸ payments for children in foster care. In 1961, the first year of AFDC (Aid to Families with Dependent Children) payments, additional amendments to the

Social Security Act made federal money available for foster care and federal-state matching funds for placing children in foster care.³⁹ By 1977, more than 100,000 children were in foster care.⁴⁰

This growth was due to a combination of factors, including expanding federal and state government roles in social welfare, available federal funds, and a belief that a child needs to be in a caring home, not an institution. The next step in federal legislation for child welfare created negative repercussions that are still affecting children today. As in other policy areas, the active participation of government brought increased government regulation.

The Adoption Assistance and Child Welfare Act of 1980 amended the Social Security Act to create Title IV-E, the federal matching grant program. Perhaps as a result of increasing numbers of children in foster care, this new program encouraged less reliance on foster care placement and greater use of services aimed at encouraging family rehabilitation. Additionally, the program provided a federal matching payment⁴¹ to parents who adopted “special needs”⁴² children.

Significance of New Federal Legislation

Additional legislation for child welfare reform was enacted in the 103rd Congress, in amendments to the Omnibus Budget Reconciliation Act of 1993. Within this law, a new, capped entitlement program was created to broaden services to families, such as “family preservation” and “family support services.” Moreover, several laws enacted during the past several years increased federal spending for these programs and increased state and federal government oversight.⁴³

Emerging over the past few decades, government involvement in the child welfare system culminated in the installation of a system that is chaotic, bureaucratic, insensitive, costly, and ineffective. The effects include the following:

- Child welfare advocates are focused on preserving the family and reunifying children with abusive families;
- Between 1989 and 1991, 39 percent of the children who were killed as a result of neglect or abuse were children known to child welfare agencies⁴⁴;
- The best safety interests of the children through adoption are not met;
- The foster-care system provides financial incentives to keep children in foster care⁴⁵;
- There is no accountability for child welfare services to place children in adoptive homes;

- Children remain in foster care too long and are moved between multiple foster homes; and
- Termination of parental rights has burdensome administrative costs due to the requirement of proof that the state made “reasonable efforts”⁴⁶ to reunify the child with his/her biological family.

Recent Federal Reform Attempts

President Clinton aptly identified the problem of child welfare services when he stated, “(t)he government does not raise children, parents do.”⁴⁷ In 1997, child welfare was at a crisis point, and President Clinton expressed concerns over the children who remained in foster care. With the intention of resolving this crisis, the Department of Health and Human Services (DHHS) developed Adoption 2002,⁴⁸ to double the number of foster children adopted annually by 2002.

During the National Adoption Month of September 1999, the DHHS announced that \$20 million would be awarded to the 35 states that have increased the number of children adopted from foster care.⁴⁹ Under the Adoption 2002 initiative, the DHHS awarded each state up to \$4,000 for each child adopted and \$6,000 for each special needs child that exceeded the number of children adopted the previous year.⁵⁰

This federal initiative produced results: an increase in adoptions from 28,000 in 1996 to 36,000 in 1998.⁵¹ Also, each state must obtain approval by the DHHS for testing innovative ways to strengthen the child welfare system.⁵² However, only 10 states per year from 1998 to 2002 can be approved each year. Thus far, 23 states and the District of Columbia have been approved.⁵³

Adoption 2002 is neither addressing the fundamental structural flaws in the adoption and foster care systems, nor is it establishing a significant goal of adoptions to be achieved. Another popular initiative to increase the number eligible to be adopted is state and federal tax credits for each child adopted. This initiative, although it provides a financial incentive, is still not addressing the underlying problems with the child welfare system.

In 1997, Congress responded to the child welfare crisis with The Adoption Promotion Act of 1997. The objective of the Congressional initiative was twofold: “to ensure consideration of children’s safety is paramount in child welfare decisions, so that children are not returned to unsafe homes,” and “to ensure that necessary legal procedures occur expeditiously, so that children may be placed for adoption or another permanent arrangement quickly and do not linger in foster care.”⁵⁴

Although The Adoption Promotion Act of 1997 established that the child's health and safety were paramount in any effort to reunify or preserve the child's biological family, this law is failing to create specific requirements necessary to "guarantee" the well-being of the child. It does not set a specific time line for placing foster children in adoptive homes, nor does it establish a permanent placement definition.⁵⁵

The Institute for Children recommends that states adopt reforms to rectify these federal failures.⁵⁶ Regardless of federal activities, states are taking the lead in ensuring the safety and stability of children in foster care by guaranteeing that children have a healthy living environment.

A Look at State Reforms

During the 1999 states' legislative sessions, 25 bills were enacted out of the 57 bills introduced to reform child welfare systems.⁵⁷ States are continuing their reform efforts in enacted bills with a broad range of focus including: establishing a committee to develop adoption and foster parents' bill of rights (AZ SB1114); creating a registry of adoption-eligible children (CT HB7035); establishing procedures for reviewing terminating parental rights of a minor who has been placed in foster care (CA AB575); and permitting the Department of Social Services to fund state advertisements to recruit foster or adoptive parents (LA HB1188).

In addition to the numerous state bills introduced and enacted, individual states are developing innovative approaches to promoting and increasing the number of adoptions. Several states have online recruiting through web sites and the media, and other states are holding mass adoption ceremonies. Michigan just announced the first national adoption network for special needs children, the Interstate Adoption Program of Family Builders' Adoption Network (FBAN).⁵⁸ Pennsylvania Governor Tom Ridge lauded his state's ranking as sixth in the nation for increasing adoptions of foster-care children. Pennsylvania established the Department of Public Welfare's Statewide Adoption (SWAN) Helpline that is connecting children in temporary placement with adoptive families.⁵⁹

Mass adoption ceremonies are successful and are becoming popular particularly in California. Los Angeles County held a mass adoption ceremony for 400 children⁶⁰ last year, as did Sacramento County the year prior. According to Bill Fursor, executive director of Lilliput Children's Services, a Sacramento adoption agency, recent changes in the court proceedings are reducing the backlog of foster children waiting for permanent adoptive homes.⁶¹ Other states promoting mass adoption ceremonies or sponsoring an event to recruit prospective parents include Colorado, Maine, North Carolina, and Texas.

Some states are taking the lead in various reform efforts, while others are failing in their reform efforts.

Kansas: A Managed-Care Approach

In 1996, Kansas reformed its child welfare system, Social and Rehabilitation Services (SRS), a full year ahead of the federal government's reform legislation. This managed-care approach, which is lauded as a model for all states, increased adoptions within the first four months, from 30 to 50 per month.⁶²

Prior to the 1996 reforms, SRS was a convoluted "crisis-oriented service delivery system"⁶³ of bureaucrats and onerous regulations, without accountability for costs or performance. Adoption services and foster-care services were disregarded. During a period of eight years, less than half of the legally free children were placed in homes within a year. Many children in foster care were shuttled between seven or eight homes.⁶⁴

Disarray in the system prompted a 1990 class-action lawsuit on behalf of neglected children by the American Civil Liberties Union (ACLU). There was a decree by the judge to review the SRS every year. After SRS failed to place children in adoptive homes for five years, the state ambitiously chose to restructure.⁶⁵

This restructuring proved to be the impetus for immediate and significant reform. In 1997, Kansas privatized the three components of the new child welfare services: family preservation, foster care, and adoption.

The Kansas experiment was based on the managed-care approach in health care: cost containment while ensuring quality care. Kansas contracts to a few private agencies that subcontract to additional agencies. This structure was deemed a success because it built on the strengths of private agencies, established accountability through contract renewal, and created a "capitated rate" or flat fee.⁶⁶ This capitated rate remains the same for each child in foster care, however, if a child remains in foster care for more than eight months, the agency actually loses money.

By introducing the private sector into the child welfare service equation, Kansas increased both its efficiency and adoption rate, while holding down costs. This system exhibits a unique approach to public-private partnerships. Like other managed-care initiatives, it is based on the use of private agencies, financial incentives, a streamlined system, and the establishment of stringent performance and outcome standards.⁶⁷

California

Despite numerous attempts at reform, California's most recent and serious efforts, in 1982, failed as well. The objective of the 1982 legislative initiative was to ensure a permanent home for the abused or neglected child.⁶⁸ This "permanency plan" was to either reunify the child with his/her family, or to place the child in an adoptive home. The maximum duration of children placed in out-of-home services was set at two years. Despite these reform efforts, children continue to suffer in California.

Between 1991 and 1996, approximately 30 percent of children in foster care experienced three or more placements.⁶⁹ The number of adoptions peaked during 1991 and 1992, at about 4,200 children.⁷⁰ According to the DHHS, California has had an increase from 3,287 to 3,958 adoptions over the past three years.⁷¹ However, the number of adopted children remains fewer than in 1991–1992.

In the California Legislative Analyst's Office (LAO) assessments of the county agencies, the office noted increases in the percentage of children returning to child welfare services, the number of children relying on foster care, and the number of foster children experiencing multiple placements.⁷² Also, the assessment concluded that both family reunification and family preservation efforts have failed.

California's child welfare system stands in dire need of reform. Although most states have state-wide child welfare services, California operates on a county-based system. Once California's Department of Social Services collects federal and state funds, the funds are allocated to the county-based agencies.⁷³ While the federal government, by law, must dictate to the agencies where the funds must be distributed, the state has no authority over the county-based agencies as to the actual outcomes of their program.

The California system is a labyrinth of public and private adoption agencies and the California Department of Social Services (CDSS). These three different entities share the administration of child welfare services, and there are differences between placements by public (counties and district offices) and private adoption agencies and between relative and non-relative adoptions.⁷⁴

Of California's 58 counties, 28 are licensed to provide adoption services. In three counties, a neighboring licensed county provides adoption services. Five CDSS offices provide services for the remaining 27 counties.

Public agencies, which process 85 percent of adoptions statewide, handle children who require adoptive placement, as well as special needs children in foster care. Private agencies, on the other hand, work with healthy newborns voluntarily relinquished by their parents. Due to this complex network of public and private agencies and CDSS offices, billions of dollars meant to protect the children are being wasted.

Between 1988 and 1996, the costs of foster-care services have increased by 84 percent.⁷⁵ In 1995–1996, California spent an estimated \$1.7 billion to fund the child-welfare services program. This cost estimate does not include adoption programs, juvenile courts, and prevention.⁷⁶

As the recent successful mass adoption ceremonies have made newspaper headlines, Governor Gray Davis rescinded a regulation implemented by Governor Pete Wilson in 1995. California's Department of Social Services informed all of the state's adoption agencies and county welfare directors that California would no longer deny homosexual couples from adopting.⁷⁷ Despite the controversy over whether homosexual couples are fit parents, California takes the lead in granting these rights.

Similarly, New Hampshire Governor Jeanne Shaheen signed a law removing the prohibition on adoption and foster parenting by homosexual persons on May 3, 1999. The New Hampshire House quickly responded with the introduction of a new bill that would prohibit adoption and foster parenting by homosexual persons on September 22, 1999.

Despite the recent circumstances, California would benefit greatly by implementing the lessons learned from Kansas, which successfully incorporated the private sector in welfare services for children. Even with an 80 percent increase in funding to such services,⁷⁸ California has squandered money on programs that don't work. Less than 10 percent of foster children are adopted.⁷⁹ Forty percent of children endure foster care for three or more years, and average two or more different placements in foster homes.⁸⁰

Although Kansas has made the most progress in privatizing its child welfare services, other states are experiencing success in their own innovative reforms, specifically Michigan, Florida, North Dakota, and Arizona. The Reason Public Policy Institute recently named both Kansas and Michigan as states that had effectively implemented child welfare reform by privatizing areas of the social service delivery system. Michigan reformed its child welfare system in 1992 by contracting to 55 providers, accounting for 60 percent of adoption and foster care services.⁸¹

Florida

Since 1990, Florida has decentralized and completely restructured its Department of Children and Families. Four new departments were created and the district structure was revised. This restructuring, in combination with newly-created local volunteer oversight boards, is enabling participation to increase on the local level and ensures involvement of communities, not government, in human services.

Subsequent to Florida's Children's Summit of 1995, which brought together business and community leaders to address the quality of life for foster care children, former

Governor Lawton Chiles launched the Governor's Partnership for Adoption. This public-private partnership encouraged adoption by launching a public awareness campaign.

It utilized the media by highlighting Florida celebrities who have foster children, and appealed to employers to be supportive of employees' efforts to adopt. As a result, there has been a 61-percent increase in the number of foster children moving into permanent, adoptive homes.⁸²

In 1996, Florida mandated a pilot project for privatization of child welfare services in four districts. An interim evaluation committee was created to determine the effectiveness of involving local service providers, with the objective to ascertain whether the private sector can deliver child welfare services more efficiently and effectively than government.⁸³ It is too early to report on the findings.

North Dakota

A unique and innovative feature of the North Dakota child welfare system is a collaboration of the state's Child and Family Services (CFS) agency and three private providers, called Adults Adopting Special Kids (AASK). All foster children waiting for adoption whose parental rights have been terminated are referred to AASK. AASK recruits and trains adoptive parents, provides information on special needs children, makes adoptive placements, provides supervision and consultation, and provides parental group support.⁸⁴

Arizona

In 1997, former State Senator Tom Patterson introduced innovative legislation restructuring Arizona's child welfare funding system. Similar to the managed-care approach, this initiative established financial incentives to ensure that children are placed in permanent adoptive homes. This "Families First" approach revised Arizona's service delivery system, wrought with systemic problems, by streamlining the process and establishing clear performance measures to guarantee the desired outcome.⁸⁵

Senator Patterson's reform effort succeeded in part, mainly in the area of accountability. Accountability was established for the private contractor by combining the purchase of multiple services into one contract. This contractor can subcontract certain services, however, the initial contractor is held responsible.⁸⁶

The financial incentive for the child protection system to efficiently place children in adoptive homes is a one-time, flat-fee rate per child. Also, the foster-care payment struc-

ture reflects new calculations to eliminate the higher foster-care payment over the adoption payment.⁸⁷ The incentive is now encouraging adoption, not foster care.

Structural Reforms for the States

The best option for substantial reform in child welfare services is implementing structural improvements at the state level. Nationwide, there is a wide disparity of state child-welfare systems, from government-controlled to private agencies. Kansas was able to institute reforms to shift reliance on the state government to private agencies.

After reviewing the various governmental failures at improving the quality of children's lives through child welfare services and attempted reform efforts, only one conclusion can be drawn: that extensive government involvement is not alleviating the problems, it is causing them.

To ensure the well-being of the child, certain goals must be met, such as focusing on the psychological needs of the child, accountability for government and agencies that are not meeting rigid performance and outcome measures, and incentives for state and private agencies for effectively and efficiently placing a child in an adoptive home.

Effective aspects of current programs can be applied to child-welfare services in need of serious reform. The following is a list of specific aspects of the child welfare structure that can be evaluated to determine the effectiveness of a state's program:

1. Program Objective;
2. Structural Features of Program;
3. Minimum Duration in Foster Care;
4. Performance and Outcome Standards;
5. Accountability of Administration of Program;
6. Incentive Structure for Placement of Children;
7. Payment Structure; and
8. Flexibility of Program.

Structural models can be appraised through the application of these criteria. There are five structural models of child welfare programs: government controlled, centralized,⁸⁸ public-private partnership, decentralized,⁸⁹ and charitable institutions.

The government-controlled model emerged during the 20th century with increased government control over the well-being of children in child-welfare services. Under the banner of improving the federal and state programs, more funds were spent on programs that kept children in temporary foster care. Government expanded the existing programs and even created agencies to deal with the growing number of children without homes.

Table 3: Structural Elements of States' Child Welfare System

| | GOVERNMENT CONTROLLED | CENTRALIZED (NORTH DAKOTA) | PUBLIC-PRIVATE PARTNERSHIP (MICHIGAN) | DECENTRALIZED (KANSAS) | PHILANTHROPIC ESTABLISHMENT (CHARITABLE INSTITUTION) |
|--|---|---|---|--|--|
| Objective | Family reunification | Family reunification | Family reunification | Child-centered | Child-centered |
| Structural features | All functions controlled by bureaucrats. Various departments have specific jobs. | Significant government control of three contracted private agencies. Considerable oversight of programs and services. | Government contracts directly to over 200 private agencies. | Government contracts to a few agencies, which contract out services to various private agencies. | Privately owned. May contract services to private or community-based agencies. |
| Minimum/maximum duration in out-of-home placement | Bureaucratic process and lengthy termination of parental rights (TPR), due to goal of family reunification. | Bureaucratic process, due to goal of family reunification. | Bureaucratic process, due to goal of family reunification. | Minimum | 6+ months, no longer than 24 months |
| Performance and outcome standards | No | No | Yes | Yes | Yes |
| Accountability | No | Yes, the only measure of accountability is contract renewal of the three private agencies. | Yes | Yes | Yes |
| Incentive structure for expeditious placement of children | No | No | Yes | Yes | Yes |
| Payment structure | Annual budget | Regional biannual budget | Daily rate for foster care and tiered scale for adoptions payable upon receipt. | Capitated rates | Charitable contributions |
| Flexibility of program | No: Purely bureaucratic, difficult to change outline of program. | Minimal: Government contracts to private agencies, yet maintains authority over private agencies. | Yes: Government contracts with 200 private agencies. | Yes: Government contracts to private agencies which in turn subcontract. | Yes: No government intervention. |

Sources: Dr. Carol Statuto Bevan, "Foster Care: Too Much, Too Little, Too Late Final Report. Child Protection: Old Problem, New Paradigm," National Council for Adoption, Inc., 1996; *Privatization 1998*, Reason Public Policy Institute, 1998, pp. 26-28; Conna Craig and Derek Herbert, "The State of the Children: An Examination of Government-Run Foster Care," National Center for Policy Analysis, August 1997; GAO Report/HEHS-99-8, "Child Welfare: Early Experiences Implementing a Managed Care Approach," October 21, 1998; Patrick S. Poole, "Privatizing Child Welfare Services: Models for Alabama," The Alabama Family Foundation, January 1998; Richard B. McKenzie, "Rethinking Orphanages for the 21st Century," Center for the American Experiment, December 1997.

In the centralized structure common today, the government retains authority over the child welfare services, but also allows a minimal number of services to be contracted to private agencies. North Dakota is an example of this type of structure. By using the regional biannual budget, the child welfare system does not provide an incentive for placing children in adoptive homes.⁹¹ North Dakota's child welfare agency will collect the funding whether or not a child is adopted.

The decentralized structure of child welfare services allows for additional private-sector involvement. Michigan's system best reflects this structure. The state contracts with more than 200 private agencies to provide child welfare services more efficiently and cost effectively than the state could provide. Yet, the state still places children in adoptive homes. The payment structure provides a financial incentive to the private agencies because it establishes a daily rate for foster care and a tiered payment scale for adoptions payable upon receipt.

Unlike the government-controlled, centralized, and decentralized structures, the public-private partnership is allowing for collaborative efforts on the part of both the state and private agencies. This public-private, or managed-care, approach is a union of financing and delivery services.⁹² Kansas implemented this structure to rebuild its failing system.

A structure truly free of government involvement in child-welfare services would be the charitable institution structure. In this structure, private institutions would serve the best interests of abused and neglected children.⁹³ The sole objective of this private institution is to care for the psychological needs of children and expeditiously place the children in adoptive homes.

The concept of reevaluating the benefit of traditional children's homes was addressed in policy debates in 1994 and 1995. The fear was regression in child-welfare services and the notion of derelict living conditions and forced child labor. However, these fears are unsubstantiated. Successful children's homes and private orphanages exist and the numbers are increasing. The concept of the charitable institution structure is not a long-term solution for children who will "bounce" from foster home to foster home, but is instead a structure that places a child in an adoptive home as quickly as possible.

States that choose to restructure their failed child welfare systems must consider the strengths and weaknesses of their current systems. The goal of any child-welfare service must be to ensure the well-being of the children involved.

Conclusion

Prior to the current system of child welfare services, communities rallied to ensure the safety of an abandoned or neglected child. As federal and state governments became increasingly involved in social welfare concerns, community involvement declined.

Due to the astronomical number of children in foster care, community groups, religious organizations, volunteer groups, and special interest groups for adoption and foster care services are now, once again, becoming more involved.

As a comparison of Kansas and California shows, involvement of the private sector in foster care and adoption services demonstrates an efficient and results-oriented approach to child welfare. This is achieved by:

- establishing accountability through financial incentives,
- removing the onerous state and federal regulations,
- allowing the states to contract with private agencies, and
- allowing privatization and community involvement.

These approaches, as opposed to the top-heavy, bureaucratic methods of the past, are actually benefiting children and promoting a civil society, rather than serving the needs of a system. Children are indeed the future. Those who truly represent the best interests of children will move policy in this direction.

Notes

- 1 Karen Spar, "Adoption Promotion Legislation in the 105th Congress," *Congressional Research Service Report for Congress*, September 29, 1997, #97-491 EPW, p. 1.
- 2 Several studies were conducted by various research organizations, such as Westat, Inc., National Center for Policy Analysis, the Institute for Children, and the National Adoption Council.
- 3 U.S. House of Representatives, Committee on Ways and Means, *1998 Green Book*, (Washington: Government Printing Office, 1998), p. 728.
- 4 Adrian Moore, *Privatization 1998: Twelfth Annual Report on Privatization*, (Los Angeles: Reason Public Policy Institute, 1998), pp. 26–27.
- 5 Government programs designed to provide services to the public are a "service delivery system," such as: substance abuse treatment programs, and child protection and intervention programs. Problems typically found in government-run programs are: bureaucracy; lack of communication between agencies; services provided to assist one aspect of a problem and which fail to meet a broad range of family needs; a system of various requirements and conflicting demands that is confusing to families; inefficient use of resources; and a lengthy timeline, specifically when dealing with children and abusive families.
- 6 Patrick A. Curtis and Michael Petit, *Child Abuse and Neglect: A Look at the States: 1997 Child Welfare League of America Stat Book*, (Washington: Child Welfare League of America, 1997), p. 60.
- 7 William L. Pierce, "Child Protection Comes First," *National Council for Adoption National Adoption Reports*, vol. 18, no. 2, February 1997, p. 6.
- 8 *1998 Green Book*, p. 728.
- 9 Dr. Carol Statuto Bevan, "Foster Care: Too Much, Too Little, Too Early, Too Late," National Council for Adoption, Inc., 1996, p. 22.
- 10 *1998 Green Book*, p. 728.
- 11 Bevan, p. 22.
- 12 Comprehensive information on each state is accessible on the Internet at www.calib.com, which is the web site of the National Clearinghouse on Child Abuse and Neglect Information.
- 13 Dr. Susan Orr, *Child Protection at the Crossroads: Child Abuse, Child Protection, and Recommendations for Reform*, (Los Angeles: Reason Public Policy Institute, October 1999), p. 13.
- 14 *Ibid.*
- 15 This report can be accessed on the Administration for Children and Families web site at www.acf.dhhs.org/news/abuse.htm.
- 16 U.S. Department of Health and Human Services, Administration for Children and Families, "HHS Reports New Child Abuse and Neglect Statistics," ACF Press Room Press Release, April 1, 1999.
- 17 Conna Craig and Derek Herbert, "The State of the Children: An Examination of Government-Run Foster Care," *National Center for Policy Analysis Report*, no. 210, August 1997, p. 2.
- 18 *1998 Green Book*, Chart 11-1: *Reports of Child Abuse and Neglect and Child Fatalities, Selected Years*, p. 773. There is no evidence that the number of abusive incidents has increased, just reported incidents.
- 19 Curtis and Petit, Table 1.7, "Children Removed From Their Homes, 1995," p. 38.

- 20 David Finkel, "Now Say Goodbye to Diane," *The Washington Post Magazine*, May 4, 1997, p. 11.
- 21 Curtis and Petit, p. 38.
- 22 Bevan, pp. 23–29 and *1998 Green Book*, p. 781.
- 23 *1998 Green Book*, p. 780.
- 24 Finkel, p. 11.
- 25 Rachel Swarns, "Horrors Show Difficulty of Child Welfare Reform," *New York Times*, July 7, 1998.
- 26 Bevan, pp. 25–29.
- 27 Heather MacDonald, "The Ideology of 'Family Preservation'," *The Public Interest*, no. 115, Spring 1994, p. 54.
- 28 Bevan, p. 26.
- 29 *Ibid.*, pp. 25–29.
- 30 Westat Inc. study cited in "Westat Study Gives More Proof Adopted Kids Do Better," *National Adoption Reports*, June 1995, pp. 9–11.
- 31 Laura Mansnerus, "Market Puts Price Tags on the Priceless," *New York Times*, October 26, 1998.
- 32 Conna Craig and Derek Herbert, "Languishing in Foster Care," *National Center for Policy Analysis Idea House Policy Brief*, May 14, 1999, pp. 1–2. This *Policy Brief* is accessible on NCPA's web site at www.public-policy.org.
- 33 Laura Mansnerus, Laura Beauvais-Godwin, and Raymond Godwin, *The Complete Adoption Book*, (Holbrook, MA: Adams Media Corporation, 1997), pp. 35–38.
- 34 *Ibid.*
- 35 Tim Hacsí, Ph.D. "From Indenture to Family Foster Care: A Brief History of Child Placing," *Child Welfare: Journal of the Child Welfare League of America, Inc., Special Issue: Lessons from the Past: A History of Child Welfare*, volume LXXIV, no. 1, January/February 1995, pp. 162–64.
- 36 Between 1880–1920, "boarding-out" consisted of board payments made by child placing agencies to families to care for the children. Placing agencies supervised the placement homes to ensure quality care for the children. Hacsí, pp. 170–74.
- 37 Hacsí, pp. 172–73. This quote was cited from *State Board of Charities and Corrections of the State of California, Biennial Reports*, (Sacramento, CA: Superintendent State Printing, 1906–1922), p. 127.
- 38 Aid to Dependent Children (ADC) was created in 1935 as Title IV of the Social Security Act of 1935. This program became known as Aid to Families with Dependent Children (AFDC) in 1961, when amendments were made to the Social Security Act. AFDC became Temporary Assistance for Needy Families (TANF) under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.
- 39 Hacsí, p. 176.
- 40 By 1968, more than three times as many children were in foster care as in institutions.
- 41 *1998 Green Book*, pp. 812–13.
- 42 A "special needs" child is defined in federal statute as having a specific condition or situation, which would prevent placement without special assistance. Specific conditions may include: age, race, a part of a sibling group, or a mental, emotional, or physical handicap. The federal statute does not specifically define what criteria comprise "special needs." The states must determine the definition of "special needs," special needs eligibility criteria, and whether a child is eligible. *1998 Green Book*, pp. 750 and 817.
- 43 *1998 Green Book*, p. 814.
- 44 Patrick Fagan, "It Takes a Family: The Adoption Promotion Act of 1997," *Heritage Foundation Executive Memorandum Number 477*, April 23, 1997. The data used in this memorandum were cited from the National Committee for the Prevention of Child Abuse.
- 45 Cheryl Wetzstein, "'Financial Incentives' Cited in Foster Care: Child-Welfare Industry Official Denies Charge of Profiting From SSI Payments," *Washington Times*, February 28, 1997, p. A9.
- 46 The term "reasonable efforts" is neither defined in federal statute, nor is it defined by the Department of Health and Human Services in federal regulations. The state plans must describe the services offered and provided to prevent removal of children from their homes

- and to reunify the family. The vagueness of the phrase "reasonable efforts" has resulted in many lawsuits, thereby relying on federal courts to define what state actions would fulfill the reasonable efforts criteria. *1998 Green Book*, pp. 765–67; 815–16.
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- 48 Background information on the Administration for Children and Families, *U.S. Department of Health and Human Service's Adoption 2002 Report*, February 1997, is accessible at: www.acf.dhhs.gov/programs/cb/special/adoption.htm.
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- 50 *Ibid.*
- 51 *Ibid.*
- 52 *Ibid.*
- 53 The 23 states that were approved for demonstration projects were California, Colorado, Connecticut, Delaware, Florida, Illinois, Indiana, Kansas, Maine, Maryland, Michigan, Mississippi, Montana, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oregon, Texas, Washington, and West Virginia.
- 54 Spar, p. 1.
- 55 Permanency planning goals for children in substitute care are determined by each state. In the early 1990s, the majority of the states claimed family preservation as its permanency goal. This was a significant increase from the 1980s. The goal of foster care and adoption reform advocates is for states to focus on permanently placing children who reside in unsafe family situations into adoptive homes quickly. Foster care should not be considered as a long-term option; adoption should be the permanent placement goal. *1998 Green Book*, pp. 790 and 816–17.
- 56 Craig and Herbert, "The State of the Children: An Examination of Government-Run Foster Care," *National Center for Policy Analysis Policy Report No. 210*, August 1997, pp. 15–16.
- 57 The bills were compiled as a result of a search on Lexis-Nexis and State Net databases, which track legislative activities at the state level.
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- 65 *Ibid.*
- 66 *Ibid.*
- 67 For more information on the structural change of the Kansas managed care approach, see the

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- 87 *Ibid.*
- 88 Poole, p. 8.
- 89 The term "decentralized" is used to describe a system whereby government child welfare programs and services are distributed among more private local agencies to provide a multitude of services. This is different from a public-private partnership, because the government child welfare services contract directly with the providers of the services.
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- 91 *Ibid.*
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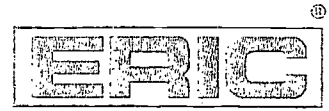
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