

A Blueprint for Child Welfare Financing and Accountability Reform

Overview of Recommendations and Related Research





About Child Welfare Forward

- A new national engagement initiative
- Focuses on fostering thoughtful and informed dialogue about opportunities to strengthen child welfare policy and practice
- Hosted by the American Public Human Services Association (APHSA)
- Builds on reform efforts launched by the [Bipartisan Policy Center \(BPC\)](#)
- BPC's Child Welfare Initiative encompasses three focus areas:
 - Child welfare financing and accountability
 - Differentiating between poverty and neglect
 - Appropriate use of termination of parental rights
- Today's focus is on financing and accountability reform

Members of the Bipartisan Policy Center's Workgroup on Child Welfare Financing and Accountability

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Significant barriers facing child welfare systems

- ❑ The federal-state partnership is not structured to support high-performing systems that can respond effectively to local needs
- ❑ Insufficient and poorly targeted resources, outdated accountability and data systems, an overextended workforce, and a shortage of high-quality placement options all contribute to inconsistent outcomes for children and families
- ❑ Other public systems lack the capacity to respond to family needs—including mental health, substance abuse treatment, and Medicaid—child welfare systems often become the default safety net

About the Blueprint

- ❑ Six policy directions that have the potential to catalyze much-needed reform
- ❑ Recommended reforms are interrelated and designed to function as a cohesive framework for reform rather than as standalone proposals
- ❑ The term “states” used broadly but workgroup believes that federal reforms must account for the distinct needs and circumstances of states, tribes, and territories
- ❑ Drive better outcomes for families by restructuring and realigning federal investments and accountability – Recognizing that fiscal considerations are a central aspect of the policy reform process, reforms are scalable
- ❑ Focused on changes that strengthen child welfare’s capacity to improve outcomes – acknowledging that child welfare operates within a broader network of agencies that also provide vital support to children and families

Key Data & Recommendation #1

Create a federal formula grant by consolidating several existing federal funds to better support core functions of state child welfare agencies



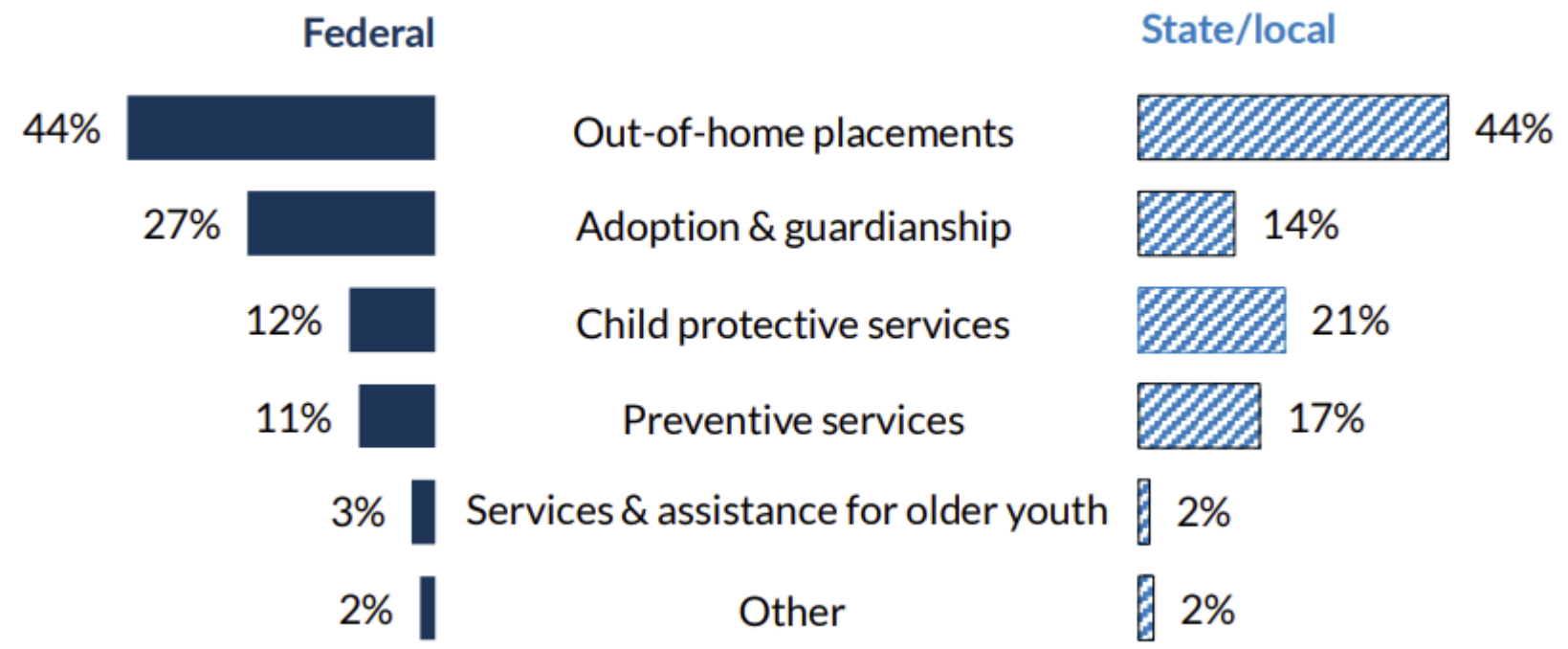
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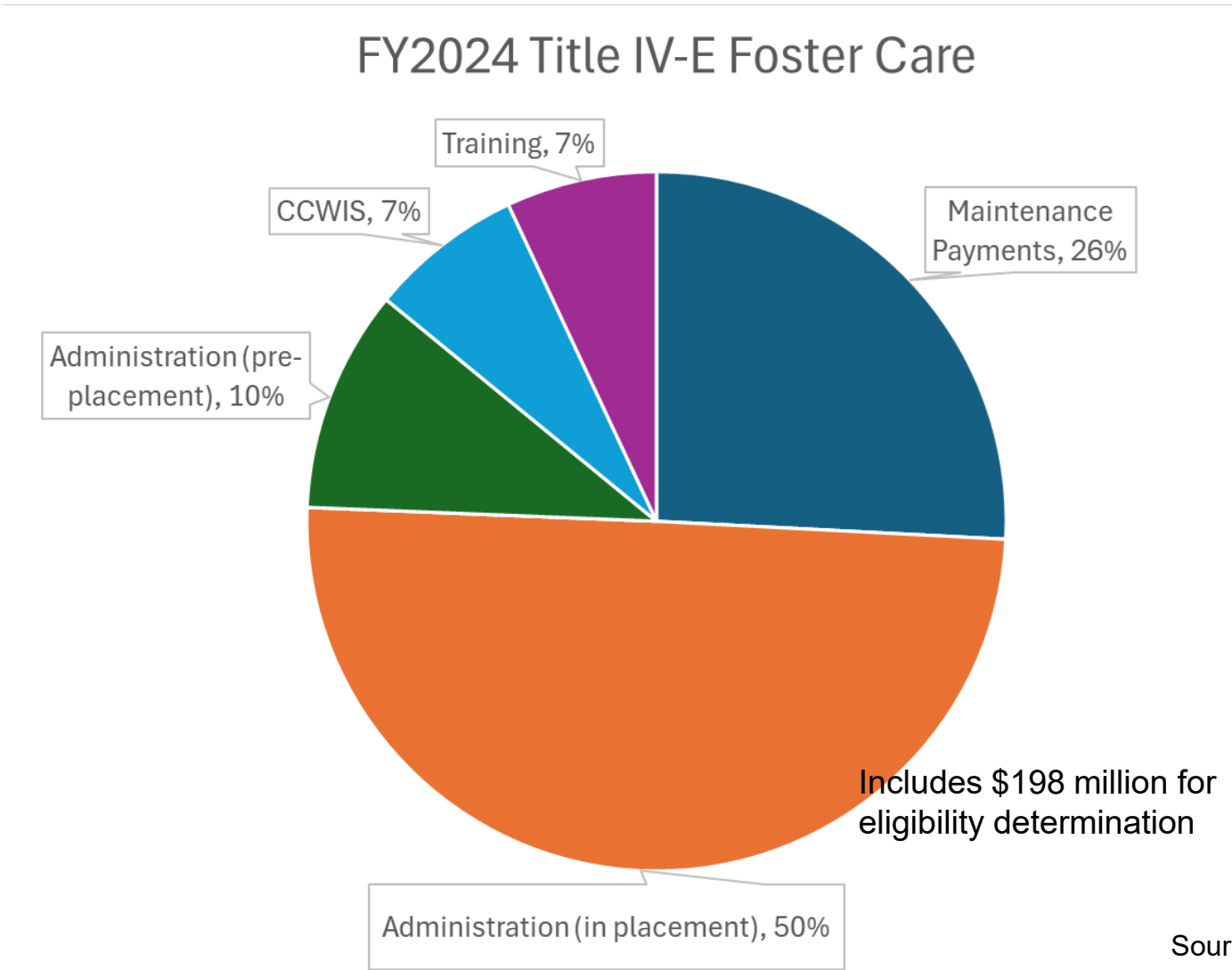
More than 70% of Federal Funding Supports Foster Care or Adoption

Figure 26. Proportion of federal and state/local expenditures on categories of services in SFY 2022

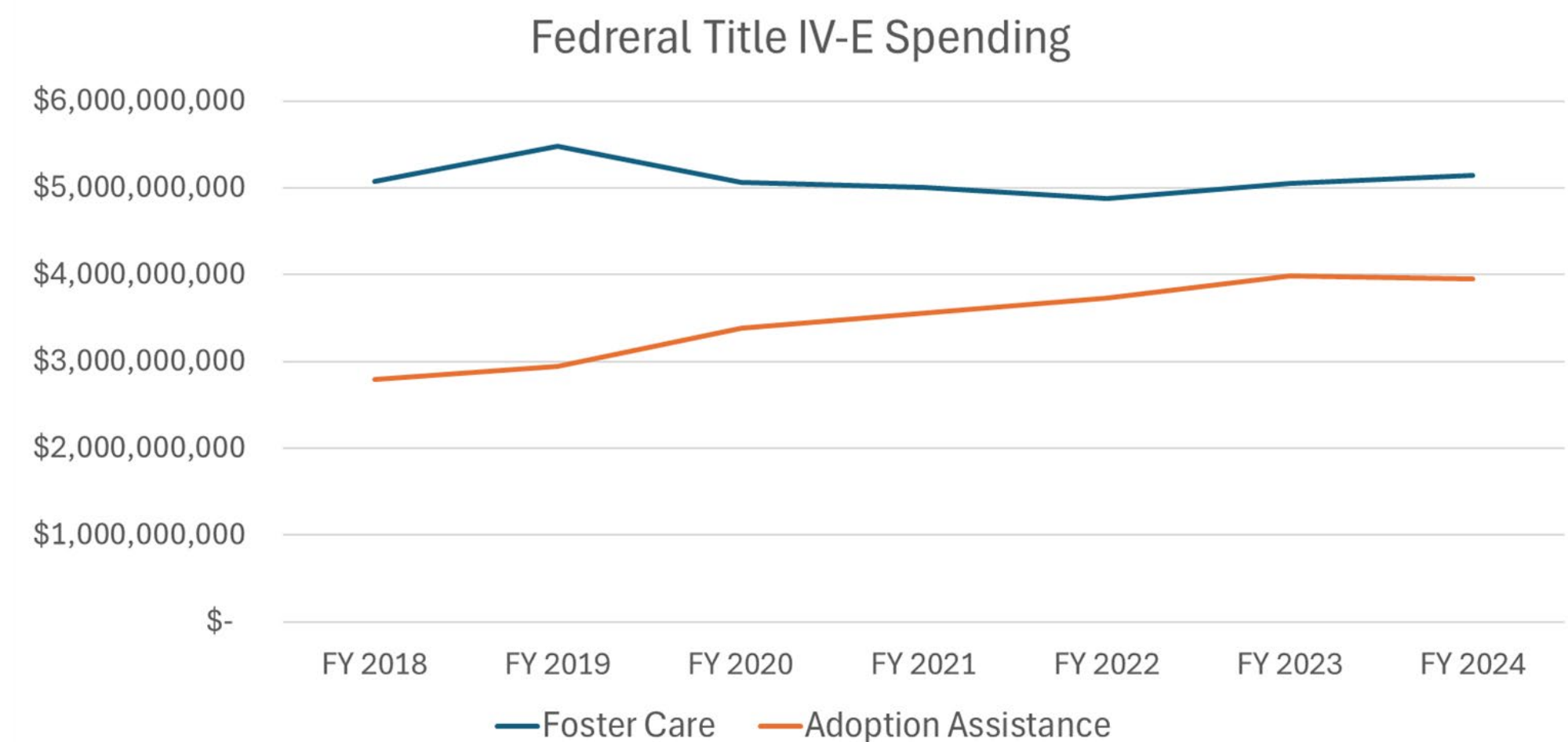


Source: Child Trends [Rosinsky, K., Fischer, M., Haas, M., Ibarra, A., & Williams, S.C. (2025). Child Welfare Financing SFY 2022: A survey of federal, state, and local expenditures.]

Maintenance Payments Account for 25% of Federal IV-E Foster Care Spending



Growth in Federal IV-E Spending Due to Adoption Assistance



Effective Federal Match Rate for Foster Care is Less than 25% in Most States

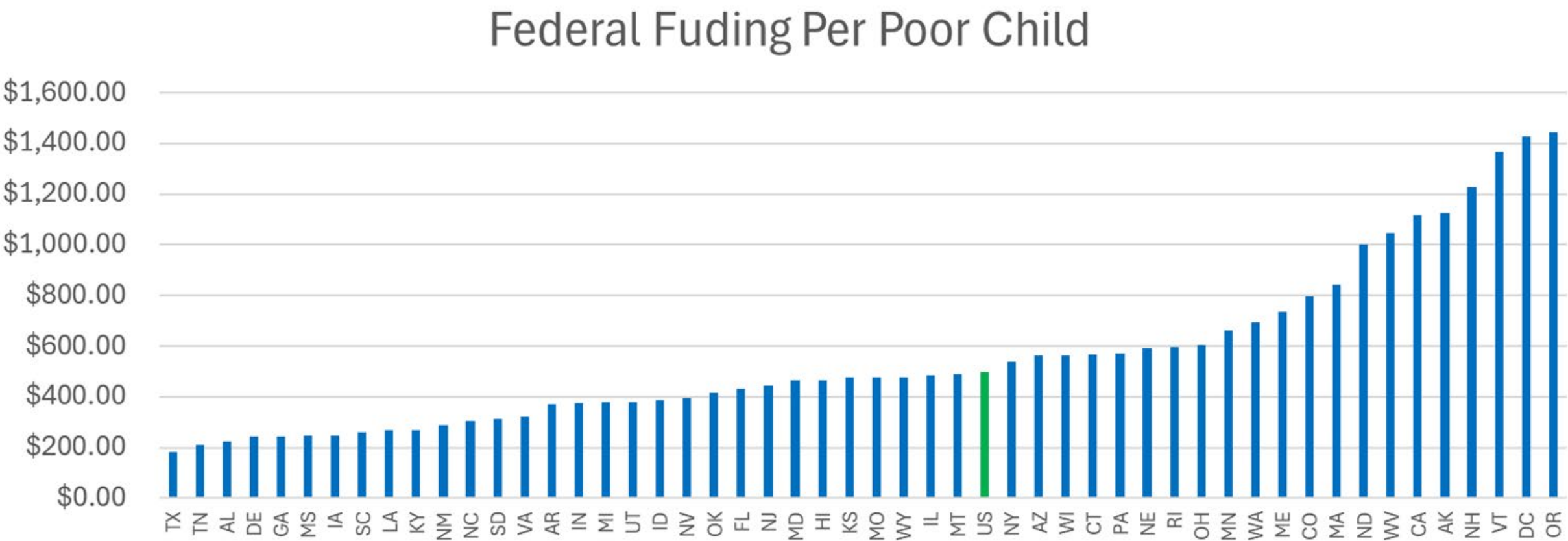
Effective match rate =

Reimbursement rate (FMAP, 50%-77%)

X

Eligibility Rate (<34% nationally)

Sizable Differences in Historical Level of Federal Investment, by State



Concerns that current federal accountability mechanisms are ineffective

Figure 1: Average Total Number of Outcomes or Systemic Factors States Met (Out of 14)

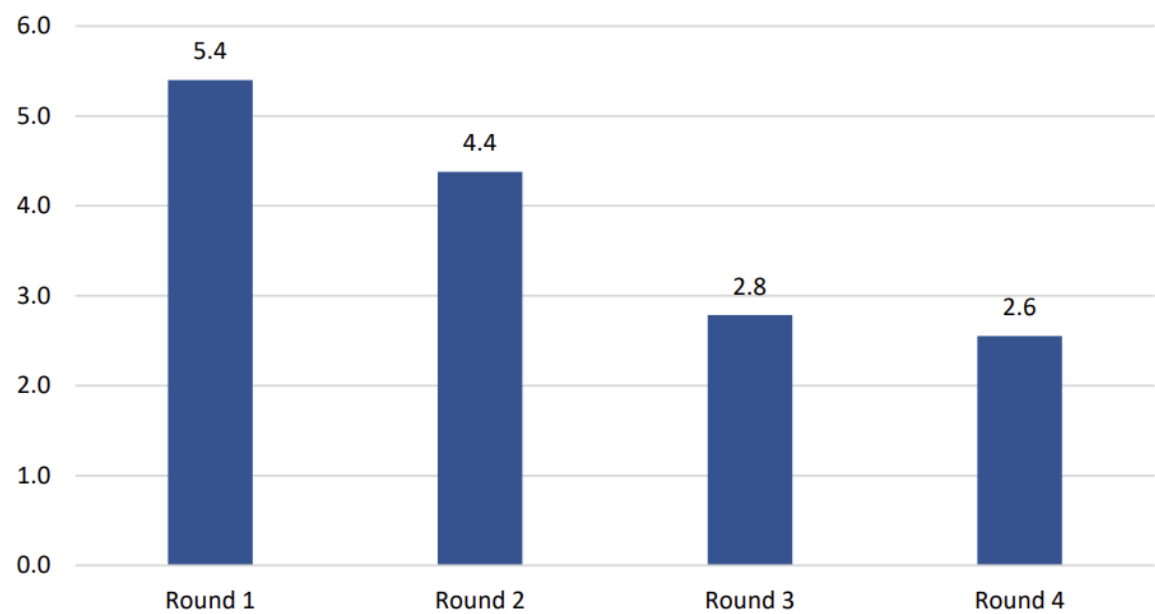
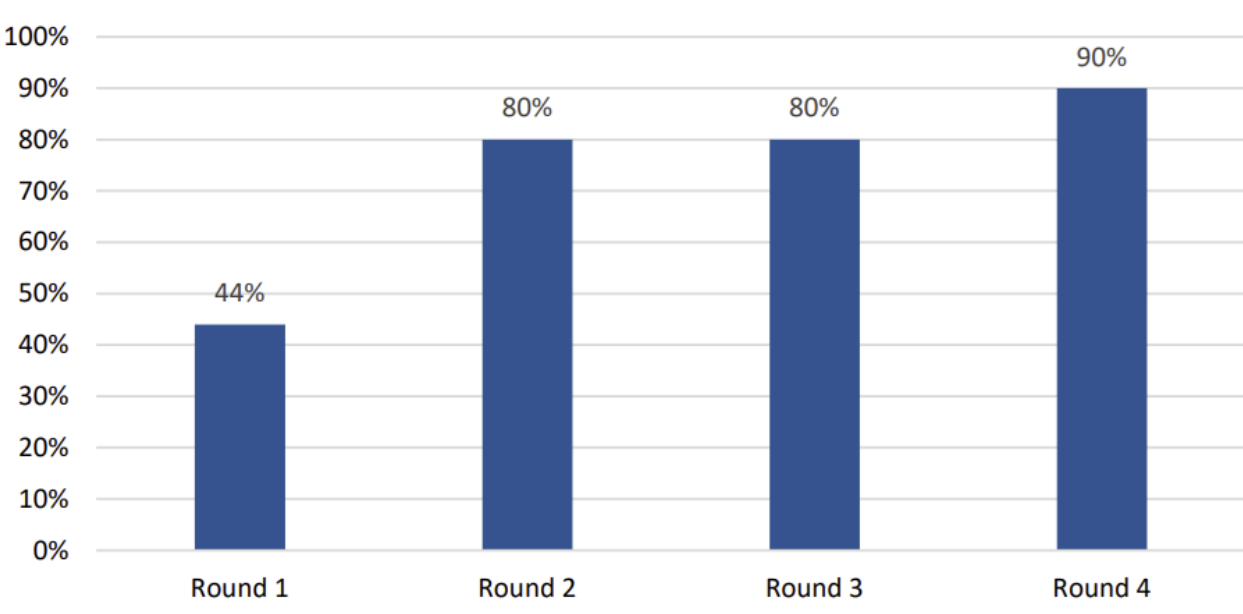


Figure 2: Percentage of States Achieving Zero Outcomes





Recommendation 1: Create a federal formula grant by consolidating several existing federal funds to better support core functions of state child welfare agencies

- ☐ Shift away from a financing model where the largest portion of federal funds reimburses states for a limited set of services to a model where states can use federal funds flexibly up to an allocated ceiling of federal investment
- ☐ Provides flexibility, administrative simplicity, cost certainty, fiscal predictability, opportunity for growth and shared responsibility
- ☐ Significantly reduce administrative burden and incentivize and hold states more accountable for better outcomes
- ☐ Designed to complement federal entitlement investment in Title IV-E prevention services and permanency

Recommendation 1: Formula grant

- ❑ **1a:** States that historically have received low levels of federal reimbursement compared to states with a similar level of need should receive an adjustment to their base allocation
- ❑ **1b:** Formula allocations should be adjusted over time to reflect changes in the costs states incur in providing child welfare services
- ❑ **1c:** Existing federal accountability mechanisms should be replaced with an alternative that ensures transparency, focuses on child and family outcomes rather than process measures, and promotes shared responsibility between child welfare and other parts of the larger social safety net

Key Data & Recommendation #2

Create a formula grant to support core functions of state/tribal family courts



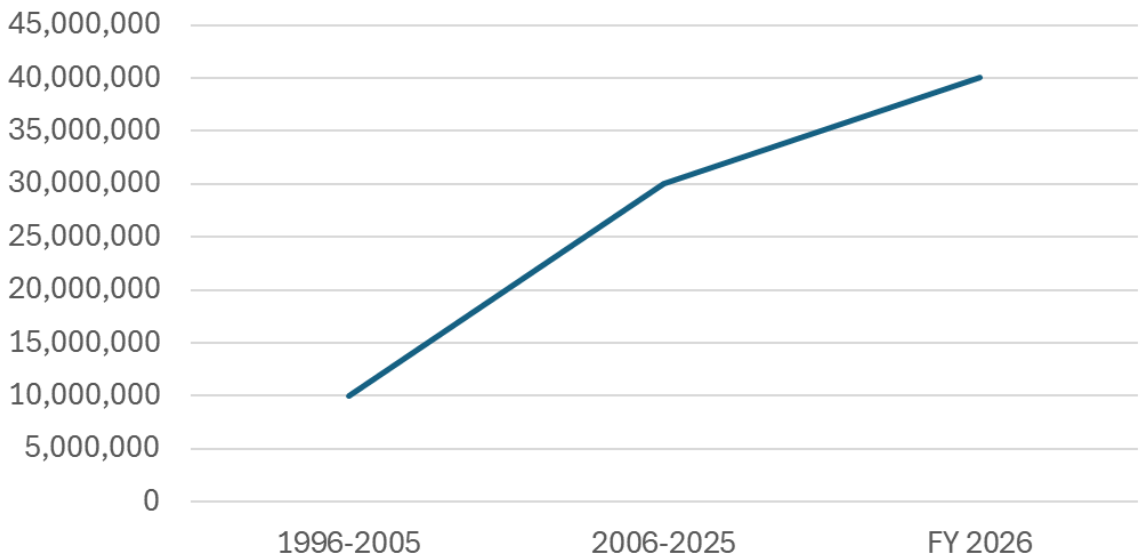
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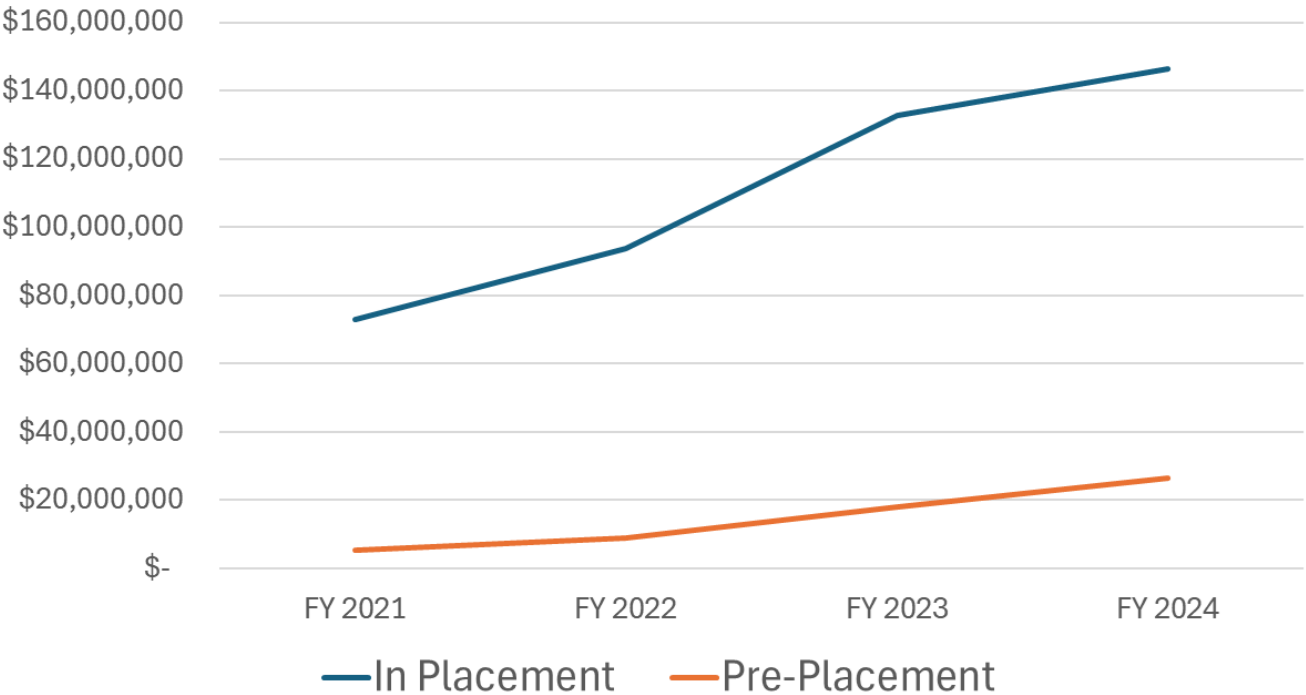
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Increasing yet minimal federal investment in family courts

Court Improvement Program Funding



Federal (IV-E) Funding for Legal Representation



Recommendation 2: Create a formula grant to support core functions of state/tribal family courts

- ❑ The important role of courts in overseeing child welfare cases and determining permanency (and other) outcomes is not adequately reflected under current federal child welfare financing.
- ❑ Limited court capacity often creates bottlenecks, can contribute to poor decisions, and creates barriers to achieving better outcomes for children and their families.
- ❑ New formula grant should require additional state investment in the courts (a state match requirement), but at a level that does not prevent states or tribes from using their full federal allotment of funds

Key Data & Recommendation #3

Extend the focus on evidence-based services across the child welfare continuum and expand the scope of evidence-based services

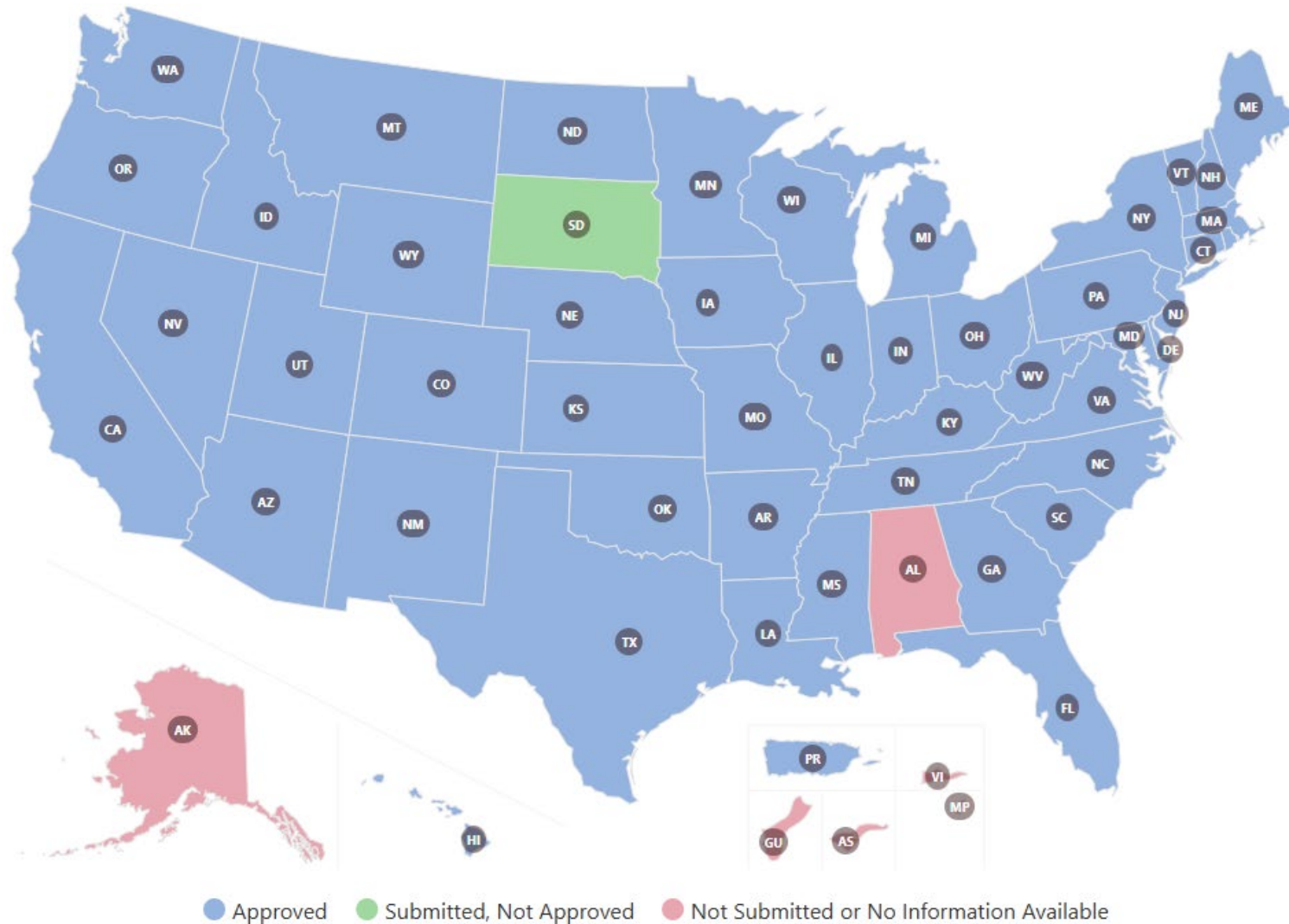


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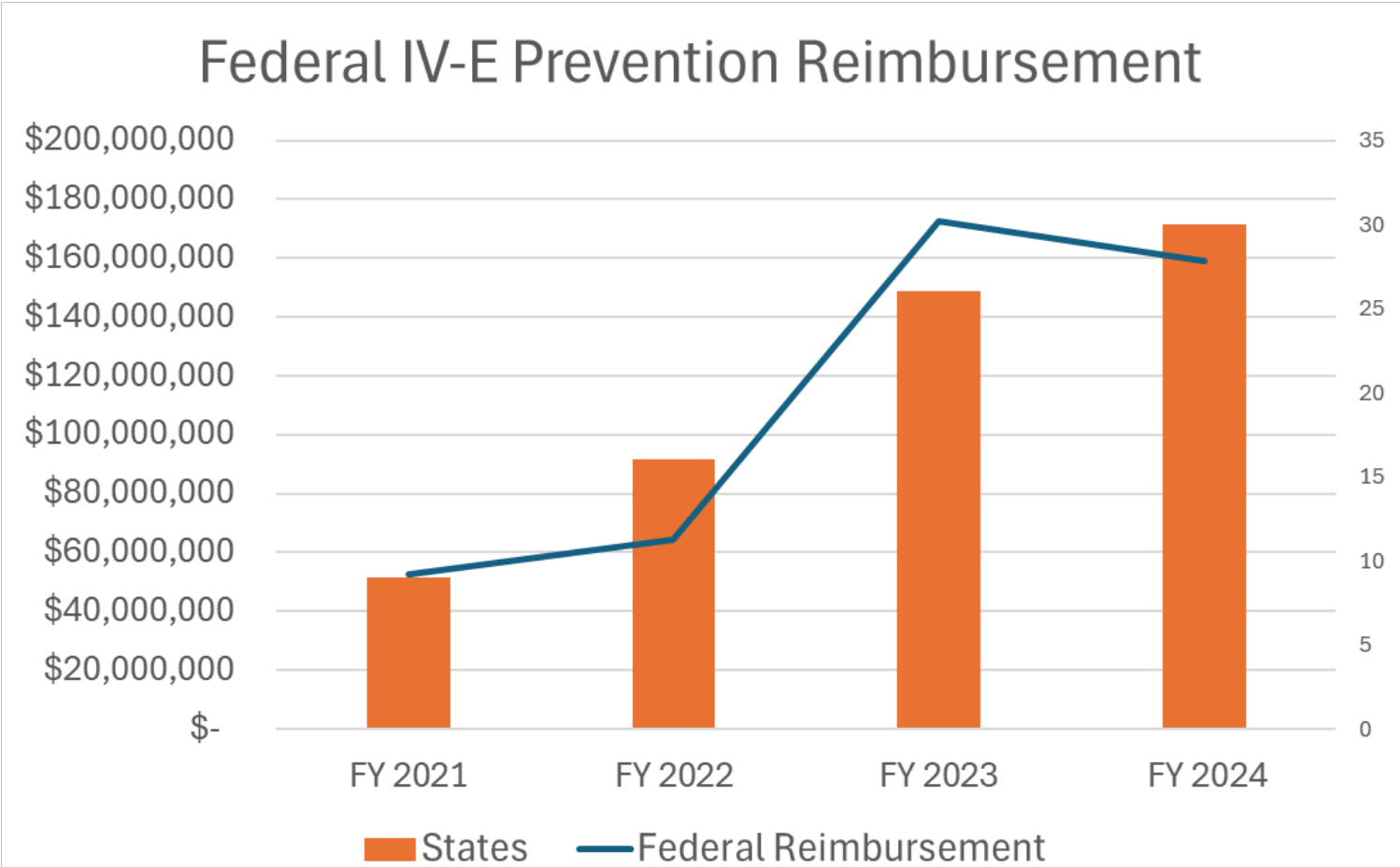
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Nearly Every State Has an Approved Prevention Plan



Family First Prevention Services Act Spending

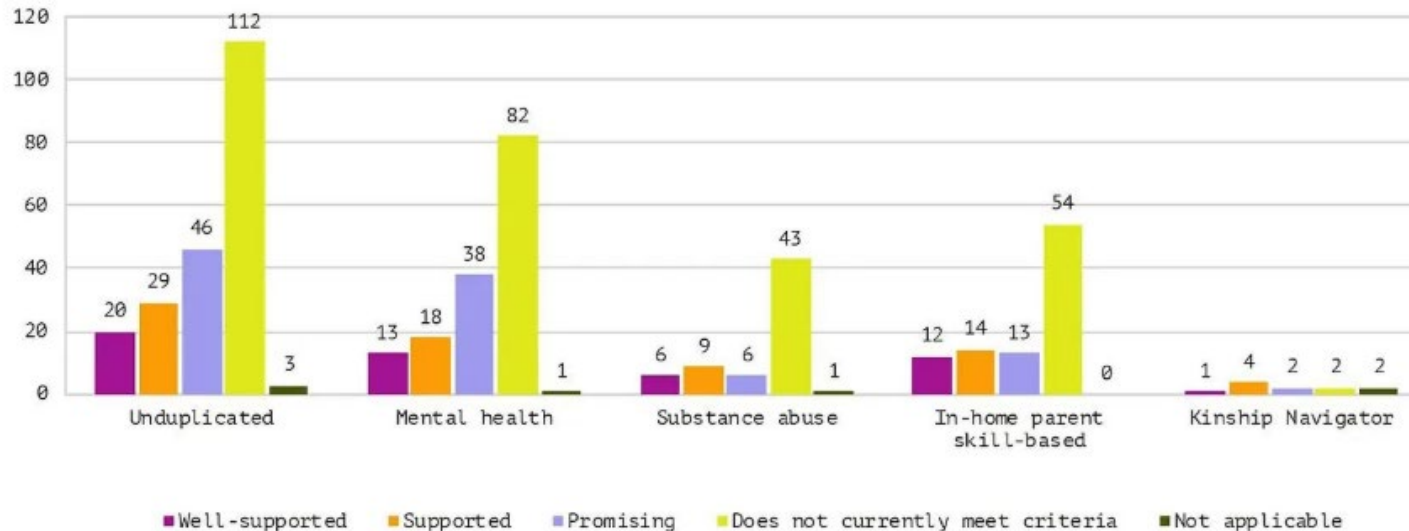


Determining Eligibility – Family First “Candidacy”

- ☐ Section 475(13): a child who is identified in a title IV-E prevention plan as being at imminent risk of entering foster care, but who can remain safely in the child's home or in a kinship placement as long as the title IV-E prevention services that are necessary to prevent the entry of the child into foster care are provided.
- ☐ Current federal guidance gives states considerable flexibility
- ☐ Some states use a narrow definition linked specifically to cases already open for protective services, while others use broader, community-based definitions that include children and families that have had no contact with CPS
- ☐ Does not rely on Title IV-E income eligibility (AFDC standards) for foster care

Programs/Services Reimbursable under Family First

Prevention Clearinghouse count of programs rated



NOTE: Title IV-E Prevention Services Clearinghouse (<https://preventionservices.abtsites.com>).
Some programs rated in more than one area.

- ☐ Services can be provided for an initial 12-month period, with options for extensions if the child remains a candidate
- ☐ Title IV-E funding cannot be used if Medicaid or other public/private insurance already covers the service

Source: Child Welfare Wonk “How Family First Shifts State Spending,” October 6, 2025

Recommendation 3: Extend the focus on evidence-based services across the child welfare continuum and expand the scope of evidence-based services

- ☐ 3a: Clarify and expand who is eligible to receive Title IV-E prevention services
- ☐ 3b: Give states and tribes wider latitude in defining evidence-based interventions that address their specific needs and eliminate bureaucratic inefficiencies
- ☐ 3c: Clarify Medicaid “medical necessity” and define a continuum of services to support children with complex behavioral or medical needs; allow/encourage states to co-mingle (braid) Title IV-E and Medicaid

Key Data & Recommendation 4

Strengthen the focus in existing law on promoting family connections and permanency for all children and youth

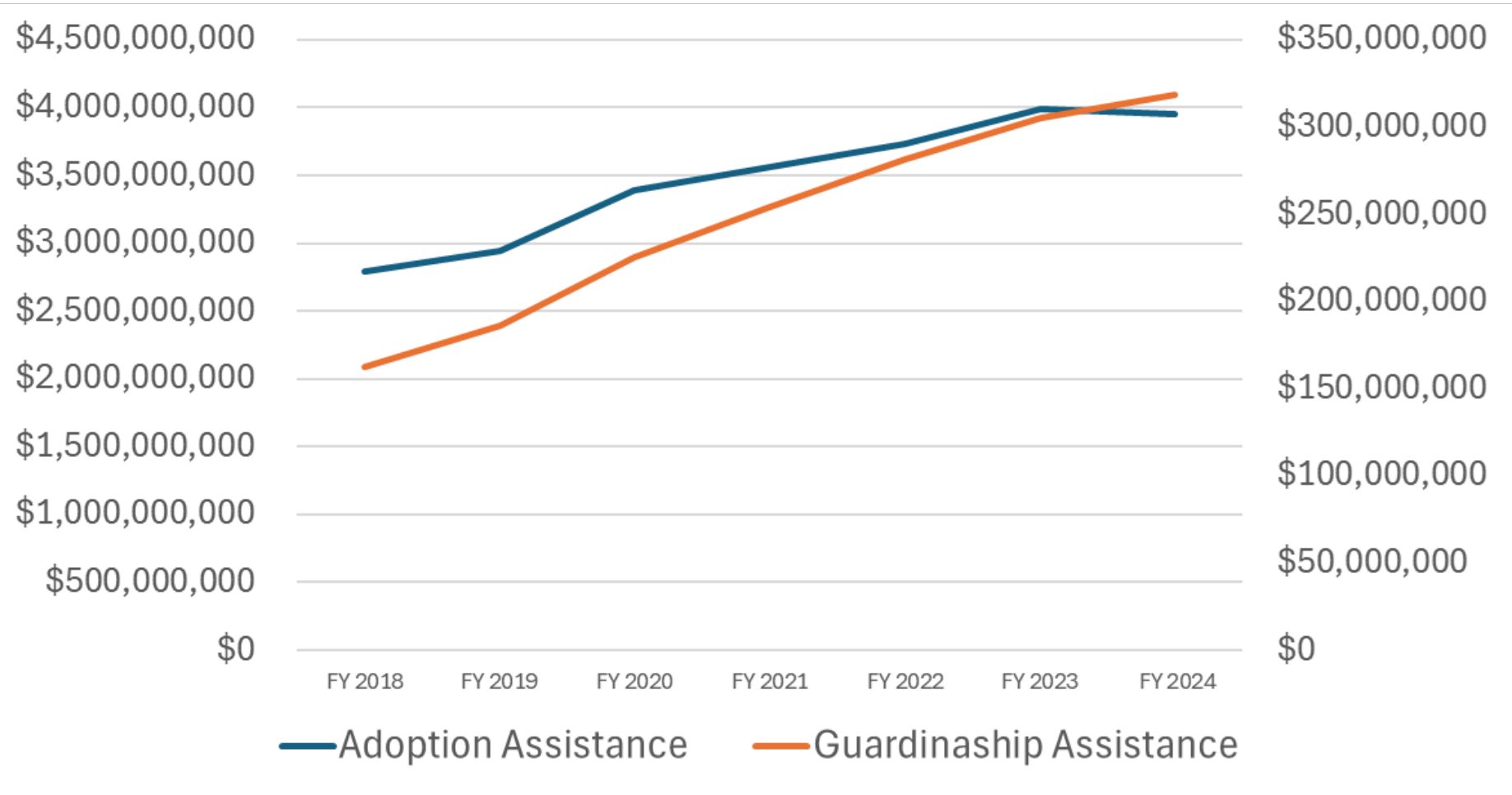


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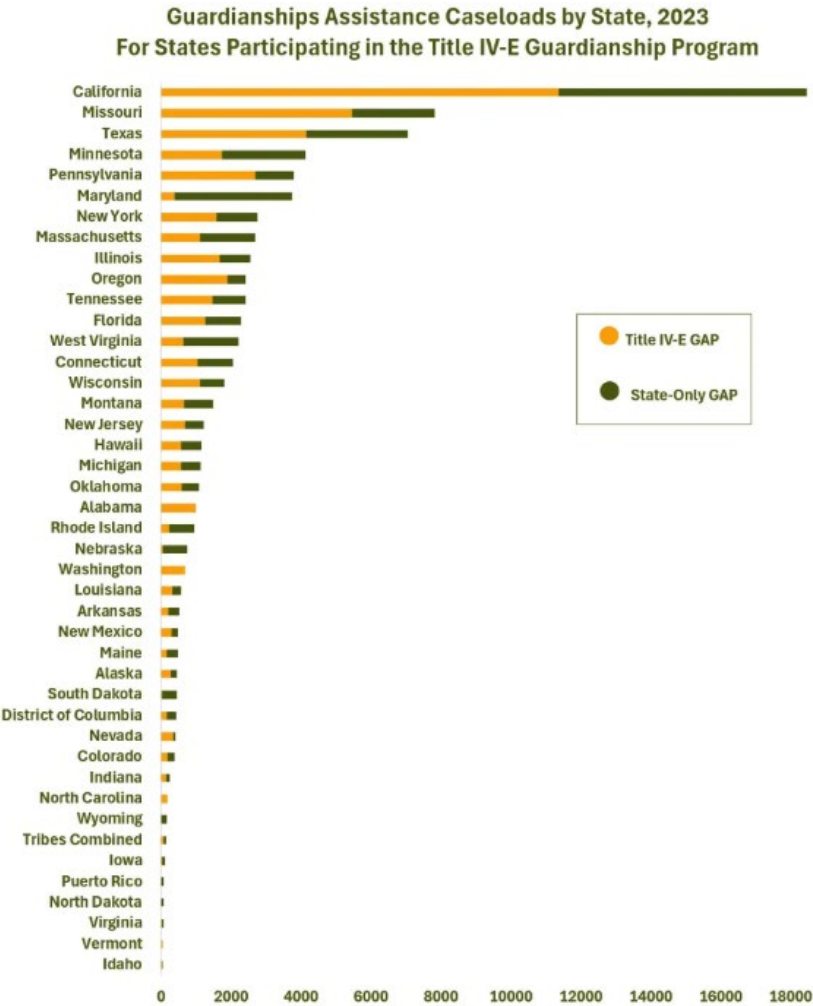
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Federal Reimbursement for Permanency Increasing



States fund nearly half of all guardianship subsidies out of their own pockets

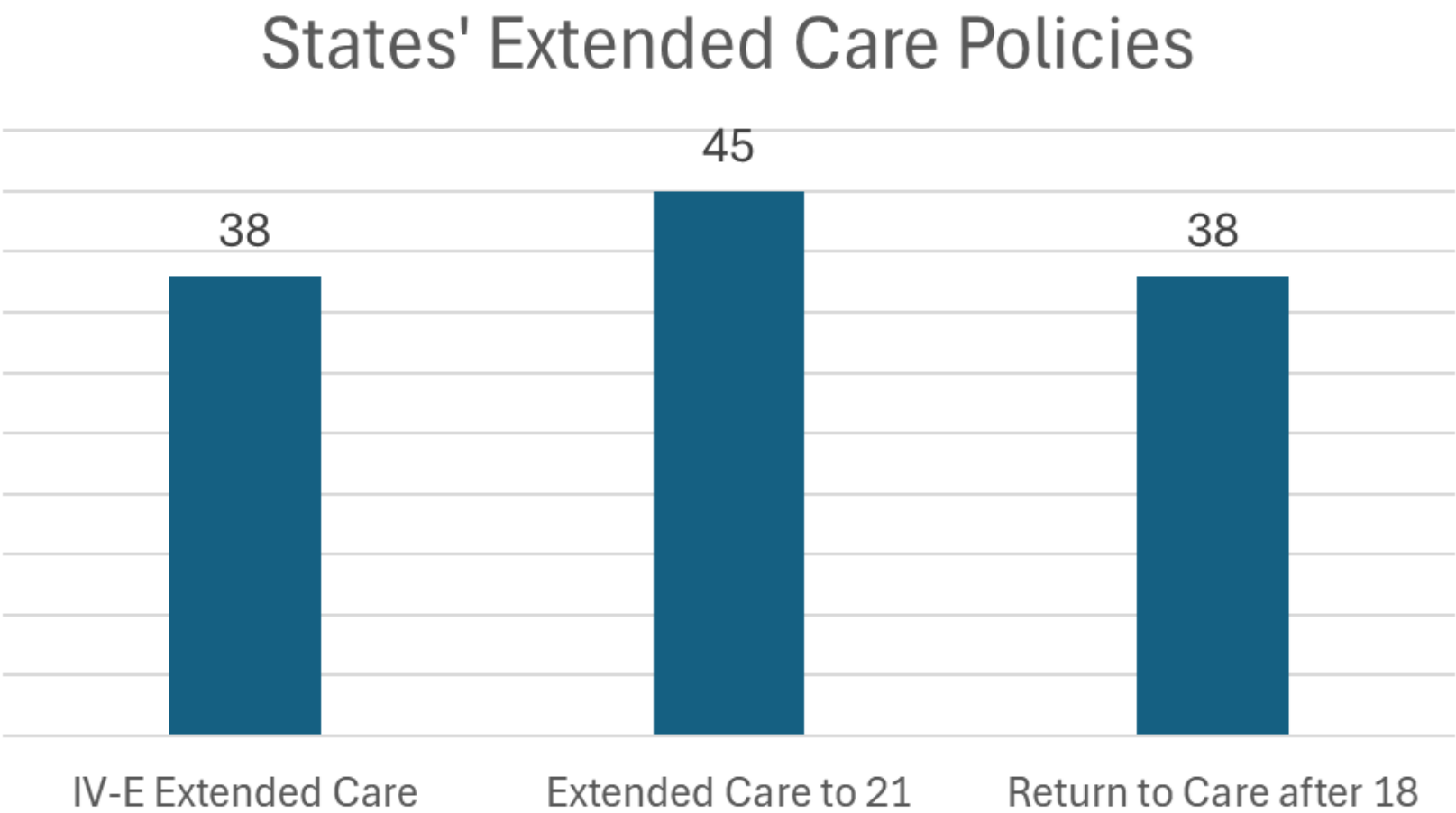


Source: ACF 2023 Guardianship Assistance Program Claims and Caseload Data
Note: 8 states do not operate GAP programs: AZ, DE, GA, KS, KY, MS, NH and UT. In addition, OH has an approved GAP Plan but submitted no program claims in 2023.

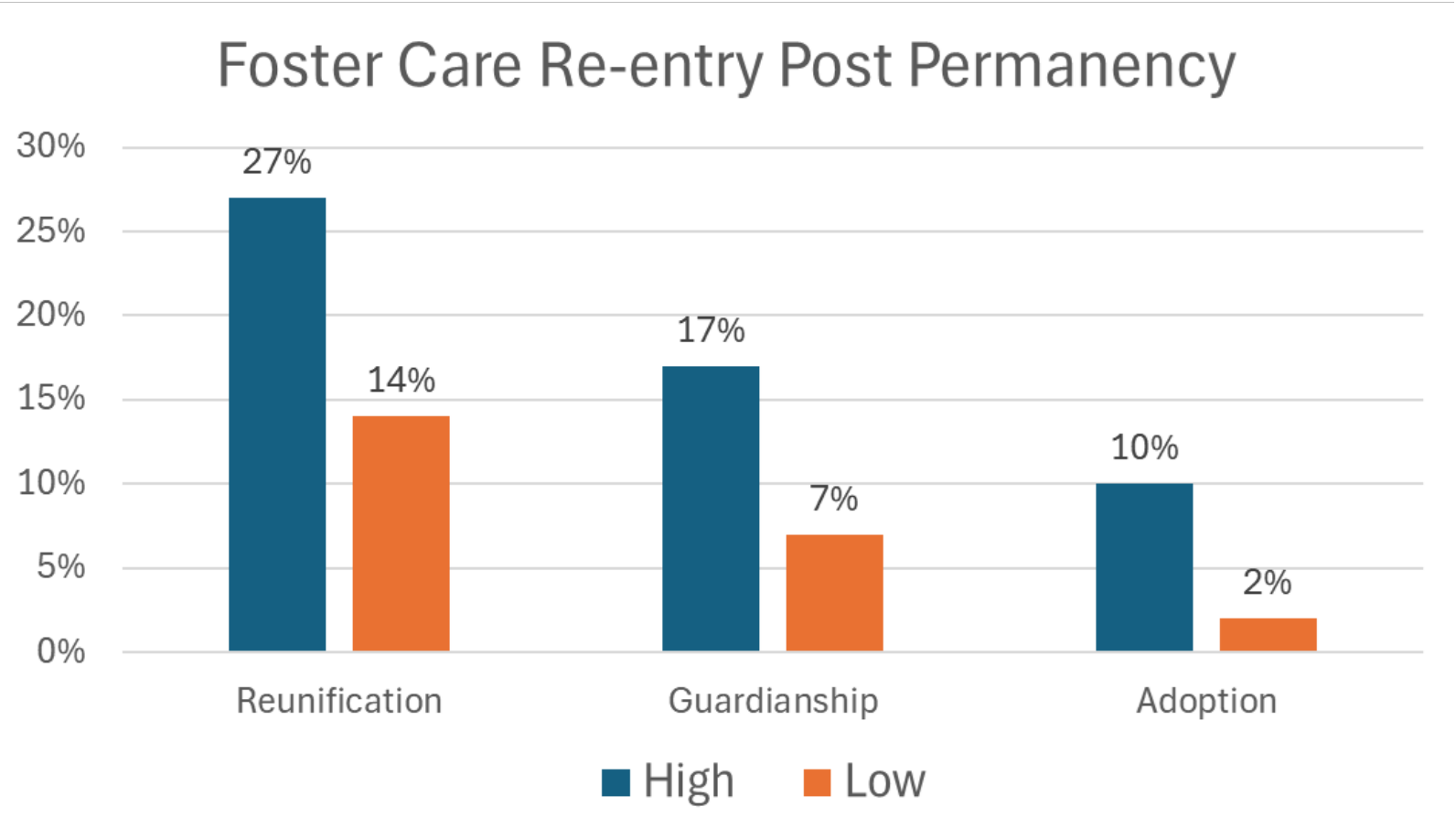
Source: Child Welfare Wonk “The Guardianship Gap: Federal Promise, State Reality,” September 8, 2025



Nearly All States Extend Foster Care past Age 18



High Rates of Post-Permanency Disruption



Recommendation 4: Strengthen the focus in existing law on promoting family connections and permanency for all children and youth

- ☐ Maintain and strengthen Title IV-E entitlements for adoption and guardianship, older youth
- ☐ Eliminate possible disincentives to permanency
- ☐ Ensure the stability and quality of placements post-permanency
- ☐ Ensure that children who do not achieve permanency can continue to rely on agency support until age 21
- ☐ Modernize the Chafee program to better meet the needs of youth and young adults during and after their time in foster care

Key Data & Recommendation #5

Federal financing should invest in state experimentation with the ability to sustain proven innovations

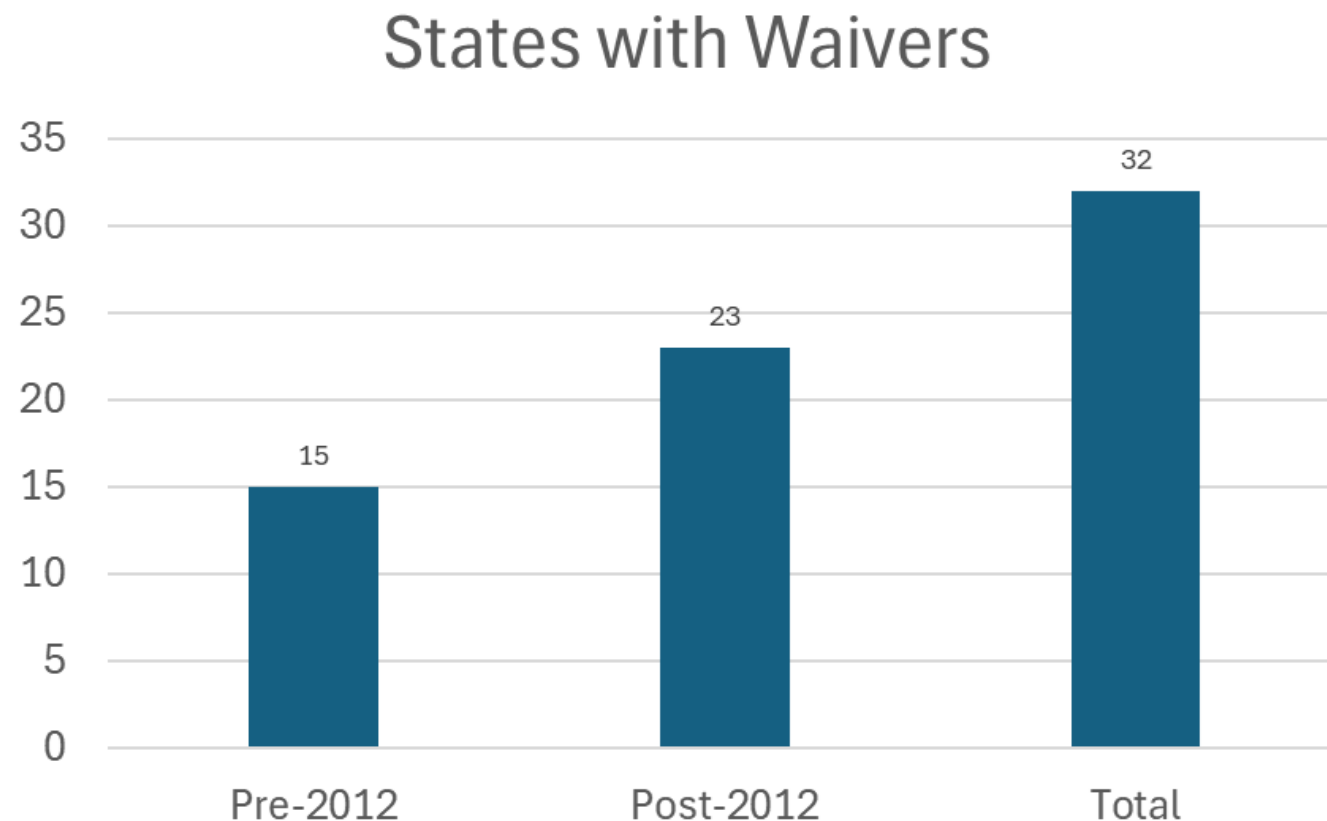


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States Have Demonstrated Interest in Testing Innovations



*Six states had waivers in both periods. Three additional states received approval for waivers, but did not implement them



Recommendation 5: Federal financing should invest in state experimentation with the ability to sustain proven innovations

- ❑ Ongoing experimentation is needed to address many of the persistent challenges that states and Tribes face
- ❑ Meaningful progress in child welfare requires a deliberate and sustained commitment to innovation
- ❑ Recommendations reflect lessons learned from prior child welfare demonstration projects
 - New investment of resources
 - Federally-led evaluation
 - Mechanism for sustainability

Key Data & Recommendation #6

Establish a new role for federal leadership in
improving quality of child welfare



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Child Welfare Workforce Challenges

Close to half (48.5%) of caseworkers report elevated levels of **secondary trauma** and trauma-related symptoms

Estimates of annual **turnover** vary greatly, but rates of 20% - 40% are common

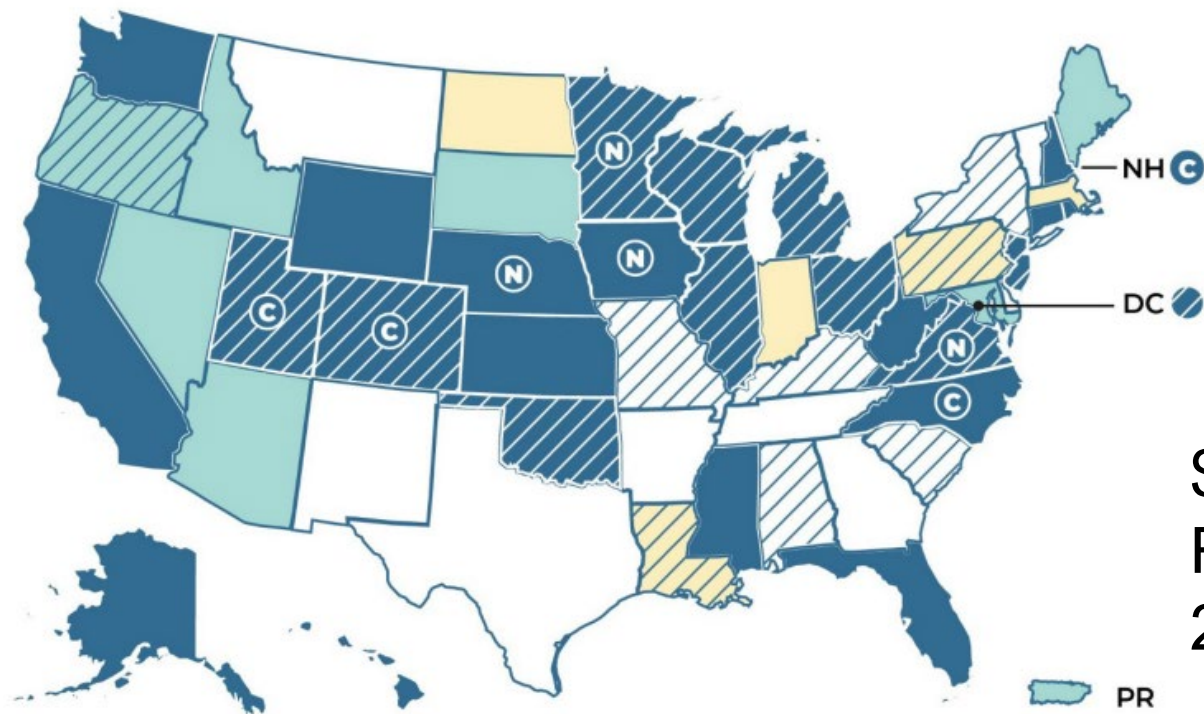
Just under half (45.1%) of caseworkers indicate having **difficulty paying their bills** each month – more than half make less than \$46,000.

Caseworkers spend more than 50% of the time on **paperwork** and documentation

The majority of caseworkers report experiencing threats to their **personal safety** during interactions with clients

About 30% of caseworkers have a **social work** degree

State Implementation of CCWIS Continues



\$1.3 Billion in Federal Reimbursement 2020-2024

- Legacy
AK, CA, CT, DC*, FL, HI, IL*, KS, MI*, MN*, MS, NJ*, OH*, OK*, RI, WA, WI*, WV, WY
- Comprehensive Child Welfare Information System (CCWIS)
AZ, ID, MD, ME, NV, OR*, PR, SD
- State did not participate in survey
AR, DE, GA, MT, NM, TN, TX, VT
- Migrating to a CCWIS
AL, KY, MS, NY, SC
- Other non-CCWIS state-wide system
IN, LA*, MA, ND, PA*

- (C) Legacy and CCWIS
CO*, NC*, NH, UT*
- (N) Legacy and other non-CCWIS statewide system
IA, MN*, NE, VA

Source: Varley, B., J. Lee, and M.C. Bradley. "A Snapshot of States' Child Welfare Data Systems of Record." OPRE Report #2024-097. Washington, DC: Office of Planning, Research, and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services, 2024.

Recommendation 6: Establish a new role for federal leadership in improving quality of child welfare

- ❑ Recruit and maintain a quality workforce
 - Set standards, provide specialized training, and professionalize and create a career ladder for those who perform the work of child welfare
 - Revised and expand existing federal incentives
- ❑ Improve states' use of data and technology to improve accountability and support continuous quality improvement
 - Help states and Tribes maintain quality, integrated child welfare data systems
 - Support implementation of Continuous Quality Improvement, Quality Service Reviews, and other accountability tools and processes
 - Effectively employ AI and other technologies to reduce worker burden and improve the overall quality of child welfare interventions

Feedback

- All feedback welcome
- Child Welfare Forward & ongoing opportunities for feedback
 - Conference sessions
 - Roundtables
 - Webinars
 - Listening sessions
- What we will do with feedback

<https://aphsa.org/child-welfare-forward/>

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