Child Trends

Policy Brief

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Supporting Youth in Foster Care: Research-Based Policy Recommendations for Executive and Legislative Officials in 2017

In 2015, 269,509 children were removed from their families—for neglect (61 percent), drug abuse by a parent (32 percent), and physical abuse (13 percent)—and placed in the U.S. foster care system. The new administration and Congress can play an important role in supporting these children and strengthening their families so they can be safe and healthy, and grow into successful and productive adults.

The population

The number of children entering foster care has increased in recent years. After declining from over 300,000 children in 2005 and 2006, entries hovered around 255,000 children from 2009 to 2013, and then crept up to about 265,000 in 2014 and nearly 270,000 in 2015. Children who experience foster care tend to exhibit more behavioral and emotional problems, physical and mental health challenges, and poorer educational outcomes than children who do not. Older youth who exit the foster care system because they "age out" (reach the maximum age for foster care in their state) are at particular risk for problems later in life, especially related to finding employment, accessing safe and stable housing, and involvement in the juvenile or adult justice systems. Foster youth who identify as LGBTQ (lesbian, gay, bisexual, transgender, or queer), who are overrepresented in the foster care system, may have elevated risks of contracting STDs, experiencing depression, and attempting suicide.

State of the field

Funding. States spent a total of $29.1 billion in federal, state, and local funds in 2014, with 57 percent of funds coming from states/localities and 43 percent of funds coming from federal sources. Federal funding for child welfare services has dropped 16 percent between 2004 and 2014. About $6.8 billion came from the Title IV-E of the Social Security Act, constituting over half of the total federal funding.

Over the last decade, Title IV-E use has declined in states, from $7.2 billion. State leaders note challenges in accessing Title IV-E funds, in part due to strict eligibility requirements including that children must be in out-of-home placements (such as foster care),

meaning those funds cannot be used for services that prevent entry into foster care. Title IV-E also requires that children have been removed from families be considered "needy" under the 1996 Aid to Families with Dependent Children program. In 2014, only half of the children in out-of-home care were covered under Title IV-E. However, under Child Welfare Waiver Demonstrations Projects, 28 states are able to use Title IV-E funds more flexibly to design and test innovative child welfare strategies.

States rely on other federal funding sources as well: in 6 states, the Social Services Block Grant (SSBG) accounted for 21 percent or more of the federal dollars spent by child welfare agencies in 2014, and in 19 states, Temporary Assistance for Needy Families (TANF) funds accounted for 21 percent or more.

Educational success. Changing schools disrupts a student's academic trajectory, so recent efforts have sought to improve educational stability for youth in foster care. Many students in foster care face educational disruption not only when they are initially removed from their homes, but during subsequent placement changes. Two recent federal actions strive to alleviate such disruptions: the 2008 Fostering Connections Act and the recent 2015 Every Student Succeeds Act (ESSA). States are working to implement provisions that require transportation to a student's home school whenever possible and a seamless transfer of student records when a student changes schools.

Access to health services. There have also been advancements in ensuring that youth in foster care have access to health care. Children in foster care experience more physical and mental health issues than their peers not in foster care, making access to high-quality health care a critical need. Most children who are in foster care qualify for Medicaid. Through the Patient Protection and Affordable Care Act, the over 20,000 youth who age out of foster care each year are able stay on Medicaid until age 26, mirroring the provision allowing young adults to remain on their parents' health insurance plans until age 26.

Extension of foster care beyond 18. Research shows that youth who remain in foster care beyond age 18 have better outcomes, which translates into cost benefits for society through increased wage earning power and delaying early childbearing. Although most states allow youth to remain in foster care after age 18 under certain circumstances, only half of states have extended foster care through federal Title IV-E, which requires broader access to foster care beyond age 18.

Our recommendations

We offer the following recommendations to policymakers interested in supporting the healthy growth and lives of children and youth in foster care:

1. **At the very least, stop the downward trend in federal child welfare spending; at best, create a stable and sufficient source of funding to provide quality services and supports for families involved with the child welfare system.** Reductions in federal spending for child welfare services have increased the burden on states and counties. States have used flexible funding sources such as the Social Services Block Grant (SSBG) and Temporary Assistance for Needy Families (TANF) to supplement declining Title IV-E funds, but these are not dedicated funding sources for children in or at risk of foster care; competing demands for SSBG and TANF funds create ongoing uncertainty for state child welfare agencies. Families in crisis and children in or at risk of foster care need a reliable source of funding to prevent the need for foster care and to provide quality services and support to children and youth who are in care.

2. **Maintain access to health care for young people who are aging out of foster care, up to age 26.** We recommend that Medicaid continue to provide affordable access to health insurance for youth who age out of foster care. Their heightened physical and mental health needs, combined with lack of a permanent family or support network, make them particularly vulnerable to poor health outcomes.

3. **Monitor the educational stability and improve outcomes for students in foster care through states' implementation of ESSA.** As state education agencies begin to more fully implement the ESSA, collect and disseminate data to assess the percentage of students in foster care who remain in their home schools, and track the educational outcomes of children and youth who have experienced foster care.

For a list of sources used to develop this brief, go to http://www.childtrends.org/research-based-policy-recommendations-2017/