Todd Lloyd, MSW Testimony before the U.S. House of Representatives House Committee on Ways and Means Subcommittee on Work and Welfare Pathways to Independence: Supporting Youth Aging Out of Foster Care January 17, 2024

Good afternoon, Chairman LaHood, Ranking Member Davis, and members of the subcommittee. My name is Todd Lloyd, and I am a Senior Policy Associate at the Annie E. Casey Foundation, a private philanthropy building a brighter future for the nation's children, youth and young adults. We invest in research, data and innovations that strengthen child welfare practice and policy and support family well-being, so all young people will have the relationships, communities, employment, and educational opportunities they need to thrive.

I joined the foundation in 2015 and work with colleagues and partners to advance public policy improvements in child welfare at state and national levels. Prior to joining the foundation, I held many positions in child welfare in Pennsylvania. I served as policy director at Pennsylvania Partnerships for Children. Before that, I was responsible for statewide monitoring and technical assistance across the Commonwealth's 67 county child welfare agencies, with a focus on the state's Chafee or independent living programs that serve youth in foster care, as well as a focus on community-based family centers funded by the state's Title IV-B program. I began my 25-year career in child welfare at a county child welfare agency in York, Pennsylvania.

Thank you for inviting me to come before you today. I commend the committee for its legacy of legislative accomplishments to improve child welfare. I'm pleased for the opportunity to share information. My oral remarks will focus on three areas. Further discussion and data are provided within my written testimony.

<u>First</u>, I'll provide context about the population of youth in foster care and highlight policy reform opportunities to drive better outcomes for youth and families. Congress has championed a number of foster care reforms, and yet, through our ongoing work in the field, we know there's opportunity to address new needs and ongoing challenges. <u>Second</u>, I'll share findings from a data report the Casey Foundation issued last year illustrating foster care and service trends over 15 years. The data show areas of progress as well as areas our nation and states can do better to prevent entries into foster care and promote better outcomes for youth during and after their foster care journeys, specifically by strengthening their connections to family, school and work.

<u>Lastly</u>, I'll share policy recommendations that are shaped by data and what we've learned by listening to and working with young people who have firsthand experience in foster care. We believe their insights provide a roadmap for reform that will spur a next generation of policy and programmatic improvements.

Understanding the needs of youth in foster care and opportunities for policy reform

I'll begin with a bit of context about youth in foster care. Today there are nearly 150,000 young people ages 14 to 21 in foster care, and they typically have been in foster care for 25 months. Some of these youth entered foster care as very young children, others as teens, but a third of them have experienced foster care more than once in their lifetime. The primary reason teens enter foster care is neglect. Issues and circumstances of neglect are often grounded in family instability, poverty and other family hardship. Together, Title IV-B and IV-E programs provide resources and opportunities for communities to help meet these very needs.

One of the primary goals of foster care is to nurture the health and safety of children in a short-term or temporary way while also focusing on helping all children leave foster care to safe and stable families. Unfortunately, we are falling short. Young children in foster care are more likely to return to their families or experience adoption or legal guardianship, but more than half of teens ages 16 and older will not — and will age out after reaching age 18. This equates to nearly 20,000 young people aging out annually. These youth face a steep climb on the road to adulthood, including setbacks in education, higher rates of mental health needs, higher risk of homelessness and other hardship. We can and must do better to help each of these young people have the relationships, support and opportunities to succeed.

When we create better outcomes for young people, there are broader benefits to society. The Foundation calculated societal costs related to youth who age out compared to their peers who do not experience foster care. In short, we've identified \$4.1 billion in costs associated with each annual cohort of youth who age out related to lower employment earnings, incomplete education, homelessness, early parenting and juvenile justice involvement.^{viii}

Reauthorization of the Title IV-B program provides a timely opportunity to build on prior legislative reforms to improve outcomes for youth. As the committee considers reauthorization, we encourage you to prioritize two equally important goals for youth:

- 1. Preventing foster care involvement for youth whenever possible; and
- 2. Promoting positive outcomes for youth who do come into foster care.

Title IV-B programs are largely focused on strengthening families. We encourage that continued focus and recommend targeted new investments and policies that can help communities leverage Title IV-B to meet the needs of children and youth in coordination with services provided through Title IV-E programs.

How can Title IV-B enhance and further the goals of Title IV-E programs? Here are several examples:

- The Family First Act spurred states to **prevent youth from entering foster care** by making all youth at risk of entering foster care eligible to receive evidenced-based services that treat mental health needs, address substance use disorders and provide parent education. Title IV-E funds are available for these services from programs with a certain evidence rating by the Title IV-E Prevention Services Clearinghouse (Family First Clearinghouse). This makes Title IV-B funds a vital resource as they position states to fund effective prevention programs that are not yet authorized by the Family First Clearinghouse and they serve youth and families in need who are not eligible under Title IV-E.ix
- The Fostering Connections Act spurred states to strengthen family connections and **promote legal permanency** through investments in kinship caregiving. The Act also offered federal reimbursement to states to support youth who are permanently placed with kin, and to extend foster care when youth opt to remain in foster care after age 18, which affords additional time for them to be connected to family and positively impacts rates of education, employment and housing.^x Title IV-B funding can further promote family connections and permanency by supporting youth who return home to their biological families, and by providing parent education and support to youth who age out of foster care and become young parents.
- The Chafee program focuses on services to youth in foster care who are 14 and older, including parenting youth, to help them prepare for and succeed in adulthood. Title IV-B funding can further help prepare youth for adulthood by connecting young parents to respite services and parent education classes, addressing mental health needs, and navigating housing assistance and other key needs.

To further illustrate the importance of flexible funding under Title IV-B, I offer this example. Data analysis by Foundation partners in Nebraska shows that nearly half of children from birth to age five who are in foster

care in Nebraska have at least one parent who was formerly in foster care themselves.xi Title IV-B can help prevent this intergenerational involvement, because it offers states flexibility on eligibility and funding to serve families in their communities, so the child welfare system can be safely avoided altogether. In contrast, Title IV-E reimburses states for a narrower set of child welfare interventions and for a narrower set of eligible families. For instance, a young parent who experienced foster care is not eligible for Title IV-E prevention services until their child is at imminent risk of entering foster care.

In short, as a flexible funding source, Title IV-B can be directed upstream in communities to help struggling families stabilize as well as downstream to help ensure youth in foster care also achieve lifelong family, such as reunification, adoption and kinship guardianship.

What we know: Key findings on the experiences and outcomes of youth in foster care

I'll now share a few key findings from the Foundation's 2023 data report illustrating foster care and service trends over the last 15 years.xii What you'll hear is that there are areas of progress as well as areas where we need to be doing better. [Also see charts in the addendum, Page 8.]

- 1. First, a positive national trend is increased kinship connections and family-based foster care placements for youth. Today, nearly 60% of teens in foster care are living in a family setting compared to half of them 15 years ago. This increase is entirely related to the growth of kinship care, which has been the result of federal Title IV-E and IV-B reforms. Kinship care is best practice for several reasons: Children and youth in kinship care have more stable placements and fewer school changes and are more likely to achieve permanency and not re-enter foster care.xiii Importantly, kinship care helps children maintain connections to their cultures and communities.
- 2. A concerning trend is that permanency rates for youth are ticking down. Less than half of youth in foster care who are age 16 and older will leave foster care to join a permanent family, whether that is through returning to their biological parents or by joining a lifelong family through adoption or legal guardianship.
- 3. The youth we work with have identified an increased need for mental health resources, inclusive of trauma supports and services, to succeed into adulthood. Specifically, they are seeking both increased traditional clinical supports and also less traditional but effective models like peer-supports and engagement in pro-social activities that encourage the development of healthy and lasting relationships with adults and peers.
- 4. Another concerning trend is the underutilization of services and programs aimed at helping teens succeed in school, work, and life. These services, typically provided through the Chafee program, include mentoring, life skills training and education support.

As mentioned earlier, there are about 150,000 teens and young adults currently in foster care. However, nearly 450,000 youth are eligible for Chafee services because youth between the ages of 14 and 21 remain eligible after leaving foster care (and up to age 23 in about 30 states). Unfortunately, each year, less than a quarter of all eligible foster youth receive any Chafee service. Further analysis of Chafee services also finds that only half of all eligible youth will ever receive Chafee services throughout their foster care journey.

- 1. We believe several factors drive these low rates of service delivery, including lack of awareness among youth of available services; funding constraints; lack of alignment between services offered and highest areas of need; and a historical focus by agencies on serving those they believed would "age out" which is only a portion of those who are eligible.
- 2. You'll recall that approximately 20,000 youth a year age out of foster care, typically at age 18. A powerful alternative is extended foster care, which serves youth up to age 21 in most states. However, too few young people are experiencing the benefits of these programs. In fact, less than one quarter of those youth are remaining in extended foster care by age 19.

- 3. Overall, the outcomes at age 21 for youth who have experienced foster care are poorer than outcomes for their peers who do not experience foster care, which include being:
 - a. less likely to complete high school or obtain a GED;
 - b. half as likely to enroll in higher education and job training; and
 - c. about 8% less likely to be working.
 - d. A third lack stable housing, and over a third report experiencing incarceration.

Policy recommendations for improving youth outcomes

As you have heard, the data show areas of progress and promise. There is much room for improvement. The following recommendations are informed by these findings and also draw on our understanding of what's working and not working, based on the Foundation's extensive work in the field and through broader research findings.

- Reimagine federal child welfare financing through enhanced rates of federal reimbursement that incentivize delivery of effective services and align federal investments with desired child, youth, and family outcomes. The most recent survey of states' spending on child welfare services found overall spending on child welfare is \$15.2 billion annually, and nearly 60% is state and local contribution.xiv Further federal financial participation is merited so states and communities have much-needed resources to deliver the array of services that safely prevent youth from entering foster care, reduce aging out and support youth and families following foster care.
 - Ensure federal financial participation in the costs of all family-based foster care placements through de-linking Title IV-E foster care funding eligibility that is locked within the poverty standard of the defunct 1996 Aid to Families with Dependent Children program (AFDC) and require states to reinvest any cost savings into efforts to better support these populations. Precedents include the 2008 federal "de-linking" of adoption subsidies and 2018 de-linking of Family First Act prevention.
 - Incentivize states to support kinship foster care arrangements through a significantly enhanced IV-E Family Medical Assistance Percentage (FMAP).
 - Reinvest and redirect all federal and state Title IV-E savings from reductions in use of foster care and group care placements into Title IV-B investments that target areas needing improvement within a state's Child and Family Services Plan.
 - Consider federal funding increases in Title IV-B programming that are tied to Title IV-E program
 performance. For instance, rate of expenditure under Title IV-E prevention.
 - Work with the Energy and Commerce Committee to comprehensively address youth mental health services for this population across funding streams including IV-B, IV-E, and Medicaid, which serves as the primary funding source for health services for young people in and aging out of foster care. This could include considering an enhanced Medicaid FMAP for community-based youth mental health services targeted to meet the needs of youth with significant trauma and mental health treatment needs, such as: mobile crisis response and stabilization services, enhanced care coordination services like high fidelity wraparound, in-home clinical therapeutic services for youth and their families, and peer-support services for youth and their caregivers.
- Address declining rates of youth permanency and promote safe and stable families for youth:
 - Increase federal investment in kinship connections and supports, including kinship navigators which are supported through Title IV-E and Title IV-B.
 - Specify in the purposes of Title IV-B that funds should focus on family permanency goals for youth, including preventing the need for foster care by strengthening families, as well as supporting goals of reunification, guardianship and adoption for youth in foster care.
 - Support research and community-based organizations working to build further evidence for interventions eligible under Title IV-E prevention programming, and particularly for interventions

- already effectively meeting the needs of young people from a range of communities and backgrounds.
- Enhance performance and accountability of youth-serving programs. A key feature of Title IV-B is the state plan requirements. These plans, also known as Child and Family Services Plans (or five-year IV-B plans) are intended to help states integrate and coordinate federal funding sources into a cohesive child welfare system that supports children, youth, and families.* We urge the committee to re-examine the plan requirements with the goal of making them drivers of accountability and more outcomes-focused. One important way to enhance accountability is to have ongoing input from youth, parents and other caregivers who are involved in the system; their feedback identifies what's working and what's not working.
- Continue to strengthen and support best practices through the Court Improvement Program, funded through Title IV-B. Quality court proceedings, including youth involvement in their hearings, are associated with positive outcomes for youth.

Address the underutilization of the Chafee program and improve the quality and impact of its services:

- Increase awareness of Chafee services among youth by requiring that states notify them about available services, through caseworkers and during court hearings, starting at age 14.
- Double the overall investment in the Chafee program, as was done in 1999, so state and local agencies have adequate, flexible, and predictable resources given the expanded age eligibility made by the Family First Act. This will increase delivery of services and help lead to better outcomes in school, work and family. Along with increased investment, strengthen accountability measures to improve results. Specify accountability measures that require meaningful input and involvement from youth and families who receive services from the system, such as youth boards, youth surveys, family feedback opportunities.
- Improve impact of federal investments by enhancing the array of services. For example, building on best practice, require that HHS/ACF, in collaboration with young people from foster care and other stakeholders, develop a list of benchmark services to guide agencies in updating their Chafee programs and specify best practices around engaging and notifying youth. Incentivize agencies to improve delivery of services by encouraging greater reliance on community-based organizations.

Remove barriers to youth accessing foster care beyond age 18:

- Eliminate eligibility criteria to better ensure participation in the programming any youth aged
 18 in foster care should be eligible.
- De-link Title IV-E financing eligibility from the defunct 1996 AFDC program so state and federal cost sharing can occur for all participating youth, which will encourage states to establish and enhance these programs for youth. Require states to reinvest any cost savings into additional programing to support this population.

Closing

Thank you for inviting me to speak with you today about ways to promote better outcomes for youth and their families. The Casey Foundation stands ready to assist the committee by providing further information, data, and insights to guide your decisions. Congress has a tremendous opportunity through Title IV-B and other federal programs to support pathways to independence and improved outcomes for older youth, prevent harmful and costly outcomes, and promote greater well-being so youth and families can thrive.

Addendum

Examples of Public-Private Partnership

Following the enactment of Chafee in 1999, the Annie E. Casey Foundation's Jim Casey Youth Opportunities Initiative established partnerships in over a third of states to help young people who experience foster care get connected to the resources, relationships, and opportunities they need to thrive. After a quarter century of partnership there are new insights, data, and lessons from many young people who have given back by sharing their lived expertise to improve policy and programming. In the 16 states of the Jim Casey Initiative's network, Foundation investments and technical assistance bolster public-private partnerships. In 2022, 40% (nearly \$34 million) of the \$85 million leveraged by the network's state partners were private dollars provided by 39 different foundations, businesses, and several local United Ways. The Casey Foundation invested an additional \$992,000 in grant funding.

With private philanthropic partners, the Foundation supports the Journey to Success campaign, so policymakers can receive state-specific data and hear directly from young people to learn about challenges and opportunities for youth in foster care in their states.

The Foundation is also a partner in the public, private and philanthropic Thriving Families, Safer Children effort working in 22 jurisdictions to strengthen resources that keep families together. Federal partners include the Children's Bureau and the National Center for Injury Prevention and Control at the Centers for Disease Control.

Examples of prevention and other programs that work

Evidenced-based programs for youth and families that have been rated by the Family First Clearinghouse include:

- Motivational Interviewing (MI) is a communication technique and method of counseling designed to engage ambivalent or skeptical young people in positive behavior change. MI reduces illicit substance and alcohol use by connecting young people to their own meaning, personal value, and capacity for change. Child welfare agencies in Utah and Washington, D.C., have invested in digital training tools to coach case managers in MI techniques to empower and motivate the youth they serve. It is rated "well-supported" by the Family First Clearinghouse.
- Strong African American Families (SAAF) is a group-based parenting program designed for families with youth ages 10–14. Rated "well-supported" by the Family First Clearinghouse, SAAF builds on families' strengths to prevent substance use and other risky behaviors. SAAF promotes youth goal setting and attainment, resistance of risky behaviors and acceptance of parental influences. A version of the program for teens is available but has yet to be reviewed by the Family First Clearinghouse.

Hundreds of prevention services and programs have been recommended for review by the Family First Clearinghouse, but many have yet to be evaluated, and others need support to build further evidence to meet the Family First Clearinghouse requirements. For smaller community organizations delivering effective services, building evidence is both time-intensive and costly. Many need resources to develop both the family strengthening programs and the rigorous research. Public and philanthropic partners can help. The Foundation supports the expansion of several efforts, including:

Connect, an evidence-based parenting support curriculum. With trainings tailored for parents, foster parents and kinship caregivers. Connect addresses social, emotional and behavioral adjustment for adolescents by strengthening family bonds, with the aim of keeping families together or supporting their reunification after foster care. Connect is rated "well-supported" by the California Evidence-Based Clearinghouse but has not yet been reviewed by the Family First Clearinghouse.

Extended foster care:

Research on **extended foster care** finds that older youth in care at age 19 were more likely to have a high school or GED and more likely to be employed at age 21 than youth who were not in extended foster care at age 19. They were less likely to experience homelessness between ages 19 and 21.xvi One study found these outcomes for each additional year of foster care beyond age 18: increased odds of enrolling in college by 10-11 percent; increased odds of earning a high school credential by 8 percent; and decreased odds of experiencing homelessness or couch surfing between ages 17 and 21 about 28 percent.^{xvii}

Kinship care:

Research on **kinship care** shows that children and youth placed with relatives and close family friends experience fewer placement changes, have lower odds of placement disruptions and fewer school changes. The children express more positive feelings about their placement when placed with kin. Additionally, higher levels of permanency are achieved with lower reentry rates. Cultural identity and community connections are better preserved.^{xviii}

Financial education and matched savings:

Young people (ages 14-26) become financially capable, gain experience with banking, and acquire assets or pay expenses that support their life goals through the Casey Foundation's Opportunity Passport® program. Participants complete a financial education curriculum, open a personal bank account, and save money to meet their goals. Participants receive a match of at least 1:1 on savings intended for approved purchases, such as a car or rental deposit.

A recent analysis found asset purchases by participating youth are associated with better outcomes. For example, Opportunity Passport participants who purchase a vehicle have 4.1 times higher odds of reporting they have adequate transportation for school and work. Participants who purchase a vehicle have 1.5 times higher odds of reporting they have employment. Participants who purchase an education asset have 3.7 times higher odds of reporting being in school. Participants who purchase a housing asset have 1.8 times higher odds of reporting they have stable housing.xix

Promoting permanent families for older youth instead of aging out

The SOUL Family legal permanency option, designed by young leaders with foster care experience with support from the Casey Foundation, proposes a promising alternative to aging out. It offers a new way to build strong families for young people ages 16 and older. In Kansas, public and private partners are exploring how this approach would allow young people to establish permanent legal relationships with one or more adult caregivers, maintain ties to their birth parents and siblings, and receive mentoring and additional support from a network of caring adults. Youth in these families would receive benefits and services needed to support their learning, career preparation, housing and wellness along the path to adulthood.^{xx}

Data charts:

Figure 1: Placements for older youth (ages 14+), 2020

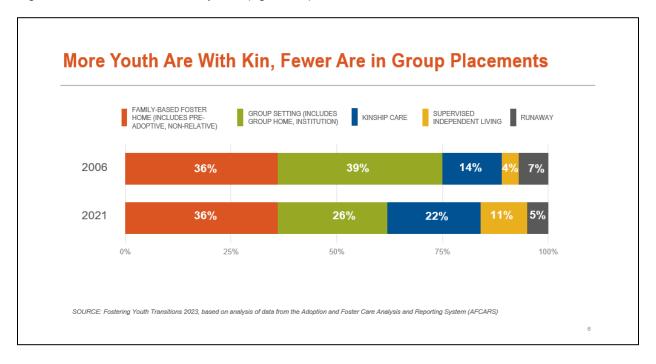


Figure 2: Aging Out, 2021

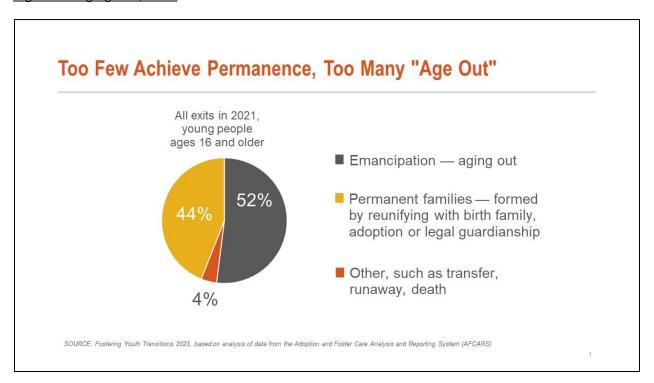


Figure 3: Chafee Services for Eligible Young People Ages 14+

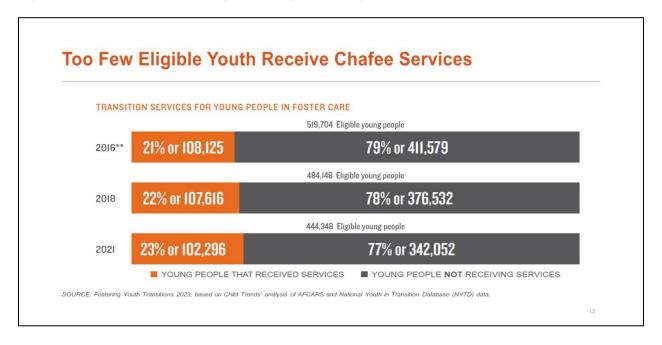
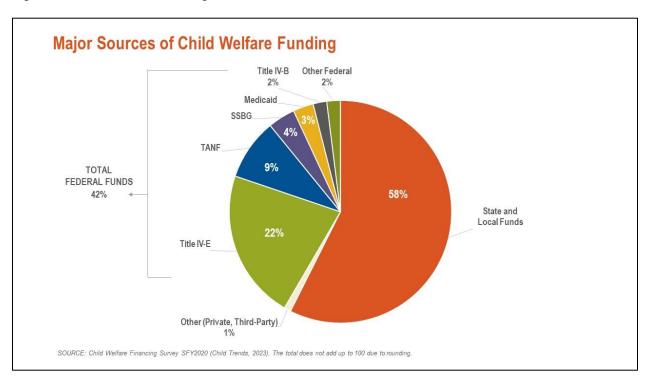


Figure 4: Child Welfare Funding, SFY 2020



For additional information, please contact Todd Lloyd, Senior Policy Associate at tlloyd@aecf.org.

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- ^v The Annie E. Casey Foundation (2023). Fostering Youth Transitions 2023: State and National Data to Drive Foster Care Advocacy. https://www.aecf.org/resources/fostering-youth-transitions-2023
- vi U.S. Department of Health and Human Services, Administration for Children and Families, Children's Bureau (2022). *The AFCARS Report Preliminary FY 2021 Estimates as of June 28*, 2022. (No. 29). https://www.acf.hhs.gov/sites/default/files/documents/cb/afcars-report-29.pdf
- vii The Annie E. Casey Foundation (2023). Fostering Youth Transitions 2023: State and National Data to Drive Foster Care Advocacy. https://www.aecf.org/resources/fostering-youth-transitions-2023
- viii The Annie E. Casey Foundation, Jim Casey Youth Opportunities Initiative (2019). Future Savings: The Economic Potential of Successful Transitions From Foster Care to Adulthood. https://aecf.org/resources/future-savings
- ix Over 800 prevention programs have been recommended for review by the Prevention Clearinghouse to assess the programs' level of evidence for IV-E funding eligibility. So far, only 160 programs have been reviewed. While half of these reviewed programs have met the evidence criteria for reimbursement, only 18 programs have received a rating of "Well-Supported". See the list of programs here: https://preventionservices.acf.hhs.gov/programs-recommended-review.
- ^x For a summary of improved outcomes connected to kinship care, see: Redlich Epstein, H. (2017). *Kinship care is better for children and families*. Child Law Practice Today. <a href="https://www.americanbar.org/groups/public_interest/child_law/resources/child_law_practiceonline/child_law_prac
- xi Nebraska Children and Families Foundation (2023). *Community Collaboratives: The Annual Community Collaboratives Report 2022-2023*. University of Nebraska Medical Center Monroe Meyer Institute.
- xii The data in this section are from The Annie E. Casey Foundation (2023). Fostering Youth Transitions 2023: State and National Data to Drive Foster Care Advocacy. https://www.aecf.org/resources/fostering-youth-transitions-2023
- Redlich Epstein, H. (2017). *Kinship care is better for children and families. Child Law Practice Today.* https://www.americanbar.org/groups/public_interest/child_law/resources/child_law_practiceonline/child_law_practice/vol-36/july-aug-2017/kinship-care-is-better-for-children-and-families/
- xiv Rosinsky, K., Fischer, M., & Haas, M. (2023). *Child Welfare Financing SFY 2020: A survey of federal, state, and local expenditures.* Bethesda, MD: Child Trends. https://www.childtrends.org/publications/child-welfare-financing-survey-sfy2020
- xv State plans and reports are available here: https://www.acf.hhs.gov/cb/cfsp-apsr-state-reports
- xvi Rosenberg, R., & Abbott, S. (2019). Supporting Older Youth Beyond Age 18: Examining Data and Trends in Extended Foster Care. Bethesda: MD: Child Trends. https://www.childtrends.org/publications/supporting-older-youth-beyond-age-18-examining-data-and-trends-in-extended-foster-care
- xvii Courtney, M. E., Okpych, N. J., & Park, S. (2018). Report from CalYOUTH: Findings on the relationships between extended foster care and youths' outcomes at age 21. Chicago, IL: Chapin Hall at the University of Chicago. https://www.chapinhall.org/research/improved-outcomes-at-age-21-for-youth-in-extended-foster-care/xviii Redlich Epstein, H. (2017). Kinship care is better for children and families. Child Law Practice Today. https://www.americanbar.org/groups/public_interest/child_law/resources/child_law_practiceonline/child_law_practiceore/vol-36/july-aug-2017/kinship-care-is-better-for-children-and-families/
- xix Analysis of Opportunity Passport Data System and Opportunity Passport Participant Survey data. Child Trends (2022).
- ** For additional details about the SOUL Family Permanency Option, see https://www.aecf.org/blog/soul-family-permanency-option-for-older-youth-in-foster-care.

[†] The Annie E. Casey Foundation (2023). Fostering Youth Transitions 2023: State and National Data to Drive Foster Care Advocacy. https://www.aecf.org/resources/fostering-youth-transitions-2023

ii Ibid.

iii Ibid.

There are numerous studies exploring these intersections. See, for example: Conrad-Hiebner, A., & Byram, E. (2020). *The Temporal Impact of Economic Insecurity on Child Maltreatment: A Systematic Review*. Trauma, Violence, & Abuse, 21(1), 157-178. https://doi.org/10.1177/1524838018756122 and McLaughlin, M. (2017). *Less money, more problems: How changes in disposable income affect child maltreatment*. Child Abuse & Neglect, 67, 315-321. https://doi.org/10.1016/j.chiabu.2017.03.006