

Summary of Subsidized Guardianship Waiver Demonstrations

Prepared For:
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Introduction

The passage of Public Law 103-432 by Congress in 1994 granted the Secretary of the Department of Health and Human Services (HHS) the authority to approve State demonstration projects involving the waiver of certain provisions of titles IV-E and IV-B of the Social Security Act. The waivers give States the flexibility to use Federal funds (particularly title IV-E foster care funds) for alternative services and supports that promote the safety, permanency, and well-being of children in the child welfare system. The Adoption and Safe Families Act of 1997 extended and expanded HHS' authority to use waivers for child welfare programs by approving up to 10 new waiver demonstration projects each year. All waiver demonstrations are required to include a rigorous evaluation conducted by an independent evaluator. In addition, waiver demonstrations must remain cost neutral to the Federal government (i.e., States cannot receive more in Federal reimbursement than they would have received under titles IV-B or IV-E of the Act in the absence of the demonstration).

While Federal legislative authority to approve new title IV-E waivers expired on March 31, 2006, States with projects approved before this date may continue to implement their waiver demonstrations. Requests to extend demonstrations beyond their original period of approval (usually five years) may also be considered and approved at the Secretary's discretion.

Since the enactment of the child welfare waiver authority, some States have implemented interventions focused on specific child welfare populations, while others have experimented with the flexible use of funds to effect system-wide reforms. To date, 23 States have implemented one or more demonstrations involving a variety of service strategies, including: subsidized guardianship; flexible funding and capped title IV-E allocations; managed care payment systems; services for caregivers with substance use disorders; intensive service options, including expedited reunification services; enhanced training for child welfare staff; adoption and post-permanency services; and tribal administration of title IV-E funds.

This paper focuses on the subsidized guardianship (SG) waiver demonstrations. These demonstrations have afforded States an opportunity to explore the extent to which the availability of SG increases permanency among children for whom adoption or reunification are not viable permanency options. The demonstrations have also tested whether the provision of ongoing subsidy payments to legal guardians results in costs that are equal to or less than long-term foster care maintenance. The following sections provide a brief overview of the key features of SG waiver demonstrations and notable outcome findings, with a particular focus on States with more recent or active guardianship waivers.

Overview of Subsidized Guardianship Demonstrations

Since the inception of the waiver authority, 11 States have implemented SG waiver demonstrations: Delaware, Illinois¹, Iowa, Maryland, Minnesota, Montana, New Mexico, North

¹ Illinois completed its original guardianship waiver in December 2003 and completed a five-year extension (Phase II) in October 2009. Under its original waiver, children were assigned to either an experimental group (eligible for a guardianship subsidy) or a control group (ineligible for a subsidy). Under Phase II, all children eligible for SG were assigned to either a control group (eligible for the standard guardianship subsidy) or an experimental group (eligible for a guardianship subsidy in addition to enhanced independent living and transitional services).

Carolina, Oregon, Tennessee, and Wisconsin. As of June 2010, four States—Iowa, Minnesota², Oregon, and Wisconsin—have active demonstrations. Tennessee terminated its guardianship waiver early in March 2009 in order to opt into the new Federal title IV-E Guardianship Assistance Program established under Public Law 110-351 (the Fostering Connections to Success and Increasing Adoptions Act of 2008); the remaining States with active waivers plan to complete their projects while considering whether to establish guardianship programs under the new Federal law.

All SG waiver demonstrations are similar in that they provide financial support for the legal guardians of children who have previously been in foster care; however, considerable differences are evident across States in the amount of subsidy payments provided and in the eligibility criteria for guardianship. Eligibility criteria considered by the States include the child's length of time with the caregiver, the child's age, the caregiver's relationship to the child, the child's eligibility status with respect to title IV-E foster care, and the caregiver's status as a licensed or unlicensed foster care provider (see Table 2: Key Features of Subsidized Guardianship Waiver Demonstrations at the end of this summary). Most States employed random assignment designs to meet Federal requirements for conducting rigorous evaluations of their SG waivers, although some variations emerged in terms of the evaluations' sample sizes and case assignment procedures.

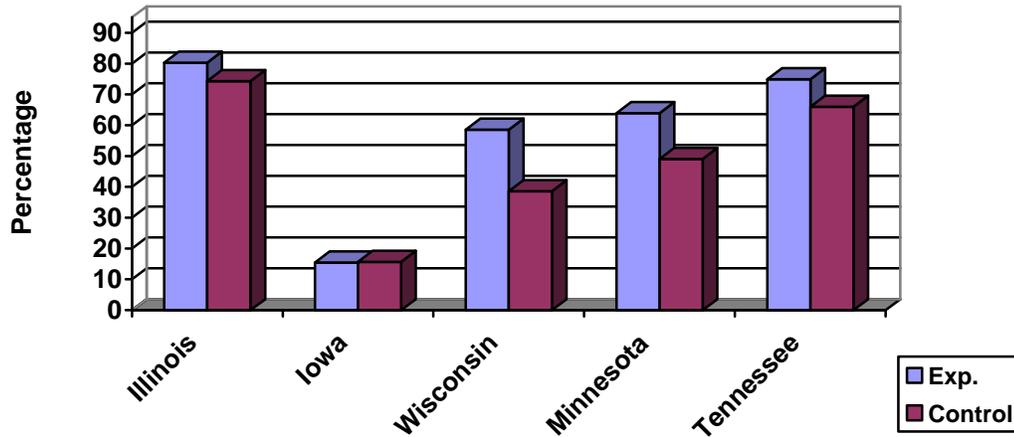
Key Outcome Findings

Permanency Rates: Permanency constitutes an outcome area in which some of the most conclusive findings regarding the positive impact of SG have emerged since the first waivers were implemented in the 1990s. As illustrated in Figure 1 on the following page, several States (Illinois – Phase I, Wisconsin, Minnesota, and Tennessee) that implemented experimental evaluation designs have demonstrated significantly higher net permanency³ rates among experimental group children (those with access to SG) than among control group children, ranging from a difference of 6 percent in Illinois to as high as 20 percent in Wisconsin. By the end of Illinois' original SG waiver, 80 percent of experimental group children had exited foster care to a permanent placement compared with 74 percent of control group children. No statistically significant differences in net permanency rates were observed among youth participating in Illinois' five-year guardianship extension, which focused on the provision of post-permanency supports for older youth in foster care; however, caregivers who reported being fully aware of the enhanced services available through the State's demonstration were significantly more likely to report that the youths in their care had exited to SG.

² Minnesota's demonstration differs from projects in other States in that it tests the impact of a single benefit structure on permanency outcomes for children. Under the State's demonstration, children who exit foster care to either adoption or guardianship continue to receive the same monthly subsidy and services they received while in foster care. In contrast, the State's traditional subsidy programs allow counties to negotiate separate guardianship or adoption payments with caregivers that are up to 50 percent lower than foster care maintenance payments.

³ Net permanency is defined as combined exits to reunification with family of origin, adoption, and guardianship.

Figure 1 – Net Permanency Rates by State



As with Illinois' original demonstration, final findings from Tennessee's project revealed a positive and statistically significant correlation between the availability of SG and net permanency, with nearly 75 percent of children assigned to the project's experimental group exiting to permanency compared with 66 percent of children in the control group. Interim findings from Wisconsin reveal a statistically significant effect from the availability of SG on net permanency rates, with 59 percent of children assigned to the experimental group exiting to guardianship, reunification, or adoption as of November 2007 compared with 39 percent of control group children, a difference of 20 percent. Preliminary findings from Minnesota suggest similar positive trends, with 64 percent of children in the State's experimental group having moved to permanency through adoption or permanent legal custody as of September 2009 compared with 49 percent of children in the control group. No statistically significant changes in net permanency were associated with Iowa's SG waiver; the absence of significant findings in this State may have been due in part to implementation problems that limited caseworkers' knowledge and use of SG.

Placement Duration: Interim findings from Wisconsin indicate that the availability of SG has had a significant positive effect on placement duration, with children assigned to the experimental group spending an average of 377 days in out-of-home care compared with 453 days for children in the control group, a difference of 76 days. A similar trend is evident in Minnesota, where the mean number of days in foster care following assignment to the demonstration was 435 days among experimental group children compared to 567 days for children in the control group, a difference of 132 days. No statistically significant changes in placement duration were associated with Iowa's SG waiver or with Illinois' long-term waiver extension.

Maltreatment Recurrence: Findings from Illinois' original SG demonstration suggested that children placed with guardians were at least as safe or safer from repeat maltreatment than children in other permanent settings (adoption and reunification); this pattern continued during the State's long-term extension, with only 7 percent of youth who exited to guardianship having a substantiated maltreatment recurrence compared to 20 percent of reunified youth. The remaining States have either observed no significant association between SG and maltreatment recurrence or did not report findings regarding this outcome.

Placement Disruptions and Foster Care Re-Entry: In general, the availability of SG does not appear to increase the risk of placement disruption. During its original SG waiver, Illinois observed no significant differences between the experimental and control groups in the proportion of permanent placements that were disrupted (1.2 percent versus 1.1 percent, respectively). Oregon also reported a very low incidence of foster care re-entry during its original waiver, with only four of 133 children (3 percent) re-entering substitute care during the first year following exit to guardianship. Similarly, Iowa reported no significant differences between its experimental and control groups in placement disruptions or foster care re-entries. In Tennessee, only 1.2 percent of experimental group children who exited an initial placement to SG had re-entered care as of October 2009. Final data regarding placement disruptions and foster care re-entries are pending from Minnesota and Wisconsin.

Child Well-Being: Findings from Montana and Illinois' original demonstrations suggest that children in guardianship fare as well as those in other permanency settings on several measures of well-being, including school performance, engagement in risky behaviors, and access to community resources. Comprehensive well-being data are more limited for Illinois' long-term waiver extension, although data on youths' educational progress revealed that more than 75 percent of experimental group youth had completed or were attending high school. Preliminary findings from caregiver surveys conducted in Minnesota indicate more positive well-being outcomes for children that exit to permanency through adoption or transfer of legal custody than for children who did not achieve permanency, particularly in the areas of emotional wellness, caregiver-child relationships, and overall well-being.

Factors Influencing Subsidized Guardianship Outcomes

The permanency findings reported above must be viewed in the context of casework practices and attitudes that in turn affect decisions regarding the offer of SG. Evaluations of some earlier SG demonstrations found that while results were generally positive, much smaller percentages of children than originally expected actually exited foster care to guardianship. Consequently, States with more recent waiver demonstrations have attempted to measure variables that clarify the decision-making process around SG, such as the proportion of caregivers offered SG; the proportions that accept or decline SG offers; caseworkers' attitudes towards SG in relation to other permanency outcomes (i.e., reunification and adoption); and families' reasons for accepting or rejecting SG.

Data from surveys, interviews, and case record reviews in several States—including Iowa, Montana, North Carolina, Oregon, and Wisconsin—indicate that caseworker attitudes about guardianship as a permanency option may influence whether SG is discussed with a caregiver. For example, 59 percent of case managers surveyed as part of Wisconsin's evaluation indicated that they do not believe guardianship is as permanent as adoption. However, there is some evidence that attitudes about SG have been evolving and that it is gaining greater acceptance among caseworkers in some States; in Tennessee, for instance, 65 percent of caseworkers reported that they regard SG to be just as permanent as adoption. Despite concerns among some child welfare professionals about its stability, most caseworkers perceive clear benefits to guardianship arrangements. Returning to the examples of Wisconsin and Tennessee, 75 percent and 89 percent of surveyed caseworkers (respectively) agreed that SG is positive because it does not require termination of parental rights, while 61 percent and 85 percent (respectively) agreed that SG is good because it gives birth parents a chance to reunite with their children in the future.

Although more recent waivers have included guidelines to maintain youths' eligibility for transitional services such as Chafee training and education vouchers, an additional barrier reported by both caseworkers and caregivers involves concerns about the potential loss of services experienced by children who exit to guardianship. For example, the caseworkers of over 15 percent of cases eligible for Iowa's SG demonstration cited concerns about the loss of services and financial benefits—such as college tuition waivers, continued Medicaid enrollment, and clothing allowances—as one of the reasons for not considering SG. While Illinois attempted to address concerns about the loss of benefits by establishing an enhanced guardianship program that offered children exiting to guardianship the same package of transitional and independent living services available to youth who age out of foster care, the efficacy of this approach was hindered by inadequate training and information dissemination about the State's project. In total, nearly 28 percent of the caregivers of youth assigned to the experimental group of Illinois' enhanced guardianship demonstration reported that they had not been informed about the availability of enhanced services through the project.

As evidenced in Table 1 below, States have varied widely in the extent to which they have extended SG offers to the caregivers of eligible children, while caregivers themselves differ widely in their responses to these offers. In addition to a preference for adoption and concerns about the loss of services, common reasons given by caseworkers for not discussing SG with families including the youth's ineligibility (e.g., the child had already aged out of foster care); lack of child or caregiver interest; youth instability (e.g., the youth had recently changed placements); and concerns about the suitability of the prospective guardian as a permanent caregiver. Reasons given by caregivers include concerns about the long-term financial burden and legal liability of becoming a guardian; the child's opposition to a guardianship arrangement; and concerns about the loss of casework support and ongoing financial and medical benefits.

Table 1 - Guardianship Subsidy Offers, Acceptances, and Refusals by State⁴

State	Total Sample Size ⁵	#/% Offered SG (of total sample)	#/% Accepting (of those offered)	#/% Declining (of those offered)
Minnesota	494 (children)	360 (73%)	306 (85%) ⁶	54 (15%)
Oregon	72 (cases)	59 (82%)	29 (49%)	30 (51%)
Tennessee	338 (children)	231 (68%)	146 (63%)	85 (37%)
Wisconsin	131 (children)	82 (63%)	34 (41%)	48 (59%)

Findings regarding the offer and acceptance of SG, combined with insights into caseworkers' and caregivers' attitudes and decision-making about SG, suggest that better training and information dissemination (e.g., with respect to eligibility for post-permanency services, the

⁴ Findings from Minnesota are derived from the State's interim evaluation report submitted in July 2008. Findings from Wisconsin are derived from that State's interim evaluation report submitted in May 2008. Findings from Oregon and Tennessee are derived from these States' final evaluation reports.

⁵ This number is based either on the total number of children assigned to the State's experimental group at the time the analysis was conducted (Minnesota), or on a sample of caregivers or case managers that responded to a request for an interview regarding the offer of guardianship (Oregon, Tennessee, Wisconsin).

⁶ This number represents the total number of children whose caregivers accepted the Minnesota Single Benefit Option, which includes separate tracks for exiting to permanent legal custody (guardianship) or adoption. Of those caregivers that accepted the single benefit, 80.6 percent decided to adopt, 17.7 percent chose a transfer of permanent legal custody (i.e., guardianship), and 1.6 percent remained undecided.

benefits of SG over long-term foster care) could further improve the already positive permanency outcomes observed in many States.

Next Steps

The SG demonstrations have contributed to increased national acceptance of subsidized guardianship as a viable permanency option and played a role in the creation of a new title IV-E Guardianship Assistance Program (GAP). States that opt to participate in GAP may receive reimbursement under title IV-E for subsidies to relatives who assume legal guardianship of children who have been in foster care. To qualify, a child must have been eligible for IV-E foster care maintenance payments while residing for at least six consecutive months in the home of the prospective guardian. Furthermore, States must determine that 1) reunification or adoption are not appropriate permanency options for the child; 2) that the child has a strong attachment to the prospective relative guardian and that the guardian has a strong commitment to caring permanently for the child; and 3) that any child 14 years or older has been consulted regarding the guardianship arrangement. In addition, the Act contains a “grandfather” clause that allows States that terminate a guardianship waiver to continue using title IV-E funds to pay the subsidies of children who exited to guardianship before September 30, 2008 under an SG waiver, including children who may not meet the eligibility criteria of the new GAP program.

In light of the new Federal legislation, the remaining States with active SG demonstrations are in the process of phasing down their waivers and considering whether to amend their State IV-E Plans in order to opt into GAP. As these States submit final evaluation reports, the results will continue to inform national findings on how the availability of SG affects outcomes for children and families.

**Table 2: Key Features of Subsidized Guardianship Waiver Demonstrations
As of June 2010**

State Name and Completion/Termination Date	Special Program Features and Services	Payment Amount	Eligibility Requirements				
			Length of Time with Prospective Guardian	Child Age	Caregiver Relationship	Child's IV-E Eligibility	Caregiver Licensing Status
Delaware (12/31/02)	<ul style="list-style-type: none"> Family and child were eligible to receive case management, child health care, mental health care, and post-permanency services. 	Equal to monthly foster care payment	1 year	12+	Relatives or kin ⁷ and non-relatives	IV-E only	Licensed foster care providers only
Illinois (Phase 1: 12/31/03) (Phase 2: 10/31/09)	<ul style="list-style-type: none"> Preliminary screenings and counseling; payment of one-time court costs and legal fees; periodic casework assistance; emergency stabilization; and other special services (e.g., physical therapy). Youth enrolled in “enhanced program” eligible for independent living and transitional services funded through Chafee Foster Care Independence Program (CFCIP). 	Equal to monthly adoption assistance payment	Originally 2 years; changed to 1 year in 7/01	All ages if placed with relatives or kin; 12+ if placed with non-relative “Enhanced” program targets youth 14+	Relatives or kin and non-relatives	IV-E and non-IV-E	Licensed (non-relatives) and unlicensed (relatives only)
Iowa (9/1/10) ⁸	<ul style="list-style-type: none"> One-time payment for costs and legal fees associated with establishing the guardianship. Children 16+ eligible for education and training vouchers funded through CFCIP. 	Equal to monthly foster care maintenance payment	6 months	All ages if placed with a relative; 12+ if placed with non-relative	Relatives and non-relatives	IV-E and non-IV-E	Licensed (non-relatives) and unlicensed (relatives only)
Maryland (9/30/04)	<ul style="list-style-type: none"> Guardians given priority for receiving support services, including individual and family counseling, parent training, medical support, and mental health assessments. 	\$300 monthly subsidy (< foster care subsidy but > TANF child-only payment)	6 months	All ages	Relatives or kin only	IV-E and non-IV-E	Licensed and unlicensed

⁷ “Kin” may include other persons related to a child by blood, marriage, or adoption, or a non-related individual who is an important family friend or with whom the child has resided or has had significant contact (e.g., a foster caregiver).

⁸ Expected completion dates are included for those States with active waiver demonstrations.

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Minnesota (9/30/10)	<ul style="list-style-type: none"> ▪ State established a Single Benefit Program that offers an identical financial subsidy for caregivers who adopt or assume permanent legal custody (i.e., guardianship) of a child in their care. 	Equal to child's existing monthly foster care payment	6 months	All ages	Relatives or kin and non-relatives	IV-E only	Licensed foster care providers only
Montana (12/31/08)	<ul style="list-style-type: none"> ▪ Targets children in both State and Tribal custody. ▪ Families may access social and mental health services typically available to adoptive families. 	\$10 less than monthly foster care payment	6 months	Originally 12+; age requirement eliminated in year 3.	Relatives or kin and non-relatives	IV-E only	Licensed foster care providers only
New Mexico (12/31/05)	<ul style="list-style-type: none"> ▪ Two separate components: (1) Native American children in Tribal custody; and (2) children in State custody. 	Equal to monthly adoption assistance payment	No minimum	All ages	Relatives or kin and non-relatives	IV-E only	Licensed foster care providers only
North Carolina (Phase 1: 6/30/04) (Phase 2: 2/28/08)	<ul style="list-style-type: none"> ▪ No additional services specified. 	Originally less than monthly foster care payment; increased 10/02 to equal foster care payment	6 months	All ages	Relatives and non-relatives	IV-E and non-IV-E	Licensed (non-relatives) and unlicensed (relatives only)
Oregon (Phase 1: 3/31/04) (Phase 2: 6/30/10)	<ul style="list-style-type: none"> ▪ One-time payment for costs and legal fees associated with establishing guardianship. ▪ Access to same post-permanency services as adoptive families. 	Equal to basic monthly foster care rate	6 months	All ages if placed with relative; 12+ if placed with non-relative	Relatives or kin and non-relatives	IV-E only	Licensed (non-relatives) and unlicensed (relatives only)

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Tennessee (3/31/09)	<ul style="list-style-type: none"> ▪ Pre- and post-permanency services including information and referral; family advocacy; children's activity groups; respite care; and recreational activities. ▪ Up to \$1,000 to cover legal fees and other non-recurring costs to finalize guardianship. ▪ Children ages 15+ eligible for education and training vouchers funded through CFCIP. 	Equal to the State's base monthly foster care subsidy	6 months	All ages	Relatives and non-relatives	IV-E and non-IV-E	Licensed foster care providers only
Wisconsin (9/30/10)	<ul style="list-style-type: none"> ▪ Assistance in applying for subsidies, referrals to community services, and access to post-guardianship resource centers. ▪ Children 15+ eligible for education and training vouchers, "room and board," and other transitional services funded through CFCIP. 	Equal to the child's monthly foster care maintenance payment	12 consecutive mos. in foster care; required time in placement with prospective guardian at CWS agency discretion	All ages	Relatives and kin	IV-E and non-IV-E	Licensed foster care providers only