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INFORMATION MEMORANDUM

TO: State Social Services Directors, State Child Welfare Administrators, State Adoption and Foster Care Coordinators

SUBJECT: Child Welfare Demonstration Projects

LEGAL AND RELATED REFERENCES: Title IV-B of the Social Security Act; Title IV-E of the Social Security Act; Section 1130 of the Social Security Act, as amended by Public Law 105-89

PURPOSE: The purposes of this Information Memorandum are to announce that the Department of Health and Human Services (Department) is seeking State proposals on child welfare demonstration projects and to inform interested parties of: (1) the procedures the Department expects States to employ in involving the public in the development of proposed demonstration projects under Section 1130; (2) the procedures the Department will follow in receiving demonstration proposals; and (3) the principles and procedures the Department will follow in exercising its discretion to grant waivers for demonstration projects under the authority in Section 1130 (a) of the Social Security Act (the Act), as amended by Public Law 105-89.

DUE DATE: The Department strongly encourages States to Submit Letters of Intent by **April 5, 1999**.

FOR FURTHER INFORMATION: See the ACF Website at <http://www.acf.hhs.gov/> or contact Laura Oliven, Children's Bureau, Administration on Children, Youth and Families, HHS at (202) 205-8618.

SUPPLEMENTARY INFORMATION: Under section 1130 of the Act, the Department of Health and Human Services is given authority to approve up to ten States for Child Welfare Demonstrations in each of the five fiscal years 1998-2002. These demonstration projects involve the waiver of certain requirements of titles IV-B and IV-E, the sections of the Act that govern foster care, adoption assistance, independent living, child welfare services, promoting safe and stable families, family preservation and support, and related expenses for program

administration, training, and automated systems. This authority provides an opportunity for States to design and test a wide range of approaches to improve and reform child welfare. Such demonstrations should provide valuable knowledge that will lead to improvements in the delivery, effectiveness and efficiency of services.

In exercising her discretionary authority, the Secretary has developed a number of policies and procedures for reviewing proposals. In order to ensure a sound, expeditious and open decision-making process, the Department will be guided by the policies and procedures described in this Information Memorandum in accepting and reviewing proposals submitted pursuant to Section 1130 of the Act.

Background: The child welfare system is in a period of great crisis and great challenge. Current social and economic forces are placing enormous pressures and stresses on children and families and on the professionals and agencies that serve them. Significant rates of child and family poverty, a great number of teen pregnancies, the substance abuse and AIDS epidemics and the increasing levels of interpersonal and community violence, including increases in child abuse and neglect, have resulted in a loss of family strength and unity and multiple challenges to very fragile families. These factors have created larger caseloads, presenting complex family problems for public child welfare agencies. Community and State agencies with limited resources are struggling to address these issues.

New, creative efforts are needed to stimulate meaningful changes in the delivery of child welfare services and promote more effective methods of service delivery for children and families. Throughout the country, local and State child welfare agency administrators are developing innovative responses to these circumstances. Knowledgeable child welfare professionals are developing new solutions to these challenges even when faced with insufficient resources. In order to meet the existing service needs of families with diminishing resources, more flexibility is needed in devising service programs.

The Adoption and Safe Families Act (ASFA) of 1997 (Public Law 105-89), which was signed by the President on November 19, 1997, increased the number of waiver demonstration projects available to States. ASFA represents an important landmark in Federal child welfare law. It establishes that the national goals for children in the child welfare system are safety, permanency and well-being. The law provides mechanisms for making child welfare systems more responsive to the multiple and often complex needs of children and families. It gives new impetus to the effort to dismantle the many barriers that may exist between children waiting in foster care and the permanent placements they need. By expanding the number of child welfare waiver demonstrations available, the law provides States the opportunity to develop creative approaches to provide permanency for children in foster care, and offers a Federal partnership in the effort to develop innovative strategies to achieve positive results for children in the child welfare system.

A wide range of efforts is underway to foster more effective working relationships among Federal, State and local governments, which will strengthen Federal-State partnerships in developing a responsive child welfare service delivery system. This new partnership is an integral part of several programs administered by the Administration for Children and Families

(ACF). For example, the Promoting Safe and Stable Families program (formerly the Family Preservation and Support Services program, Subpart 2 of title IV-B of the Social Security Act) provides funds to assist States in assessing the needs of children and families, re-examining State systems for meeting such needs, developing plans for the implementation of time-limited family reunification services, family preservation and support services, and support for adoption and systems change.

Another ACF program, reauthorized as part of the ASFA, provides funds for State courts to assess their role in responding to the needs of children and families and develop improvement plans based on these self-assessments. The Statewide Automated Child Welfare Information System (SACWIS) provides funds, at the rate of 50 percent Federal share, for the operation of State child welfare information systems which will help States link child welfare program data and operations with other programs, especially Temporary Assistance for Needy Families (TANF) and child abuse and neglect programs.

The Adoption 2002 Initiative, a related Department effort, is a result of the President's Executive Memorandum on Adoption, which has now been reinforced by several provisions of ASFA. The initiative promotes efforts to increase the number of children who are adopted and permanently placed each year; to move children more rapidly from foster care to permanent homes; and to increase awareness of the tens of thousands of children waiting for families. This initiative will move children more quickly from foster care to permanent homes and at least double, by the year 2002, the number of children who are adopted or permanently placed each year.

Additionally, the Interethnic Adoption provisions of the Small Business Job Protection Act of 1996 strengthens a prohibition against delaying or denying the placement of a child for adoption or foster care on the basis of race, color, or national origin. This legislation also provides a tax credit for all adoptions, with a premium for special needs adoption.

General Considerations

Principles

The basic guiding principles for the implementation of a Child Welfare Demonstration project remain unchanged from the original announcement for Child Welfare demonstration projects, which appeared in the *Federal Register* of June 15, 1995. Projects conducted under this waiver authority must, according to statute:

- Be consistent with the purposes of titles IV-B and IV-E of the Social Security Act in providing child welfare services, including foster care and adoption, that is:
 - assure the safety of children and protect the rights of children and their families; and
 - ensure permanency for children through intensive family preservation and support or through reunification or adoption efforts;
- Be cost neutral to the Federal government for the duration of the project period; and
- Ensure that benefit eligibility to a qualified child or family will not be impaired.

Demonstration projects should also:

- Focus on improving outcomes for children and families and the efficacy with which services are provided;
- Be open to public scrutiny at the local, State and Federal levels, and be based upon broad consultation and full opportunity for public comment;
- Provide services in which the level of State intrusion into family life is consistent with the seriousness of the risks to family members;
- Comply with appropriate civil rights statutes and regulations;
- Present specific hypotheses that are testable by a well-designed evaluation plan; and
- Test unique concepts, in the context of a solid evaluation plan, which could lead to broader program reforms.

Further, the newly amended demonstration effort affirms a number of key principles embodied in ASFA, which must be considered by the States in implementing the demonstration effort. These principles are:

- The safety of children is the paramount concern that must guide all child welfare services.
- Foster care is a temporary setting and not a place for children to grow up.
- Permanency planning efforts for children should begin as soon as a child enters foster care and should be expedited by the provision of services to families.
- The child welfare system must focus on results and accountability.
- Innovative approaches are needed to achieve the goals of safety, permanency and well-being.

The final principle recognizes that more solutions are needed to achieve safety, permanency and well-being for children. By expanding the authority for the child welfare demonstrations, Public Law 105-89 provides a mechanism to allow States greater program flexibility to develop innovative strategies to achieve positive results for children and families.

Objectives

The Administration for Children and Families encourages States to use the flexibility under the demonstrations as a vehicle to test innovative alternatives and new approaches that will produce positive outcomes for children, youth and their families. In developing demonstration projects, States should consider that the Department affirms the following general objectives:

- Improve results for children and families such as better assuring the safety and protection of children, enhancing and enriching child development, providing permanency for

children, strengthening family functioning and averting family crises, providing early intervention to avoid out-of-home placement, reducing the time that children are separated from their families, speeding the process by which children who cannot return home are freed for adoption and adopted, or preparing young people in foster care for independent living;

- Innovate and develop creative, alternative approaches to child welfare service delivery that, when confirmed by rigorous evaluation, can be employed by other States and Federal policymakers to improve outcomes for children, youth and families or increase efficiency or both;
- Develop new information and experience on which to base legislative changes.

Develop family-focused, strengths-based, community-based service delivery networks that enhance the child-rearing abilities of families, to enable them to remain safely together in their homes whenever possible, or to move children quickly to permanency when that is not possible.

While the Department is committed to working with States to consider a range of proposals, it may disapprove or limit proposals on policy grounds or because the proposal creates potential constitutional problems or violates civil rights laws or equal protection requirements. The Department will give priority consideration to innovative approaches that are not currently being tested. (Appendix I lists a number of examples of innovative projects.) Within the overall policy framework described above, the Department is prepared to:

- Grant waivers that: clearly define the policy hypothesis to be tested; fully delineate the proposed intervention and describe how the intervention supports the hypothesis; outline the specific child welfare outcomes to be examined; and are not duplicative of currently ongoing child welfare waiver demonstrations (See Appendix III); and
- Approve waiver demonstration projects ranging in scale from small, local projects to statewide projects, where appropriate.

Smaller-scale projects may enable States and the Department to test new ideas under circumstances that are easier and less costly to evaluate and in which the financial risks are more easily controlled. Generally, smaller-scale demonstrations will minimize legal and financial exposure and will therefore be more attractive for projects that propose to test novel approaches for which the outcomes are less certain. Statewide projects will, by their nature, be more difficult to approve because of the complexity of establishing reliable comparison groups to assess the impact of specific projects.

Projects that provide for an evaluation based on random assignment methodology produce more reliable results, and consequently are strongly favored by the Department.

Preferences

The Department will give preference to proposals that would test policy alternatives that are unique; that differ in their approach to serving families and children; that differ in significant ways from other proposals; and that are submitted by States that have not previously been approved for a Child Welfare Demonstration project. The Department will give first consideration to proposals that reflect the priorities outlined in Appendix I, and will make every effort to approve proposals reflecting these priorities. Section 1130(a)(3), as amended, provides that certain types of proposals must be considered. They are proposals for:

a project designed to identify and address barriers that result in delays to adoptive placement for children in foster care;

a project designed to identify and address parental substance abuse problems that endanger children and result in the placement of children in foster care. This would include the placement of children with their parents in residential treatment facilities (including residential treatment facilities for post-partum depression) that are specifically designed to serve parents and children together in order to promote family reunification and that can ensure the health and safety of children in such placements; and

a project designed to address kinship care.

The Department will consider any such proposal, in accordance with all the requirements of the law and the priorities outlined in this Information Memorandum.

Provisions Not Subject to Waiver

Section 1130 (b)(1) excludes certain provisions of titles IV-E and IV-B from waiver. They are:

- A. Certain protections for children in foster care and their families, formerly required by section 427 of the Social Security Act (now section 422 (b) (9), which, effective April 1, 1995, made those protections an element of a State's Child Welfare Services State Plan). These protections are fully explained in section 475 of the Act. This excludes from waiver: (1) all the protections having to do with periodic reviews of the status and progress of foster care cases; (2) permanency hearings (formerly called dispositional hearings) to determine or confirm the future plan for the child and to determine whether an independent living plan is needed for older children in care; (3) requirements that certain information be contained in a child's case plan; (4) protections for the child such as requirements that the placement be the most family-like setting and in close proximity to the parents' home; (5) protections for the family such as procedural safeguards to assure that parental rights are respected; and (6) the requirement that States must file or join a petition for Termination of Parental Rights for children in care 15 of the last 22 months.
- B. Section 479 which establishes the Adoption and Foster Care Data collection requirements.
- C. Any provision of title IV-E to the extent that a waiver would impair the entitlement of any qualified child or family to benefits under Part E.

In addition, the Department has determined that it will exclude from waiver those provisions of sections 471 (a)(8) and (12) which provide for confidentiality and fair hearings, respectively. All other provisions may be waived at the discretion of the Secretary.

Limitations

Section 1130(a)(4), as amended, limits State eligibility for child welfare demonstration projects. The Secretary may not approve a waiver project for any State that fails to provide health insurance coverage to any child with special needs (as determined under section 473(c) of the Act) for whom there is in effect an adoption assistance agreement between a State and an adoptive parent or parents.

Further, Section 1130(a)(5) requires that all proposals must (1) identify any court order in effect anywhere in the State in which a court has determined that the State's child welfare program failed to comply with titles IV-B or IV-E of the Social Security Act or the U.S. Constitution, and (2) provide an analysis of whether that proposed demonstration would have any effect on any such court order and, if so, how.

Any State that has an approved demonstration and wishes in addition to propose a new Child Welfare demonstration should submit a new proposal; amendments to existing demonstrations will be considered only to the extent they are consistent with the Terms and Conditions for the approved project(s).

Duration

Section 1130 (d), as amended, of the Act limits the duration of the demonstration to not more than five years unless in the judgment of the Secretary, the demonstration project should be allowed to continue. The Department will consider demonstrations with a duration of less than five years and will work with States to:

- Approve waivers of sufficient duration to give new approaches a fair test. The duration of waiver approval should be commensurate with the magnitude and complexity of the project. For example, a large-scale program may require the full five years. Smaller projects, for example a one-to-several county demonstration effort, may demonstrate their effectiveness and utility in a shorter period of time.
- Provide reasonable time for the preparation of meaningful analyses and the preparation of evaluation reports for the demonstration project; and
- Determine a reasonable start date for the project recognizing that new approaches often involve considerable start-up time.

Proposal Submission and Review Procedures

For proposals submitted in 1999, a two-step procedure is provided, to speed the review process and focus the Department's technical assistance efforts. The steps, described below, involve a Letter of Intent to be submitted by a State, followed at a later date by a full proposal. The Department will begin working with a State to respond to specific questions upon receipt of a Letter of Intent.

Acceptance of Proposals

Proposals for a Child Welfare Demonstration project will be accepted at any time from the States, the District of Columbia, and Puerto Rico. Proposals will be easier to review and will require less time for negotiation and approval, to the extent that they: 1) clearly delineate the proposed program intervention; 2) articulate the hypothesis that will be tested through the implementation of the program intervention; 3) present specific and well-developed goals and outcomes that the State will use to measure the performance of the project; 4) present a sound evaluation plan that preferably employs random assignment, to enable the State to accurately determine the impact and effectiveness of the program intervention; 5) present a reliable method of ensuring cost neutrality; and 6) identify the steps taken to assure county, local or judicial cooperation as required by the project. Proposals should be addressed to the Children's Bureau, Administration on Children, Youth and Families, U.S. Department of Health and Human Services, 330 C Street, S.W. Washington, D.C. 20447, Room 2058. Proposals submitted in 1999 should be addressed to the attention of Laura Oliven. States are asked to provide a copy of their proposals to their respective ACF Regional Administrators. A list of the names and addresses of Regional Administrators may be found at Appendix II.

Proposals will be accepted immediately upon publication of this Information Memorandum. As proposals are received a brief description will be posted on the ACF Website, at <http://www.acf.hhs.gov/programs/cb/demonstrations>. This information will, among other things, enable State officials and others to judge for themselves the nature and extent of competition for Child Welfare Demonstrations. This listing will be in addition to the publication in the Federal Register, which is described below.

Technical Assistance

States which have not already been approved for a Child Welfare demonstration project are invited to submit a Letter of Intent, and these States will be provided with a technical assistance package. A Letter of Intent should indicate an intention to submit a proposal, and briefly describe the demonstration project and the method of evaluation that the State is considering. The technical assistance package will include, among other things:

- a copy of this Information Memorandum;
- a guide to the evaluation of Child Welfare Demonstrations (including descriptions of methodologies the Department prefers and the reasons therefore, samples of the evaluation provisions of approved Demonstrations, and information about resources that might be helpful to a State in designing a demonstration and constructing an evaluation plan);

- examples of cost-neutrality designs on which the Department and States have reached agreement in the past;
- a copy of section 1130 of the Act;
- samples of other key provisions of Terms and Conditions the Department has approved for Child Welfare Demonstration projects in the past; and
- a checklist of the elements required in a proposal.

Upon receipt of a Letter of Intent from a State, ACYF staff will contact the appropriate State official to offer a conference call in which both Central Office and Regional Office staff of ACYF will participate. If the State accepts the offer, the State can use the opportunity to describe further the nature and scope of the demonstration it is considering, and its approach to evaluation, and to raise specific questions. Without making commitments at that point, ACYF staff will endeavor to answer questions concerning evaluation, cost neutrality, and the provisions of this Information Memorandum. ACYF staff will also refer interested States to published materials or other States which may be helpful to them. These pre-submission contacts are regarded as technical assistance to a State, in an effort to help a State achieve its own purposes consistent with the priorities identified in this Information Memorandum, and to anticipate and try to avoid or solve potential problems. Such contacts are not waiver negotiation sessions, and neither any State nor ACYF would be bound by any positions taken or tentative agreements reached in such a session.

Technical assistance will also be available later to States that do not write Letters of Intent. Pre-approval consultation with a State (at any time before a proposal is submitted or while a proposal is under consideration) can include answering specific questions regarding cost-neutrality and cost-allocation issues, working with a State to consider the scope of its project and options for evaluation, and referring a State to other sources of assistance for the formulation of evaluation plans. Federal staff will not participate in determining the basic nature of a State's demonstration project but will provide assistance related to preparing a proposal, to the extent that resources allow.

After approval of a Child Welfare Demonstration, federally provided technical assistance will remain available through the Regional Offices and the Central Office of ACYF and, to a limited extent, through federally-funded technical assistance providers. A major priority for federally-funded technical assistance will be to support the evaluations of approved Demonstration projects.

Review of Proposals

The Department intends to review proposals as promptly as possible after receipt. Proposals will be reviewed by Federal officials, who will also consider comments received from outside experts (if any) and from the general public. Regional Office staff will be asked to contribute to the review of proposals submitted by States in their respective Regions. The review process and all discussions and other activities leading up to a final decision will be managed by the Children's Bureau. If the initial review discloses basic questions or issues with a proposal, the State may be

contacted for more information or to resolve the problem so that the process can continue. States will be permitted a reasonable period of time to address any issues raised during the initial review.

Following the initial review and responses to any basic questions as described above, an Issue Paper will be prepared and sent to the State. The Issue Paper will pose any questions of substance that have been raised within the Department and will outline any problems or issues that may impede approval or that may complicate agreement on the scope, nature, cost neutrality and evaluation of the proposed demonstration project. The Department will request that States respond in writing to the Issue Paper.

Where issues remain or problems cannot be resolved, the Department will continue its efforts to achieve agreement on any proposal that meets the requirements of the law and the preferences described in this Information Memorandum, and that the Department believes proposes a project that ultimately may be recommended to the Secretary for approval. Such efforts can include additional conference calls, exchanges of written statements and arguments, review and comment on draft Terms and Conditions prepared by the Children's Bureau, and face-to-face meetings. However, the Department or the State may terminate the process if it appears that agreement cannot be reached.

Public Comment

From time to time, the Department will summarize the proposals received and publish these summaries in the Federal Register for public comment. This Federal-level public comment process will be completed for a proposal before it is recommended to the Secretary for approval. This process is in addition to the public comments that States are required to solicit and consider and report on in their proposals, as described under State Notice Procedures, below. When a summary of a State's Child Welfare Demonstration proposal is published in the Federal Register, the Department will publish the name address and telephone number of the official designated by each State for the purpose and direct interested parties to contact the State directly to receive a full copy of the State's proposal. The announcement in the Federal Register will inform interested parties that they may respond directly to the Children's Bureau and encourage them to send a copy of their comment(s) to the State.

All decisions about approval of a Child Welfare demonstration proposal and all Department commitments with respect to times for responding to demonstration proposals will be delayed until both the State and the Federal aspects of the public comment process are completed.

Decisions

ACYF will only recommend to the Secretary approval of proposals that meet the requirements of the statute. The Terms and Conditions for a proposed Child Welfare demonstration will not be recommended for approval without the concurrence of the State that submitted the proposal and the Federal Office of Management and Budget. In addition, ACYF will assure that other HHS components, as appropriate, and any other relevant Federal agencies have reviewed the Terms and Conditions. States will be informed of the Secretary's decisions as they are reached.

If the Department determines it is necessary, an agreement might be negotiated between a State and the Department to implement the demonstration project at some date in the future. For example, if some action of the State legislature is required as an integral element of a demonstration, it might be possible to conditionally approve the project pending action by the legislature.

State Notice Procedures

The Department recognizes that individuals and groups who may be affected by a Demonstration project have a legitimate interest in learning about proposed projects and having input into the decision-making process prior to the time a proposal is approved by the Department. The Department requires that States provide notification to the public that a Child Welfare Demonstration project is being proposed, and an opportunity for comment.

A process that facilitates public involvement and input promotes sound decision-making. There are many ways that States can provide for such input. In order to allow for public input into the proposal, the Department will accept any process that:

- Includes the holding of one or more public hearings, at which the most recent working proposal is described and made available to the public and time is provided during which comments can be received; or
- Uses a commission or other similar process, where meetings are open to members of the public, in the development of the proposal; or
- Results from enactment of a proposal by the State legislature prior to submission of the demonstration proposal, where the legislature holds one or more public hearings and the outline of such proposal is contained in the legislative enactment; or
- Provides for formal notice and comment in accordance with the State's administrative procedures act; provided that such notice must be given at least 30 days prior to submission; or
- Includes notice of the intent to submit a demonstration proposal in newspapers of general circulation, and provides a mechanism for receiving a copy of the working proposal and an opportunity, which shall not be less than 30 days, to comment on the proposal; or
- Includes any other similar process for public input that would afford an interested party the opportunity to learn about the contents of the proposal and to comment on its contents.

The State shall include in the Demonstration proposal it submits to the Department a description of the process that was used in the State to obtain public input. If the Department determines that the process was inadequate to meet the standards set forth above, the State can resolve the inadequacy by posting a notice in the newspaper of widest circulation in each city with a population of 100,000 or more, or in the newspaper of widest circulation in the State if there is no city with a population of 100,000, indicating that a demonstration proposal has been submitted. Such notice shall describe the major elements of the proposed demonstration and any changes in benefits, payments, responsibilities, or provider selection requested in the proposal.

The notice shall indicate how an interested person can obtain copies of the proposal and shall specify that written comments will be accepted by the State for a period of thirty days. If a State follows such a procedure, the State should respond to requests for copies of the proposal within seven days. The State should maintain a record of all comments received through this process.

States must advise the public that comments regarding the proposed Child Welfare Demonstration project can be made directly to ACYF. Written comments can be submitted to Laura Oliven, Children's Bureau, ACYF, 330 C Street, S.W., Room 2058, Washington, D.C. 20201.

States that materially revise their proposals after they are first submitted to the Department may be required to solicit public comment on any modification of consequence on which the public otherwise had no opportunity, as described in this section, to comment.

As noted above, all decisions about approval of a Child Welfare Demonstration proposal will be delayed until both the State-level and the Federal-level aspects of the public comment process are completed.

Evaluation

Section 1130 (f) requires that each State authorized to conduct a demonstration project must obtain an evaluation by an independent contractor to assess the effectiveness of the project. The evaluation plan, at a minimum, must provide for:

a comparison of outcomes for children and families, and groups of children and families, under the project and such outcomes under an existing State plan or plans, for purposes of assessing the effectiveness of the project in achieving program goals; and

a comparison of methods of service delivery under the project and such methods under a State plan or plans, with respect to efficiency, economy and any other appropriate measures of program management; and

a comparison of the fiscal consequences of the project for the State and local jurisdictions, families, other agencies, and the Federal government, and an assessment of the cost effectiveness of the project.

Section 1130 (e)(1) requires the proposal to describe both the children and families who would be served by the waiver demonstration project and the services that would be provided. The Department is committed to testing a range of program strategies. The Department strongly encourages that the proposals provide for random assignment of children and families to groups served under the project and control groups. Experience has shown that the random assignment approach easily addresses both evaluation and cost-neutrality issues and is the most appropriate method of evaluation for demonstrating the effectiveness of interventions.

States should consider small-scale projects, to be conducted in a limited number of jurisdictions within the State, assuming adequate control groups can be established. Small-scale projects have

the added advantage of limiting fiscal and programmatic risk for States and for the Federal government, making it potentially easier to resolve cost neutrality problems and other points of contention in the negotiation process. Frequently, small-scale projects are better suited to demonstrations that are very innovative or that expand the scope of conventional child welfare practice. These may well include projects that the Department would especially wish to encourage, but for which both the State and the Department would prefer to limit risk until the program implications are evaluated.

The evaluation process should be as unobtrusive as possible to the clients in terms of implementing and operating the approach to be demonstrated, while ensuring that critical lessons are learned from the demonstration effort.

If the State proposes an alternative to random assignment, the proposal must include a demonstration that random assignment is not appropriate and an explanation of how the State believes an alternative methodology would meet evaluation needs. The evaluation design must include a clear statement of the evaluation questions.

The costs of the required independent evaluation of each State's demonstration project will be excluded from the cost-neutrality calculation. In addition, the costs for the development of the proposal and the evaluation design, as well as the costs of the evaluation itself, may be charged to title IV-E administrative costs without cost allocation, so that States may claim a full 50 percent of these costs as title IV-E administrative costs.

The Department has awarded a national contract to collect information from the approved demonstration projects; to produce annual reports for the Department and the general public; to collect, synthesize and report on the results of the individual States' evaluations; to organize an annual meeting of demonstration States and their evaluators; to assist selected States in resolving evaluation problems; to assist the Department in assuring that States with approved demonstrations are informed of and able to profit from the experience of other demonstration States; and to prepare a national summary of the Child Welfare demonstrations at the completion of the project periods. All States proposing a demonstration must provide an assurance that they will agree to cooperate and collaborate in this evaluation effort.

Cost Neutrality

Section 1130 (g) requires that the demonstration project be cost neutral, that is, the total amount of Federal funds used to support the demonstration, over the approved project period, will not exceed the amount of Federal funds that would have been expended by the State under the State plans approved under Parts B and E of title IV of the Act if the Demonstration project were not conducted. The Department will determine at the beginning of each demonstration that the project can be reasonably expected to be cost neutral over its projected duration. The Department will work with a State to devise a method for calculating cost neutrality in advance of approval, so that the project will be cost neutral as the Demonstration progresses, and the State will not be at risk of accumulating any debt under the Demonstration. The Department will continue to examine quarterly claims and otherwise monitor Demonstration projects to track interim results and spending and to assure Federal cost neutrality as the demonstration project progresses.

The Department expects that some States will project costs and savings over the full term of the project. The Department will devise a cost neutrality formula, for quarterly (typically) payments to the States, that will calculate an amount the State would otherwise have received for that period for the children in the demonstration, in the absence of a demonstration. The Department expects to participate only to a very limited extent in the financing of any project that requires significant "up-front" expenditures in excess of that amount in order to produce a return on the investment in the later stages of the demonstration. The Department will impose a cap on the payment of costs for "up-front" expenditures, at a maximum of roughly five percent above the amount derived by the cost neutrality formula for a particular quarter or cumulatively from the beginning of the project. Payment to a State above the amount determined to be cost neutral for the quarter will be limited to the early quarters of the project. The determination that a project is cost neutral in concept will be made before a demonstration project begins.

As noted above, the Terms and Conditions will prescribe a formula by which each State calculates and claims the amount of title IV-E and IV-B funds to which it would otherwise have been entitled, in the absence of a demonstration. Typically, the project evaluation will also provide data necessary for the calculation of cost neutrality, another reason for the emphasis on a reliable method of evaluation and the Department's strong preference for a random assignment methodology.

States will be expected to devote any Federal funds that are saved or freed up under a demonstration and that are not expended for purposes approved as part of the Demonstration, to child welfare purposes authorized by parts B and E of title IV. In order to be able to claim the full amount of title IV-E Federal Financial Participation (FFP) for any title IV-E funds that would be allowed under the cost-neutrality formula, a State must expend sufficient non-Federal funds for such child welfare purposes. States will continue to claim FFP for non-demonstration title IV-E activities under the standard procedures.

Along with other project results, fiscal effects of the project will be carefully monitored as a key element of the evaluation, as the demonstration project progresses. A demonstration will not be approved if the Department determines that up-front costs present too great a risk to the maintenance of cost-neutrality over the life of the project. Should the Department determine, in the course of a Demonstration, that Federal costs exceed a cost-neutral amount, continuation of the demonstration project will be conditioned on modification of the project or other action that will maintain Federal cost neutrality.

States may be required to conform, within a reasonable period of time, relevant aspects of a demonstration to changes in Federal legislation.

State Proposals

Proposals will be easier to review and will require less time for negotiation and approval, to the extent that they provide:

A clear description of the proposed project, including a statement of the hypothesis that will be tested through the implementation of the program intervention. A discussion of the benefits that

are expected from the project as compared to the continuation of current service delivery activities, a statement explaining how the State expects service provision will be improved for children and families or any anticipated changes in the service delivery mechanism(s); and a statement presenting specific and well-developed goals and outcomes the State expects to realize at the end of the demonstration effort, including how service provision will have changed for children and families.

Demographic information, including the geographic area(s) in which the proposed project will be conducted; a description and an estimate of the number of children or families who would be served by the proposed project; and the number of title IV-E cases involved.

A description of services that will be provided by the proposed project.

A statement of the period during which the proposed project will be conducted.

An estimate of the costs or savings of the project, along with a description of the basis for projecting that the project would be cost neutral overall.

A statement of statutory and regulatory requirements for which waivers will be needed to permit the proposed project to be conducted, and a specific proposal regarding the provision(s) of parts B or E of title IV for which the State proposes a waiver.

A description of the proposed evaluation design.

A description of any similar project already underway in the State that is supported by State or foundation funds and/or a statement of the State's ability successfully to implement the demonstration project.

A description of any court order in effect anywhere in the State by which a court has determined that the State's child welfare program failed to comply either 1) with State child welfare laws or 2) with title IV-B, title IV-E or the Constitution, along with an analysis of whether the proposed demonstration project would have any effect on any such court order, and if so, how.

An assurance that the State provides health insurance coverage for all special needs children for whom the State has entered into an adoption assistance agreement.

Either at the time the proposal is submitted, or at least by the time the State responds to the Issue Paper for its proposal, the State must supply a copy of letters of agreement between the State and any county, municipality, foundation, private agency or any other governmental organization that is to be a participant in the Child Welfare Demonstration project.

Federal Role

The overall management of Child Welfare Demonstration projects will be the responsibility of the Children's Bureau in Washington, D.C. ACF Regional Office staff will have the principal responsibility for on-site liaison. Proposals for additions or modifications to the Terms and

Conditions of any approved Child Welfare Demonstration, including proposals for extension of the duration of any demonstration, are to be addressed to the Children's Bureau in Washington, D.C.

State program managers for the demonstration projects will be required annually to attend a two day meeting in Washington, D.C. to discuss the Demonstration projects' developments and progress. The cost of attendance will be excluded from the cost-neutrality calculation, and will be chargeable to title IV-E administrative costs without cost allocation.

Administrative Record

The Department will maintain an administrative record which will generally consist of: the formal demonstration application from the State; correspondence sent to the State regarding issues/problems with the application and the State's response; public and congressional comments sent to the Department and any Department responses; the Department's decision memorandum regarding the granting or denial of a proposal; and the final Terms and Conditions and waivers, sent to the State and the State acceptance of them.

The Department regards all Issue Papers, once they have been sent to a State, and all Terms and Conditions for Child Welfare demonstrations, once they have been approved by the Secretary, as public documents, and will make copies of them available to any requester. The Department also regards a State's proposal for a Child Welfare Waiver, along with any written modifications to a proposal, as public documents once they have been submitted to the Department, and expects the State to make copies of the proposals and their modifications available to any requester.

Implementation Reviews

As part of the Terms and Conditions of any demonstration proposal that is approved, the Department may require periodic assessments of how the project is being implemented. The Department will review, and when appropriate investigate, documented complaints that a State is failing to comply with requirements specified in the terms and conditions and implementing waivers of any approved demonstration.

Legal Effect

This Information Memorandum, like the notice employing similar language that was originally published in the Federal Register of June 15, 1995, is intended to inform the public and the States regarding procedures the Department ordinarily will follow in exercising the Secretary's discretionary authority with respect to State demonstration proposals under section 1130. This Information Memorandum does not create any right or benefit, substantive or procedural, enforceable at law or equity, by any person or entity, against the United States, its agencies or instrumentalities, the States, or any other person.

/s/

Patricia Montoya

Commissioner
Administration on Children, Youth and Families

Appendices

[Appendix I](#) - Demonstration Topics of Interest to the Department

[Appendix II](#) - Names and Addresses of ACF Regional Administrators

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Approved by the Department

[Appendix IV](#) - Summary of IV-E Waiver Demonstrations

Appendix I

Demonstration Topics of Interest to the Department

This list of possible Demonstration topics is offered to provide examples of the types of novel child welfare projects in which the Department may be most interested.

- **Comprehensive Health Systems.** States may wish to propose demonstration projects aimed at improving the access, quality, comprehensiveness and continuity of health and/or behavioral health (mental health and substance abuse) services to meet the unique needs of children, youth and their birth families who are in or at-risk of entering foster care. This population has multi-faceted problems that demand a comprehensive and integrated health delivery system to address their needs. The Department would encourage States to submit proposals for projects that approach the needs of this population in a coordinated way that could be supported by a combination of Federal, State and local funds, including child welfare, Medicaid, mental health, substance abuse and domestic violence dollars.

Projects of this nature would demonstrate how flexible use of IV-E funds could be used at the State or local level to create comprehensive, coordinated assessment, treatment, and health-related case management services for children, youth and their parents while maintaining cost neutrality for title IV-E. A demonstration in this area would be based on the premise that improved access to mental health, substance abuse treatment, domestic violence support and other services for children, youth and their families could prevent the need for foster care, reduce foster care lengths of stay and re-entry rates after reunification.

The following provides additional detail on potential components to a comprehensive, integrated health delivery system proposal.

Substance Abuse. States might propose projects that improve the identification, referral, and procurement of appropriate, comprehensive treatment services for birth parents of children in, or at risk of entering foster care with alcohol and/or drug dependence and/or for youth in foster care who have alcohol and/or drug dependence. Demonstrations may choose to focus on any one or all of the needs of parents and/or youths including: prevention activities; intake screening and comprehensive substance abuse assessments; identification and linkages to available funding streams or services; and initial and follow-up treatment services in an in- or out-patient setting. States might propose to combine child welfare funds with other Federal, State and local funds to more effectively and quickly provide assessment and treatment services.

Mental Health. States may wish to propose projects that improve the identification, referral, and procurement of mental health treatment services for children and youths in or at risk of entering foster care and their birth parents. This population of children and youth, as a group, is more likely to have developmental problems, serious emotional disturbances and mental health needs. Outside of residential treatment facilities, limited mental health services are currently available to assess risk, prevent problems or effectively treat children, youths and their parents with behavioral health or developmental problems. States could propose how child welfare funds could be combined with other Federal, State and local funds to stimulate supply and more effectively assess and provide treatment to this population.

- **Performance-Based Financing.** States may want to test an outcome-based performance approach to the management and delivery of child welfare services that would use IV-E funds to create incentives to produce better or more timely results for children, youths and their families. States may choose financial incentive models that range from a capitated payment approach that allows the provider to retain savings; to a bonus approach that rewards the attainment of specific goals. All applications would, however, use a performance measurement system as the basis for testing the use of financial incentives. States might, for example, use the proposed HHS child welfare measures (developed in response to ASFA), State-designed measures, or a combination of the two, and design a financial incentive system around the measures to encourage providers to maximize performance. In light of the fact that it is more difficult to control for multiple variables affecting performance in a demonstration of this nature, it will be especially important to incorporate a random assignment evaluation design that would preferably be tested on a smaller scale basis.
- **Adoption/Post Adoption Services.** States may wish to propose demonstrations using title IV-E funds to speed the adoption process and/or support adoption/guardianship placements. With the emphasis in ASFA on moving children and youth more quickly to permanency, States may wish to focus on the provision of post-adoption/guardianship placement services. A wide range of options for post-adoption services exists from targeted services such as therapy/support groups and respite care to on-going case-management with support from multi-disciplinary service teams to meet the physical,

psychological and behavioral needs of the child and family. Such a demonstration would test the assumption that post-placement supportive services provided to adopted children, youth (or those in guardianship placements) and their families would improve the long-term success of adoptions, reduce the rate of disruptions and dissolutions and reduce re-entry into the foster care system.

- **Service Improvements for Children in the Placement and Care Responsibility of Tribes.** States may wish to propose a project testing new approaches to improve the delivery of child welfare services for American Indian families. Such a proposal could involve the use of both State-administered and Tribally administered funds or "direct funding" of title IV-E to one or more Tribes for foster care and/or adoption and Independent Living. These demonstrations would test whether better coordination with the State, and/or delegation of authority for the title IV-E program would produce better results for children, youth and families, enable Tribes to manage social services programs better, and reduce child welfare costs.

Service Improvements for Adolescent Youth. States may wish to propose a project to improve service delivery for adolescents to better meet the needs of this unique group, facilitate placements in the least restrictive setting possible and/or promote their adoption opportunities. The project would test the premise that by providing concentrated services for adolescents, the State will be able to reduce the level of care needed, particularly for institutionalized youth and/or enhance their permanency options. States might also consider using IV-E savings derived from these or other demonstration-related activities to expand independent living services to youths

Appendix II

DEPARTMENT OF HEALTH AND HUMAN SERVICES ADMINISTRATION FOR CHILDREN AND FAMILIES WASHINGTON, DC 20447

REGIONAL OFFICES

REGION I

Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont

Hugh Galligan
Regional Administrator
JFK Federal Bldg.
Rm. 2000
Boston, MA 02203
(617) 565-1020 (ph)
(617) 565-2493 (fax)

REGION II

New Jersey, New York, Puerto Rico, Virgin Islands

Mary Ann Higgins
Regional Hub Director
26 Federal Plaza
Rm. 4049
New York, NY 10278
(212) 264-2890 (ph)
(212) 264-4881 (fax)

REGION III

Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, West Virginia

David Lett, RA
Regional Administrator
150 S. Independence
Mall West- Suite 864
Public Ledger Bldg.
Philadelphia, PA 19104-3499
(215) 861-4000 (ph)
(215) 861-4070 (fax)

REGION IV

Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee

Steven Golightly
Hub Director
ACF Atlanta Fed. Center
61 Forsyth Street, S.W.
Suite 4M60
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(404) 562-2900 (ph)
(404) 562-2981 (fax)

REGION V

Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin

Joyce Thomas
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(312) 353-2204 (fax)

REGION VI

Arkansas, Louisiana, New Mexico, Oklahoma, Texas

Leon R. McCowan
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(214) 767-3743 (fax)

REGION VII

Iowa, Kansas, Missouri, Nebraska

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Regional Administrator
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REGION VIII

Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming

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REGION IX

Arizona, California, Guam, Hawaii, Nevada, Samoa (American), Territory of Pacific Islands

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REGION X

Alaska, Idaho, Oregon, Washington

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APPENDIX III

January, 1999

Summary of IV-E Waiver Demonstrations

To date, 18 States have received approval for demonstration projects intended to test new approaches to the delivery of child welfare services in order to improve outcomes for children. The demonstration projects involve waivers of certain provisions of title IV-E of the Social Security Act and related regulations.

The waivers provide States with greater flexibility to use title IV-E funds for services that can facilitate permanence for children. At a minimum, all the demonstrations are expected to be cost-neutral and most expect to reduce title IV-E costs. Collectively, the demonstration projects are aimed at reducing the number of children in foster care, the length of time in foster care, the use of more restrictive and costly placement settings, re-allegations of abuse and neglect, and re-entry to foster care. Some States have proposed discrete interventions focused on a specific child welfare population, while others are experimenting with system-wide reform.

An overview of each State's demonstration is provided in the attached exhibit. Among the common themes across demonstrations are the following:

- **Assisted Guardianship/Kinship Permanence:** Six States ([California](#), [Delaware](#), [Illinois](#), [Maryland](#), [Montana](#), and [North Carolina](#)) have proposed programs that are intended to provide relatives and foster parents, who are providing care for children in the custody of the child welfare agency, with the opportunity to become the child's legal guardian. This option would be offered to relatives and foster parents who have been providing a stable home for at least one year (six months in North Carolina) for a child for whom adoption or reunification is not an option. While children of all ages will be eligible for this program in Illinois, Maryland, and North Carolina; Delaware, Montana, and California are focusing on older children (12 and over in Delaware and Montana, and 13 and over in California). The Montana demonstration also includes children under the jurisdiction of tribal courts. All States propose a monthly payment that is less than or equal to the current foster care payment. States expect additional savings to accrue from reduction in case management and court costs.
- **Systems Reform:** Five States ([Mississippi](#), [New York](#), [North Carolina](#), [Ohio](#), and [Oregon](#)) are providing counties or other entities with the opportunity to use IV-E funds more flexibly to enhance the array of services available to prevent foster care placement, facilitate reunification and otherwise ensure safe, permanent outcomes for children. In New York, North Carolina, and Ohio, counties will be able to use IV-E funds for an array of services, but their total IV-E allotment will be fixed by agreement with the State, or will be determined by the experience of comparison counties. These States are entering into various arrangements with participating counties to share risks and rewards if expenses are either below or above their planned IV-E allotment. Some counties may enter into managed care contracts with private agencies. In Oregon, the State and County

negotiate a budget for flexible funding, which is allocated from the county's foster care budget. If the County spends less of their flexible funds than budgeted, the difference reverts to their foster care budget. If additional foster care funds are needed, the State makes up the difference. Mississippi is using a new, child-focused family-centered practice approach in eight counties to target factors that contribute to abuse and neglect.

- **Capitated Payment:** Four States ([Connecticut](#), [Kansas](#), [Michigan](#), and [Washington](#)) are providing an array of services under fixed-price arrangements. These demonstrations are designed primarily to test different financing mechanisms for specific services or populations. In Connecticut, the State will contract with a lead service agency in one or two sites to provide a continuum of care to children, ages seven to 15, who are in group or residential care and have behavioral problems. Washington will pay fixed rates to Regional Support Networks to provide services to children, ages eight to 17, who are likely to enter group care and already are involved with the mental health or special education system for comprehensive services. Kansas, already in a statewide capitated payment system, will compare case rates to fee-for-service payments for enhanced service provision by private providers. In Michigan, six counties are establishing capitated-payment programs for wrap-around services for foster children at high risk or children at imminent risk of entering foster care.
- **Intensive Service Options:** Three States have proposed demonstrations that increase the nature and extent of available services in an effort to reduce foster care placements and achieve permanence and safety for a particular segment of the child welfare population. These include:

[Indiana](#) is focusing their demonstration on providing community-based alternatives to group and institutional care, especially out-of-State care. Each county will develop its service plan designed to support home-based alternatives to placement (including the child's own home or foster family home in the community).

[California](#) will allow 12 counties to develop their plans for intensive service programs to prevent foster care placement.

[Michigan](#) will use funds in the pilot county to provide intensive services to adolescents adjudicated, or at risk of being adjudicated.

- **Adoption-Related Activities:** Two States have demonstrations designed to increase adoptions of children for whom reunification is unlikely:

[Maine](#) will provide training on special-needs adoption to mental health and other professionals that work with adoptive families, adoptable children, and public and private adoption providers, and subsequently will use IV-E funds to provide post-adoptive services.

[New Jersey](#) will establish a unit within its Adoption Resource Centers responsible for concurrent planning, providing enhanced services for eligible children, and recruiting, training, and supporting foster-adopt homes with enhanced support services.

- **Substance-Abuse Services:** Two States ([Delaware](#) and [New Hampshire](#)) are providing services for caretakers with substance abuse problems. Each State has hired substance abuse counselors to work with the Child Protective Services (CPS) staff working with families with a substance abuse problem by arranging treatment and accessing other needed services.
- **Extension of Voluntary Placement Agreements:** The [California](#) demonstration waives the requirement to go to court for a hearing within 180 days of executing a voluntary placement agreement, extending the hearing date to 365 days after voluntary placement. The intent is to allow child welfare staff to continue to work with families in a non-adversarial way when reunification appears imminent. The extensions are expected to reduce court-related costs and shorten the time necessary to achieve reunification.

All of the demonstrations have comprehensive evaluation plans that include process, outcome and cost-benefit components. Fourteen States are implementing evaluation designs based on random assignment for at least one component of their demonstration. In four States the evaluation designs use comparison groups. Demonstrations vary in the type of designs proposed for their outcome evaluations. All of the assisted guardianship programs (except Delaware) have a design based on random assignment of eligible families to treatment and control groups. All will measure the degree of stability and safety achieved for children in the program and the reduction in costs.

Most of the States proposing county-based system reform/managed care demonstrations will compare outcomes achieved by counties in the demonstration with a group of counties (with comparable characteristics) that continue to provide traditional services. In New York, participating counties will develop their own evaluation plans that must include either a random assignment design or a comparison group. All States testing capitated payment systems will use random assignment to experimental and control groups within the demonstration sites.

States with targeted, intensive service demonstrations differ slightly in their outcome evaluation designs. Delaware's evaluation of their substance abuse services is based on assigning substance abuse treatment workers to only one of two CPS units in each county. Families in the units without substance abuse workers will serve as the control group. California will use a random assignment model for their intensive preventive service demonstration. Indiana has proposed to select a maximum of 4,000 children to receive demonstration services and then retrospectively select a matched comparison group. Mississippi and New Hampshire will randomly assign children to experimental and control groups. Both Maine and New Jersey also use random assignment for their adoption-related demonstrations.

At this time the degree of details about the evaluation plans varies. States that have recently been awarded waivers have not hired their evaluators. More detailed comparisons of evaluation plans will be prepared when the evaluation plans are submitted.

Appendix IV

Summary of IV-E Waiver Demonstrations CALIFORNIA

State Information	Intervention	Major Goals	Outcome Evaluation Design
<p>Approval Date: 8/19/97</p> <p>Project Length: 5 years</p> <p>Implementation Start Date: 10/1/98- 12/31/98</p> <p>Contact: Kay Ryan Chief, Foster Care Program Development Bureau CA Department of Social Services (916) 445-2875</p> <p>Evaluator: Alice Hines Center for Social Services Research School of Social Welfare University of California, Berkeley 510-643-6556</p>	<p>Extended Voluntary Placement (10 counties)</p> <p>Will extend voluntary placement agreements from 180 days to 365 days to reduce court costs and conflicts with family.</p> <p>Kinship Permanence (in 4 to 10 counties)</p> <p>Obtain legal guardianship for relatives of children over 13 who receive federal foster care payments, who are in stable placements, and for whom reunification and adoption are not options. Subsidy payment will not be greater than foster care basic payment.</p> <p>Intensive Services (12 counties)</p> <p>Counties to develop own intensive service plans and specify outcomes.</p>	<ul style="list-style-type: none"> - Reduce long term foster care costs - Achieve permanence more rapidly - Increase/maintain levels of child safety - Promote permanency/ stability - Reduce court and case management costs - Reduce foster care placement - Divert children to less restrictive placements 	<p>Comparison with counties which do not extend voluntary agreements. Approximately 500 children are expected to be served.</p> <p>Random assignment of cases to experimental and control groups at a 5:3 ratio. Approximately 1,400 children are expected in the experimental group during the first year.</p> <p>Random assignment of cases to experimental and control groups at a 5:3 ratio. Approximately 1,665 children are expected in the experimental group during the first year.</p>

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CONNECTICUT

State Information	Intervention	Major Goals	Outcome Evaluation Design
Approval Date: 9/29/98 Project Length: 5 years Implementation Start Date: 12/1/98-4/1/99 Contact: Gary Blau Bureau Chief, Quality Management CT Department of Children and Families (860) 550-6528 Evaluator: To be identified	Continuum of Care/Case Rate Payment (two pilot sites) Provides an expanded network of regular and specialized services for children, ages 7 to 15, with behavioral problems who are in residential or group homes. A single lead service agency (LSA) in each pilot site will coordinate all offered services, including case management, group care, home- based services, outpatient services, and aftercare. A negotiated case rate will cover 12 months of care and three months of follow-up services.	<ul style="list-style-type: none">- Reduce average length of stay in out- of-home care- Increase child safety (reduce substantiated allegations of CA/N)- Increase stability in the community for children affected- Improve children's behavioral health (standardized measures)- Increase children and families' satisfaction with department's services	Random assignment to experimental and control groups (30 children in each) over five years (for one pilot site.)

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DELAWARE

State Information	Intervention	Major Goals	Outcome Evaluation Design
Approval Date: 6/17/96	Services to Substance-Abusing Caretakers	<ul style="list-style-type: none">- Prevent foster care- Reduce number of	Random assignment of cases to units with substance abuse

<p>Project Length: 5 years</p> <p>Implementation Start Date: 7/1/96</p> <p>Contact: Candace Charkow Treatment Program Manager Division of Family Services (302) 633-2601</p> <p>Evaluator: Dorothy Lockwood Consultant Newark, Delaware (302) 764-2642</p>	<p>Provide substance abuse counselors to work with CPS staff and identified families to link to treatment and other services</p> <p>Assisted Guardianship</p> <p>Obtain legal guardianship for children in stable foster care placements for whom adoption and reunification are not possible. Subsidy payment will not exceed current foster care payment.</p>	<p>days in foster care</p> <ul style="list-style-type: none"> - Move children more quickly from foster care to permanency - Provide an additional permanency option for children - Reduce agency involvement (and costs) 	<p>counselors (treatment) and without (control). Experimental group size is expected to be 180 per year</p> <p>Track costs and outcomes of cases with guardianship -- anticipate 10 cases per year.</p>
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ILLINOIS

State Information	Intervention	Major Goals	Outcome Evaluation Design
<p>Approval Date: 9/17/96</p> <p>Project Length: 5 years</p> <p>Implementation Start Date: May 1, 1997</p> <p>Contact: Michael O'Connor Project Director for Subsidized</p>	<p>Assisted Guardianship</p> <p>Obtain legal guardianship and provide subsidy payments for foster parents and kin who provide stable placements. Payments will range from \$343 to \$415 per month. Expect to place 8,000 children</p>	<ul style="list-style-type: none"> - Provide more stable placement - Reduce agency intrusion in family life - Reduce agency costs 	<p>Random assignment of eligible cases to control and experimental groups.</p> <p>Experimental group size is expected to be 1,895 over the five years.</p>

Guardianship IL Department of Children and Family Services (312) 814-5564 Evaluator: Ronna Cook Westat, Inc. Rockville, Maryland (301) 251-4286	Statewide.		
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INDIANA

State Information	Intervention	Major Goals	Outcome Evaluation Design
Approval Date: 7/18/97 Project Length: 5 years Implementation Start Date: 1/1/98 Contact: Peggy McCoy IN Division of Family and Children IN Family and Social Services Administration (317) 232-6113 Evaluator: Gary Seigel Anthony Loman Institute of Applied Research St. Louis, MO 314-645-7444	Intensive Home- and Community-Based Services Increase capacity for in-home services and community foster family homes as alternative to group and institutional care, especially out-of- State care. The demonstration will be operational in all 92 counties within 18 months.	- Improve child and family well-being - Reduce placement in out-of-State facilities - Improve youth and caretaker satisfaction - Promote permanence	A total of 4,000 children at any given time will receive services under the demonstration. Estimated stay in project 20 months/per child. A retrospectively matched sample of children receiving traditional IV-E placements/ services will be selected and compared to the experimental group.

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KANSAS

State Information	Intervention	Major Goals	Outcome Evaluation Design
Approval Date: 9/24/98 Project Length: 5 years Implementation Start Date: 1/1/99-4/30/99 Contact: Kandy Shortle Division of Children and Family Services KS Social and Rehabilitation Services (785) 368-8159 Evaluator: To be identified	Capitated Payment (Statewide) Test different payment systems (fixed case rate vs. fee-for-service) to enable private providers to offer enhanced services to families involved with family preservation services, and reintegration services to families with children in foster care.	<ul style="list-style-type: none">- Decrease foster-care placements among families with substance-abuse problems- Decrease average length of stay and increased returns home within six months of placement- Reduce substantiated CA/N within 12 months of reintegration, and reduce re-entry rates- Increase stability through fewer moves while in care and increase percentage of children placed with siblings- Increase parent and youth (16 years or older) satisfaction with services	Random assignment of eligible children to experimental (fee for service) and control (fixed case rate) groups at a ratio of 1:10. There will be two experimental groups -- one for family preservation cases and one for foster care. Each group will have 400 cases.

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MAINE

State Information	Intervention	Major Goals	Outcome Evaluation Design
Approval Date: 9/17/98	Adoption Training Curriculum and Post-	<ul style="list-style-type: none">- Increase number of special-needs	Random assignment to experimental and

<p>Project Length: 5 years</p> <p>Implementation Start Date: 3/1/99</p> <p>State Contact: John Levesque Adoption Program Specialist Department of Human Services ME Bureau of Children and Family Services (207) 287-5042</p> <p>State Partner: Mark Millar Division Director Casey Family Services Portland, Maine (207) 772-4110</p> <p>Evaluator: Michel Lahti Muskie Institute Augusta, Maine (207) 626-5200</p>	<p>Adoption Support Services</p> <ol style="list-style-type: none"> 1. Provide training on special-needs adoption to mental health and other professionals who work with adoptive families, adoptable children, and public and private adoption providers in year one. 2. Years 2-5 will provide a comprehensive array of post-adoption services from trained providers to families that have adopted special-needs children. 	<p>adoptions</p> <ul style="list-style-type: none"> - Decrease incidence of special-needs adoption disruptions - Decrease average length of stay in foster care - Strengthen adoptive families 	<p>control groups. Expect to have about 60 children per year in each group.</p>
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MARYLAND

State Information	Intervention	Major Goals	Outcome Evaluation Design
<p>Approval Date: 4/17/97</p> <p>Project Length: 5</p>	<p>Assisted Guardianship</p> <p>Obtain legal</p>	<ul style="list-style-type: none"> - Provide more stable placement - Reduce agency 	<p>Random assignment of children to experimental and control groups at a</p>

<p>years</p> <p>Implementation Start Date: 2/28/98</p> <p>Contact:</p> <p>Gloria Valentine (interim) Project Coordinator MD Department of Human Resources (410) 767-7686</p> <p>Evaluator:</p> <p>Malinda Orlin University of Maryland School of Social Work (410) 706-8474</p>	<p>guardianship and provide subsidy payments and services to foster parents and kin who receive AFDC/TANF child-only payments. Payments will be \$300 per month. Children must be in stable placement, and adoption and reunification have been ruled out as options.</p>	<p>intrusion in family life</p> <p>- Reduce agency costs</p>	<p>ratio of 6:4. The experimental group size is expected to be a minimum of 500 children over five years.</p>
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MICHIGAN

State Information	Intervention	Major Goals	Outcome Evaluation Design
<p>Approval Date: 12/19/97</p> <p>Project Length: 5 years</p> <p>Implementation Start Date: 5/1/99</p> <p>Contact: Mary Mehren Child and Family Services</p>	<p>Capitated Payment</p> <p>Capitated payment programs to provide wrap-around services for high-risk children in foster care or at imminent risk of placement in up to six counties.</p> <p>Community Services for Delinquent Youth Children aged 10 or</p>	<p>- Increase availability and flexibility of services</p> <p>- Reduce foster care placement</p> <p>- Reduce time in foster care</p> <p>- Expedite permanency</p> <p>- Improve child</p>	<p>In at least two of the counties, children will be randomly assigned to treatment and control groups.</p> <p>Selection of a set of counties comparable to pilot county(s) in terms of child poverty, public assistance and abuse/neglect rates.</p>

Administration Michigan Family Independence Agency (517) 241-7521 Evaluator: To be identified	older in contact with the juvenile justice system who are adjudicated, or at risk of being adjudicated delinquent will be provided a range of preventive and reunification services.	safety and well-being - Reduce recidivism rates for delinquency - Improve public safety - Reduce residential placement - Shift from out-of- home placement to in-home and community prevention services	
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MISSISSIPPI

State Information	Intervention	Major Goals	Outcome Evaluation Design
Approval Date: 9/17/98 Project Length: 5 years Implementation Start Date: 1/1/99-6/30/99 Contact: Miles Dean Director of Administration Unit Family and Children Services MS Department of Human Services (601) 359-4495 Evaluator:	Systems Reform/Child- Focused Family- Centered Practice Methodology (Eight counties) Provide services that emphasize the safety and best interests of the child by eliminating harm- causing factors. Services can include respite, in-kind assistance (e.g., furniture, clothing, utility payments), job training, medical care, transportation,	- Reduce subsequent abuse and neglect - Increase the number of children receiving demonstration services who remain in their families - Increase relative placements for those children placed outside the home - Increase placement of children and sibling groups in their home communities - Decrease foster-care	Random assignment to experimental and control groups at a ratio of 1:3. The baseline sample size for the experimental group is estimated at 615 children, with an additional 63 children per month.

To be identified	<p>child care, counseling, parental training, short-term financial assistance (90 days), and homemaker services.</p> <p>Eligible clients include children involved in the child welfare system as well as their parents, foster parents or potential foster parents, custodial relatives or potential custodial relatives, siblings, and adoptive or potential adoptive parents.</p>	<p>placements</p> <ul style="list-style-type: none"> - Decrease time in foster care - Increase child well being - Increase family preservation efforts to decrease foster care placements 	
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MONTANA

State Information	Intervention	Major Goals	Outcome Evaluation Design
<p>Approval Date: 9/29/98</p> <p>Project Length: 5 years</p> <p>Implementation Start Date: 1/1/99-9/30/99</p> <p>Contact: Shirley Brown Chief of Program Management Branch MT Department of Public Health and Human Services (406)444-5906</p>	<p>Subsidized Guardianship</p> <p>(Statewide and seven tribes)</p> <p>Offer subsidized guardianship as a permanency option for children who are at least 12 years old and are in state or tribal custody for whom neither reunification nor adoption are options. Children must have</p>	<p>- Reduce number of children in long-term foster care and placement disruptions without increasing subsequent reports of CA/N</p>	<p>Random assignment to experimental and control groups at a ratio of 2:1. A sample size of 90 children is estimated for the experimental group over the five years.</p>

Evaluator: To be identified	<p>been placed with the prospective guardian for at least one year. Either state or tribal court can approve the guardianship (depending on jurisdiction).</p> <p>Approximately 90 children will be placed in guardianships over the course of the demonstration, 50 of whom will be eligible in the first year.</p>		
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NEW HAMPSHIRE

State Information	Intervention	Major Goals	Outcome Evaluation Design
<p>Approval Date: 9/24/98</p> <p>Project Length: 5 years</p> <p>Implementation Start Date: 1/1/99-3/30/99</p> <p>Contact: Bernard Bluhm NH Division for Children, Youth and Families NH Department of Health and Human Services</p> <p>Evaluator:</p>	<p>Substance Abuse Services</p> <p>(Two district offices)</p> <p>Provide substance abuse assessments and services to families for whom substance abuse is a contributing factor to CA/N. State will hire a substance abuse specialist to work with CPS in the Manchester and Nashua district offices to identify substance abuse-related needs and to</p>	<p>- To prevent out-of-home placement, reduce the time children spend in out-of-home care, reduce subsequent reports of CA/N, and reduce foster-care costs by:</p> <p>- Improving parents' recovery from substance abuse and their use of available services</p> <p>- Improving the stability and adjustment of children in substance-abusing families</p>	<p>Random assignment to experimental and control groups, with 120 families in each group over the five years.</p>

To be identified	help parents gain access to community-based treatment and support services.		
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NEW JERSEY

State Information	Intervention	Major Goals	Outcome Evaluation Design
<p>Approval Date: 9/29/98</p> <p>Project Length: 4 years</p> <p>Implementation Start Date: 7/1/99-9/30/99</p> <p>Contact: Tina Minnis Division of Youth and Family Services New Jersey Department of Human Services (609) 984-7734</p> <p>Evaluator: To be identified</p>	<p>Concurrent Planning/Fost-Adopt Services</p> <p>(Four counties)</p> <p>Establish a unit within the state's Adoption Resource Centers to be responsible for concurrent planning, provide enhanced services for eligible children, and dedicated substance-abuse services. Contracts will be developed to recruit, train, and support foster-adopt homes. Eligible children will be those six years old or younger for whom reunification is unlikely. In the first year, a percentage of the eligible children will be those who have been in foster care for fewer than five months.</p>	<ul style="list-style-type: none"> - Decrease average length of stay in foster care - Increase the number of adoptions - Ensure the safety of children in the demonstration 	<p>Random assignment to experimental and control groups at a ratio of roughly 3:2. A sample size of 600 children is expected for the experimental group over four years.</p>

	<p>In the second year, only new entrants with no prior placement history will be admitted. Counties will be phased in over two years, beginning with Essex and Camden Counties in year one, and Hudson and Mercer Counties in year two.</p>		
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NEW YORK

State Information	Intervention	Major Goals	Outcome Evaluation Design
<p>Approval Date: 12/19/97</p> <p>Project Length: 5 years</p> <p>Implementation Start Date: 12/31/98 - 12/31/99</p> <p>Contact: Judy Gallo Coordinator - IV-E Waiver Project NY Office of Children and Family Services (518) 474-9436</p> <p>Evaluator: To be identified</p>	<p>Systems Reform</p> <p>In up to 10 districts various approaches to managed care will be tested. Each district may design its own service delivery system and prospective payment system including capitated payment systems and contract-based payment arrangements.</p>	<ul style="list-style-type: none"> - Decrease foster care placements - Increase quality and flexibility of services - Decrease re-entry - Expedite permanency - Increase rate of transfer to less restrictive setting 	<p>Evaluation plans will be determined by participating districts. Each district must develop an evaluation plan that provides for either random assignment of cases to an experimental and control group or the selection of comparison districts.</p>

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NORTH CAROLINA

State Information	Intervention	Major Goals	Outcome Evaluation Design
<p>Approval Date: 11/14/96</p> <p>Project Length: 5 years</p> <p>Implementation Start Date: 7/1/97</p> <p>Contact: David Atkinson DHHS/NC Division of Social Services (919) 733-5125</p> <p>Evaluator: Lynn Usher UNC Chapel Hill School of Social Work Chapel Hill, NC (919) 962-6496</p>	<p>Systems Reform</p> <p>Counties will have flexibility to develop programs that will reduce foster care placements and length of stay in care. Counties will not receive any new or additional money, but will have the flexibility offered under the waiver for IV-E funding.</p> <p>Assisted Guardianship</p> <p>Obtain legal guardianship and provide subsidy payments for relatives and other care givers approved by the juvenile court, and who have provided a stable placement for the child for at least six months. Assisted guardianship will be an option for children whom adoption and reunification are not possible.</p>	<ul style="list-style-type: none"> - Reduce rate of initial entry into foster care system - Reduce length of stay in foster care - Reduce rate of re-entry into foster care system 	<p>19 counties will participate in demonstration project; an additional group of 19 counties with similar characteristics has been selected to form the comparison group. Evaluation will include all children who enter out-of-home care during the demonstration.</p>

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OHIO

State Information	Intervention	Major Goals	Outcome Evaluation Design
<p>Approval Date: 2/14/97</p> <p>Project Length: 5 years</p> <p>Implementation Start Date: 10/1/97</p> <p>Contact: Robin Rice Bureau Chief OH Department of Human Services Bureau of Resource Management (614) 466-1213</p> <p>Evaluator: Mady Kimmich Human Services Research Institute Salem, Oregon</p> <p>(Other team members include: Westat, Institute for Human Services Management, Chapin Hall Center for Children, and Mid- America Consulting Group, Inc.) (503) 362-5682</p>	<p>Systems Reform</p> <p>Managed care demonstration counties will receive fixed amount of funds to serve child welfare families; counties will have flexibility to develop programs and services that will reduce foster care placements, costs, and length of stay in care.</p>	<p>- Reduce placement costs</p> <p>- Improve stability for children</p> <p>- Promote adoption</p>	<p>Fourteen counties will participate in demonstration. A comparison group of counties has been selected.</p>

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OREGON

State Information	Intervention	Major Goals	Outcome Evaluation Design
<p>Approval Date: 10/31/96</p> <p>Project Length: 5 years</p> <p>Implementation Start Date: 7/1/97</p> <p>Contact: Cheri Emahiser IV-E Waiver Project Manager Oregon State Office for Services to Children and Families (503) 945-6681</p> <p>Evaluator: Constance Lehman Graduate School of Social Work Portland State University 503-725-8018</p>	<p>Systems Reform</p> <p>To provide a flexible service system to prevent family breakup specifically tailored for particular children and their families. Counties will have flexibility to develop programs and services that will reduce foster care placements and length of stay in care.</p> <p>The State and County will negotiate a budget for flexible funding. If the County spends less of their flexible funds than budgeted, the difference reverts to their foster care budget. If additional foster care funds are needed, the State makes up the difference.</p>	<p>- Improve outcomes for children and families and increase service efficiency by including the development of a family-focused, community based network for service delivery which concentrates on the strengths and needs of the family.</p> <p>- Reduce length of stay in substitute care and prevent children's placement into care.</p> <p>- Reduce foster care costs by investing in services.</p> <p>- Maintain child safety and protection.</p>	<p>Multiple comparison groups of counties -- participating and not-participating -- in demonstration. Sample size of 1,500 to 2,000 cases is expected for each of three study groups (2 experimental and one comparison) over the five years.</p>

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WASHINGTON

State Information	Intervention	Major Goals	Outcome Evaluation Design
<p>Approval Date: 9/29/98</p>	<p>Case Rate Payments for Children with Special Needs</p>	<p>- Meet safety and individual needs of children in the</p>	<p>Random assignment to experimental and control groups at a</p>

<p>Project Length: 5 years</p> <p>Implementation Start Date: 12/1/98-4/30/99</p> <p>Contact: Tammi Erickson Office of Federal Funding WA Children's Administration (360) 902-7936</p> <p>Evaluator: To be identified</p>	<p>(Up to 10 counties)</p> <p>To provide comprehensive services to children between the ages of eight and 17 who are eligible for DCFS group care-level services, and meet the service criteria of the various regional service partners. The state will pay predetermined case rates to Regional Support Networks to provide services to children in an appropriate setting. Demonstration will begin with Spokane County, and up to nine counties may be added over five years.</p>	<p>appropriate setting</p> <p>- Where therapeutically indicated and appropriate, prevent out-of-community, group care settings, decreased length of stay, and ensure placement in the least restrictive setting</p>	<p>ratio of 1:1. Approximately 190 children are estimated for the experimental group in the Spokane County sample over five years, with additional children included as counties are added to the demonstration.</p>
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