

RELATIONSHIPS BETWEEN WELFARE REFORM AND CHILD WELFARE:

A RESEARCH AND POLICY DISCUSSION

Report of a Conference Held in Washington, D.C.

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EXECUTIVE SUMMARY

It is too early to draw conclusions about the effects of welfare reform on many aspects of family functioning and the well-being of children - in part because the time limits on cash assistance established by the Personal Responsibility and Work Opportunity Act of 1996 have just taken effect in many jurisdictions across the U.S. However, enough research evidence is available to suggest cautions about the reforms because of their apparent effects on particularly vulnerable families. This is the key message coming out of a conference held in Washington, D.C., on October 31, 2001, to explore research in progress on the interaction between welfare reform and child welfare (which encompasses both the phenomenon of child maltreatment and the systems intended to intervene, protect children, and prevent it). Researchers were invited to present what is currently known - and not known - about these interactions; policymakers and program administrators were invited to identify their priorities for research-based information.

There is an identifiable subset of families receiving welfare that is also involved in the child welfare system and this group has distinctive characteristics. These families may be headed by a substance-abusing parent or parent with mental health problems, they may have a large number of children, or they may experience unstable housing or homelessness. These families may not be helped as much as other welfare families by the PRWORA incentives to work, and when they do work, it may be more difficult for them to keep their families together or reunite them. However, there are major gaps in research-based knowledge about what are causes and what are effects in these situations.

The Importance of the Link between Welfare Reform and Child Welfare

Two distinct perspectives on the importance of the welfare reform/child welfare connection emerged from the conference discussion. Researchers presumed the possibility of direct links between changes in welfare policy and changes in such child welfare system indicators as rates of reported child maltreatment, rates of placement in substitute care, and the rate and speed of family reunifications. This presumption is rooted in evidence that poverty strongly predicts child neglect and, although not as strongly, other forms of child maltreatment. Child welfare policymakers and program administrators reported that, compared to other influences on their agency operations, welfare reform was barely on their radar screens. Welfare reform was not perceived to be either a "driver" of caseload trends or directly linked to the primary family conditions that generate the need for child welfare services. Child welfare program administrators cited the 1997 Adoption and Safe Families Act - a major national child welfare reform law - funding issues, litigation, the needs of foster parents, adoptive parents and kinship caregivers who work, and the availability of high-quality, affordable child care as operational concerns.

But the research and policy perspectives did come together in a recognition of populations that are of major concern, especially "dually-involved families" -- families involved in both the welfare and child welfare systems -- that are affected by substance abuse, mental health problems, housing issues (including homelessness), and child care issues. In addition, both groups agreed that there is a need to probe and understand more subtleties and complexities in the connection between welfare reform and child welfare, especially in terms of sequences of events in the lives of families.

Research Findings and Research in Progress

During the first part of the conference discussion, panels of researchers were invited to present their findings in answer to three key questions:

- 1) Has welfare reform affected the demand for child welfare services and interventions?
- 2) Has welfare reform altered or contributed to change in child welfare policy or practice or in the environment for child welfare services?
- 3) Has welfare reform altered the context in which low-income parents balance the demands of work and family?

Has welfare reform affected the demand for child welfare services and interventions?

As summarized by the facilitator of this panel, "We can't draw firm conclusions right now. One base constraint is that the data we have post-implementation of TANF are of relatively short duration. A second constraint is research design: It is very hard to determine causality with non-experimental data. The non-experimental data suggest that there might be some recent uptick in the demand for child welfare services and interventions in a few places." The results of three studies examining different aspects of this question were presented:

- From Illinois, research using administrative records data shows that, at least at the trend level, through the period of welfare reform, there were no negative effects of welfare reform on foster care caseloads or abuse and neglect among the TANF population. However, when the researchers looked at the trends controlling for other variables, the children on AFDC or TANF were twice as likely as those who had left AFDC/TANF to have an abuse or neglect report or placement in foster care. In the downstate Illinois region - where TANF caseloads declined rapidly and thus the caseload composition differed from Cook County-- the rate of having a substantiated abuse or neglect report and having a child welfare intervention [foster care placement] has been increasing for TANF families. This illustrates the interaction between the composition of the TANF population and the probability of child welfare services intervention.
- In a national study using state-level data, with findings that are descriptive (i.e., they do not allow causal inferences to be drawn, but they are suggestive) the researchers found strong evidence that when states' welfare benefit levels are lower, there are more cases of neglect and numbers of children in out-of-home care. A number of specific welfare reform measures are positively and significantly related to the numbers of children in out-of-home care: family caps, short lifetime limits, immediate work requirements, and

tougher sanctions. Some evidence suggests that short lifetime limits for TANF, full family sanctions, and sanctions of longer duration are related to higher levels of maltreatment as well.

The researchers found that a greater proportion of children were in foster care for 18 months or more after welfare reform than before and, after welfare reform, families were being reunified more slowly. Mothers' average monthly total income also affected reunification in the study: The more money a mother had the greater the speed with which her child returned home. However, the greater the proportion of that income that was due to work, the greater the decrease in the speed with which children returned home. In addition, mothers' loss of a significant amount of income from welfare slowed the reunification process.

- A pre-TANF population-based study in California that serves as a baseline for future work there showed that a large proportion of AFDC families had some contact with the child welfare agency within five years. Following over 60,000 children in 10 California counties who were new to welfare between 1990 and 1995, the researchers found that 27 percent had at least a referral to child welfare; 21 percent had an investigation; 8 percent had a substantiated report; and 3 percent entered foster care. Strong predictors of a child welfare event included lack of prenatal care and low birth weight and, controlling for total time on aid, breaks in welfare receipt and breaks in Medicaid were also associated with the likelihood of a child welfare event.

The conference discussion of these findings raised the following points:

- Welfare caseload dynamics and child welfare caseload dynamics are different and they interact in complicated ways. The timing of changes in each system is one factor that may produce different relationships between the welfare and child welfare caseloads from state to state.
- The composition of the welfare population may be different from jurisdiction to jurisdiction depending on when welfare reforms were implemented. It is important to understand the populations being studied in any comparison.
- Developing an accurate picture of trends is confounded by new ways of paying for, categorizing, and counting forms of non-parental care, especially kinship care.
- "Welfare reform" is a package of changes, some of which might be expected to produce changes in child welfare outcomes in one direction and some in another direction, offsetting each other and making interpretation difficult. A key strategy for interpreting research in this area is to look for convergence of findings.
- For many aspects of the child welfare domain, there is no research to illuminate pre-welfare reform trends and processes, so it is very difficult to identify effects of welfare reform.

Has welfare reform altered or contributed to change in child welfare policy or practice or in the environment for child welfare services?

The facilitator's summary of the consensus on this question pointed to more certainty about the environment for child welfare following welfare reform than about specific effects on child maltreatment: "There are lots of changes in the broader environment, raising questions about whether the image, the vision, the mission of child welfare is changing; there is a complex set of issues that are changing how we understand kin care and reunification; and the same three main reasons for entries to child welfare and to the

child-only TANF caseloads: abandonment, substance abuse, and incarceration -- the involvement of other service systems, such as criminal justice, mental health and substance abuse systems." Three panelists discussed a variety of environmental changes:

- There have been very significant changes in spending patterns for child welfare, based on national research that looked at state expenditure changes between 1996 and 1998, and then again between 1998 and 2000, as well as other changes in the operation of child welfare and AFDC/TANF programs. Overall, child welfare spending has increased significantly over the four-year period 1996-2000 and the amount of money coming from the federal government as a percentage of all funds has increased significantly. It also appears that there is a large increase in prevention spending. The out-of-home placement spending has leveled off and there has been a large increase in adoption spending. Between 1996 and 1998, there was a dramatic decrease in TANF spending on child welfare, but between 1998 and 2000, there was a 165 percent increase. The states are now spending considerably more than they were even in 1996 under Emergency Assistance (which was abolished with the PRWORA reform and "rolled into" TANF block grants). Finally, TANF and child welfare collaboration has increased following welfare reform.
- Several studies conducted for the U.S. Department of Health and Human Services point to major changes - and significant variation -- in how states choose to provide and pay for child welfare services. One conclusion is that post-welfare reform, virtually indistinguishable programs are now being operated both under Title IV-E and under TANF. There is also evidence that child-only and guardianship elements of TANF programs are related to child welfare based on the reasons these children came to be cared for by the relatives. Reunification rates have been dropping consistently both across states and over time. But, one of the confounding factors is that a number of states are now defining exits to relatives as family reunification. The changes in reunification rates may be more pronounced than the numbers are showing if returns to relatives are now being classified as reunification. Finally, the changes in the method of eligibility determination for IV-E assistance as a result of welfare reform (and abolition of AFDC) have made it necessary for child welfare agencies to devote more resources to eligibility determinations.
- Other changes in the environment for child welfare include intrastate as well as interstate variation in how child welfare systems have responded to welfare reform - which poses challenges in studying impacts of welfare reform on child welfare; the decline in public assistance caseloads, which may be changing caseload composition as well because, historically, the majority of children in the child welfare system came from families that were AFDC-eligible; and the introduction by states of strategies - often kinship care strategies - to divert children and families from the child welfare system. Finally, the prospects for and discussion of fiscal reform in child welfare has been significantly affected by the long shadow cast by the block grant approach to welfare reform.

Discussion of these changes highlighted the central role of kinship care practices in the issues of funding, system change, and welfare reform effects. Discussion of the financing changes pointed to the potential downside of increased use of TANF funds for child welfare services: When TANF caseloads rise and more funds are needed for cash assistance, child welfare will lose the TANF dollars and not have alternative sources. This is a problem, in general, with the block grant approach to funding services.

Has welfare reform altered the context in which low-income parents balance the demands of work and family?

The big picture of families, work, income, and child well-being when people work but remain poor - which is the likely result of welfare reform based on evidence to date - includes a host of unproven connections to both positive and negative child welfare outcomes. Two panelists emphasized that research to date provides little evidence to answer the question. However, in a study conducted in Cuyahoga County, Ohio, the researchers found that:

Post-welfare reform foster care children differed significantly from pre-reform children in several ways, although the design of the study did not allow attribution of the differences to welfare reform. For example, a greater proportion of post-reform children spent 18 months or more in foster care (38 percent versus 24 percent) and pre-reform children were unified with their families at a rate that was 65 percent faster than the reunification rate for post-reform children.

Most of the studies on balancing work and family life deal with the general population where the decision to work is an instrumental decision, but essentially voluntary, as opposed to the mandate that is in the welfare reform context. However, one qualitative study suggests that the demands of work and welfare on low-income parents do affect how they interact with their children and the analysis of the National Survey of American Families suggests that working poor families - compared to the non-working poor, the dependent poor -- spend less time with their children.

Discussion of these research studies pointed to the importance of looking inside child welfare systems. In order to understand how the world of low-income parents may be changing, and how those changes may be affecting child welfare outcomes, the researchers agreed that it is important to understand the child welfare system that generates the "outcome" data.

Interpretation of the Research: A Summary From the Facilitator

There is a theme that work and income from work are risky for this [welfare] population. It is associated with greater risks of child maltreatment reports and slower reunification. There are four or five strands of that in the discussion so far. This theme runs counter not only to pre-existing values, but to people's beliefs about what's good, in general, so there is going to be a tricky message associated with it.

The larger studies of the effects of welfare reform on income and child outcomes indicate that when welfare reforms increase income, children do better. It might be that when they decrease income, children do worse. We're also learning that there are some things that moderate those effects and that more vulnerable families (more vulnerable defined in several ways - less education, more barriers to work) may be not as advantaged by more work and income or they may be more disadvantaged by losses in income.

What we may be observing in the child welfare population about the negative effects of work is convergent with the notion that for the more vulnerable groups in the larger cash assistance population as well, the effects of these welfare reforms aren't the same for them as for others.

POLICY DISCUSSION KEY POINTS

- The environment for funding child welfare services - which was identified by researchers as changed, partly as a result of welfare reform - is of concern to policymaker and program administrators. There are questions about the ability of states to sustain child welfare services.
- Convergence and overlap of funding for TANF and child welfare suggest to some a changed - and broader - mission or vision of child welfare, but the future relationship between the two realms is not clear, especially in light of predicted increases in TANF caseloads and expenditures for cash assistance.
- Program administrators want practical applications of research on welfare reform-child welfare interactions. One example - indicators of risk of child welfare involvement for screening tools - is less useful in a TANF agency setting than in a more personalized social service situation.
- Anticipated increases in TANF caseloads due to economic downturn and rising unemployment suggest more coordination between welfare and child welfare programs to avert increases in child welfare caseloads.

Research Needs of Policymakers and Administrators

One of the policy/program administrator participants formulated four requests for the researchers.

- 1) What can we tell about how welfare reform, low-wage work and its supports affect the ability of families to be part of the child welfare system and care for abused and neglected children - i.e., foster parents, adoptive parents and kinship caregivers?
- 2) What have we learned from past welfare reform studies that might be of interest to child welfare -- including, effects of welfare reform on parental stress, on stability of housing, child outcomes, extended family exchange of resources?
- 3) What could we learn about which comes first - welfare changes or child welfare events, or whether something else comes first -- by looking at a group of people, perhaps a neighborhood, a group of low-income families for whom you could see the most interaction between the welfare and child welfare factors? Can we understand the journey by looking at economic stress and a variety of things about parental circumstances, community supports, and substance abuse, and following how people went in and out of the welfare and child welfare systems and low-wage work?
- 4) What hypotheses do we have about the effects of child welfare reforms on welfare and can we test them? For example, if in the country as a whole we've started reaching permanence earlier for children who come into the child welfare system, and fewer children are aging out of foster care, we should expect that would have positive impacts on reducing dependence on welfare. Have any jurisdictions have gone far enough [with permanence improvements] that we could learn about that yet or find out whether there's been an impact as children are adopted younger? Are we seeing better results or outcomes?

A second request for research from the policy/program perspective was focused on understanding what to expect from marriage promotion initiatives, which were developing as central to the TANF reauthorization debate:

State people are puzzled about whether marriage among low-income parents with disadvantaged backgrounds really does make a difference or whether all the studies that say children growing up in a two-parent married family are better off are just pointing to things that are co-existing and not necessarily cause and effect. So, some research that would tell us whether marriage per se benefits children of low-income parents is one request. Then, are there any effective strategies for promoting marriage or at least promoting dual parenting?

Another policy participant requested research attention to the state and local variation to determine whether the “flexibility” that was an important feature of PRWORA for states actually paid off. It was also suggested that studying variation in child welfare policy and operations offers a major advantage for learning about practice.

Research Strategies that Respond to the Needs of Policymakers and Administrators

The state of the research on interactions between welfare reform and child welfare was characterized as being similar to the situation a few years ago with respect to evaluations of fiscal incentives in the income security policy area:

We’re waiting for some of the experimental findings to come in. Neither the experimental nor non-experimental findings are going to be conclusive on their own. We’re going to be looking for some convergence as the experimental findings become available, as we have longer post-welfare reform time trends for the non-experimental findings, and as we try to do better forms of control in the non-experimental studies. When we see things converging in the experimental and non-experimental studies, our confidence in the findings goes up.

The policy discussion concluded with a proposal for several types of research that could be helpful to policymakers and program administrators in the next phase of welfare reform and child welfare reform.

Population-based studies that look at the population of children in general, with a focus on low-income populations, examining actual issues of child well-being to see whether changes in policy are making a difference. (The limitation of these studies is that it is very difficult in most cases to say anything about programs because there are not enough people in the sample who are in a particular program.)

Studies of TANF populations’ involvement with child welfare services. The approach would be to look at a service population in the TANF program or some other welfare program to understand why these families get involved with child welfare. (The limitation of these that selection makes it difficult to understand where the population studied comes from.)

Studies of the child welfare services population to try to understand its involvement with welfare programs, and, for example, to understand how the cash assistance and other welfare programs either help or hinder child welfare

agencies in doing their job. (Again, the limitation is that the child welfare services population is a very selected population.)

Experimental and/or strong quasi-experimental studies that examine model approaches or distinct approaches in the new era to helping families manage work and parenting. For example, studies of collaborative models (child welfare/welfare reform program approaches) merit organizational research to understand the variation in approaches as well as measurement to determine whether they are related to different outcomes. It would be an important contribution to policy and program administration to learn whether variation in approaches (welfare and child welfare) makes a difference in terms of child and family well-being and their involvement with and outcomes of the child welfare system.