



Follow the Money: Federal, State and Local Funding Strategies for Child Welfare Services and the Impact of Local Levies on Adoptions in Ohio

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Introduction

Since 1961, the federal government has been an actor in the locally delivered child welfare system by creating both mandated policies and fiscal support. Concurrently, states codify the federal mandates and state and local governments develop fiscal strategies to match the federal dollars and fund the necessary range of child welfare services. This paper addresses the multidimensional aspects of substantive and fiscal laws on the federal, state and local levels guiding child welfare services. In particular, the impact of one local strategy - dedicated levies - is analyzed by comparing number of children in care, median number of days awaiting adoption and adoptions finalized in levy and non-levy counties in Ohio.

Research Design

This research employs a mixed-method study utilizing traditional legal analysis of statutes and cases, coupled with empirical analysis of local funding and outcomes in the 88 counties of Ohio over a decade, 1997- 2007.

In Part 1, the research describes the legislative history of federal child welfare laws beginning in 1961 including the Child Abuse Protection and Treatment Act of 1974, The Adoption Assistance and Child Welfare Act of 1980, The Adoption and Safe Families Act of 1997 and the Foster Care Independence Act of 1999. We highlight the contradictions between the substantive goals and the funding incentives in the legislation.

In Part 2, we highlight the funding strategies at the federal and state levels to show their divorce from the federal policies they were intended to facilitate.

In Part 3, we focus on local funding. Using 10 years of data provided by the Public Children's Services Association of Ohio (PCSAO), we divide the 88 Ohio counties into those with a dedicated property tax levy for child welfare services and those without a levy. We examine whether having a dedicated levy impacts the number of children in state care over time, the numbers of adoptions finalized and the mean number of days spent awaiting adoption.

Questions Addressed

- 1) What is the historical development of the federal role in the child welfare system?
- 2) How do the fiscal strategies developed at the federal, state and local levels to fund local child welfare services compliment or frustrate the aims of the federal mandates?
- 3) Do local fiscal strategies, such as a dedicated levy, impact the number of children in state care over time, the numbers of adoptions finalized and the median number of days spent awaiting adoption?

Summary Findings

Historical Development of Federal Laws

1961- Undebated Executive Order allows federal foster funding tied to ADC.

1974 - Child Abuse Prevention and Treatment Act provides federal funds for state reporting, investigation, record keeping and data collection.

1980 - Adoption Assistance and Child Welfare Act creates open-ended adoption assistance funding and capped grants for preventive services while continuing open-ended foster care funding.

1997 - Adoption and Safe Families Act furthers emphasis on permanency while maintaining open-ended funding for placement services.

1999 - Foster Care Independence Act provides additional funds for states to serve the needs of older children in care.

Fiscal Frustration of Federal Mandates

Federal foster care funding is tied to public assistance eligibility; adoption assistance income eligibility requirements removed in 2008.

Federal funding categories create incentives for states to maximize federal funds coming into their states via shifting categories such as administration, training and maintenance services.

Federal funding streams create incentives for placement and high local costs for prevention.

Share of federal, state and local funding responsibilities varies between states and over time.

Local Levies and their Impact on Child Welfare

Comparing the 88 counties in Ohio, the counties with levies have:

1. a greater decrease in the number of children in care;
2. more adoptions finalized; and
3. fewer median days awaiting adoption.

Figure 1: Children in Care

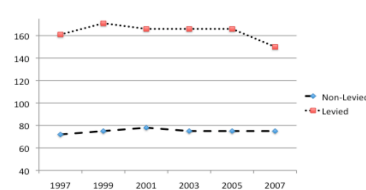


Figure 2: Adoptions Finalized

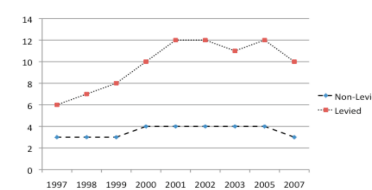
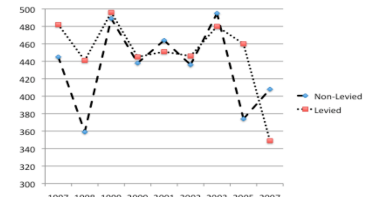


Figure 3: Median Days Awaiting Adoption



Policy Implications

Our research raises a cautionary call to advocates and policymakers who focus on the substance of the mandates governing the intimate family relations in the child welfare system or the type of funding stream available at the federal level. Eligibility determinations, funds that can be substituted with higher reimbursement rates, and state and local fiscal policies that may limit state matching funds are also crucial components of how child welfare services are actually delivered.