

# Foster Care in California Achievements and Challenges

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# SUMMARY

alifornia's foster care system, responsible for about 63,000 children and youth who have been removed from their homes because of maltreatment or neglect, has made some remarkable advances in the last decade. Foster care is an exceptionally sensitive component of the state's child welfare system because it can mean the removal of a child from a family. So the goal of the foster care system is to safely reunite children with their own families under improved conditions or to provide stable and beneficial home environments elsewhere. Data show that the state has made great progress in moving children out of foster care. Since 2000, there has been a 45 percent drop in the share of California children in the system, a reduction achieved largely through shortening the time that most children spend in foster care. In 31 of California's 58 counties, the number of children in foster care declined by 10 percent or more between 2000 and 2009—even as the population of children in the state increased from 9.3 million to 10 million. The decline has been most pronounced among black children, who have long been overrepresented in the child welfare system. In 2000, 5.4 percent of California's black children were in foster care, but only 2.7 percent were in 2009. Furthermore, more foster children are remaining in their first out-of-home placement, rather than going in and out of multiple placements, than at the beginning of the decade; and more children who entered foster care later in the decade are eventually placed with relatives.

These reductions, which far outpaced those across the rest of the country, may have resulted at least in part from a more intense focus by local and state policymakers on the problems of foster care, which in turn led to innovations in child welfare policies and practices.

The system still faces significant challenges. Payments to foster families and other out-of-home care providers have not kept up with inflation. Despite the reduction in the proportion of black children in the system, they are still substantially overrepresented. There has been a worrisome increase in the share of children who enter foster care more than once during their childhoods. And, despite the significant reductions, the number of children who age out of the system—often facing uncertain futures with too little adult guidance—has actually risen since the beginning of the decade.

The changes we find and report here are measures of process, not of outcome. Confirmation that California children are in fact better off because they either entered foster care or left it requires investigation into their circumstances. Toward that end, we recommend the gathering of broader data, including measures of the well-being of all children who come into contact with the child welfare system, but especially those who spend time in foster care. Tracking children over time, as well as linking child welfare records with educational, health, parental employment, and criminal records collected by other government agencies, would yield valuable information about children's well-being. It would also pave the way for policy and practice innovations that could extend the noteworthy changes that have occurred in this decade.

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# Introduction

The child welfare system in California is a fundamental part of the state's social safety net, charged with the task of protecting children from harm and furthering their well-being. Child welfare departments in the state's 58 counties investigate hundreds of thousands of reports of suspected abuse or neglect annually. Responses by county caseworkers and courts to child maltreatment—defined as the neglect or abuse of a person under age 18—are tailored to the circumstances of the child and family and to the requirements of the law.1 Most children whose maltreatment report has been substantiated remain in their homes with their families, with support services provided to them. But roughly one in three children with a substantiated report is placed in temporary, out-of-home foster care. In the 2008–2009 fiscal year, close to 32,000 California children were placed outside their homes because juvenile dependency courts deemed that the child's removal and intervention services to the family were necessary before the child could safely return home. The foster care caseload thus encompasses the most severe and difficult cases of maltreatment and neglect.

The goals of those who administer foster care are to place children in the most family-like settings as possible, to keep their stays in foster care short, and, as much as possible, to return children to their own families. If children cannot safely reunify with their parents, the emphasis shifts to creating a permanent placement with a legal guardian or adoptive family. Foster care is a dynamic, high-turnover system: Tens of thousands of children enter in any given year, but the state also reunites about the same number of children with their families or places them with adoptive families or legal guardians. However, each year, several thousand children also leave foster care only because they age out of eligibility, an outcome that makes them the focus of great concern. A wealth of evidence indicates that young adults who age out of foster care are at significant risk of poor outcomes in education, employment, health, homelessness, and crime.



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More than 30,000 children enter foster care in California each year, but even more leave.

In this report, we focus specifically on describing and discussing issues central to foster care in California and on the significant advances that have occurred since 2000. Foster care serves a relatively small share of children and families who come into contact with the child welfare system in any given year, but the costs to support out-of-home care for children are among the largest in the child welfare system. Specifically, California and its counties (which administer most of the direct services to children) spent about \$5.4 billion on child welfare services in 2008–2009. Foster care support payments make up approximately one-quarter of that; allocations for ongoing support payments to adoptive parents and to guardians cost nearly an additional \$1 billion (Mecca 2008, Reed and Karpilow 2009).

The foster care system has suffered from perennial challenges (County Welfare Directors' Association 2007, Little Hoover Commission 2003). These included, in previous decades, a higher share of children in foster care in California than in the rest of the nation and persistent racial and ethnic disparities, particularly for black children. Counties also have had to deal with a shortage of foster family homes.

But since the beginning of the decade, there have been notable changes in foster care policy, process, and practice. Policymakers have intensified their focus on foster care issues: Most recently, in 2009, the Blue Ribbon Commission on Children in Foster Care released recommendations to improve the courts' role in foster care (California Blue Ribbon Commission on Children in Foster Care 2009). Earlier, in 2006, the legislature created the Child Welfare Council, a permanent advisory group developing recommendations for improved collaboration and coordination across the courts, agencies, and departments that serve children (Child Welfare Council 2008). The introduction in 2000 of a state assistance program, the Kinship Guardianship Assistance Payment (Kin-GAP) program, was an initiative to increase the share of foster care children permanently placed with relatives. Another major change is the movement toward outcomes-based reporting. This was motivated in part by the Federal Adoption and Safe Families Act (1997), which created outcome measures and required systematic data collection on child welfare services for all states. These federal

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standards are by design challenging to meet. Although California has shown steady progress, it has not yet met federal standards in either its first or second review (California Department of Social Services 2004, 2009a; U.S. Department of Health and Human Services 2008).<sup>2</sup>

Despite this focused attention, policymakers and practitioners continue to voice grave concerns. Given this and current budget constraints, it is all the more critical to reassess how foster care, the most intensive and one of the most expensive components of child welfare services, is faring. Doing so lays the groundwork for identifying cost-effective ways to sustain and expand on progress in upcoming years.

This report offers both a detailed examination of the transformation that has occurred in the foster care system since 2000 and its continuing challenges. We identify key processes underlying the changes, so that stakeholders can plan how best to sustain efforts that promote success and policymakers can focus scarce resources on the system's most pressing problems.

# System Overview

A child's first point of contact with child welfare services in a county is typically through the 24-hour emergency response hotline that all counties maintain. Although most referrals are made by mandated reporters such as medical professionals, police officers, and teachers, ordinary citizens can use these hotlines to make reports of suspected abuse or neglect, anonymously if necessary. If investigation by county caseworkers confirms evidence of abuse or neglect, the report is said to be substantiated. Relatively few children for whom reports are made, about one in five, have a substantiated report in any one year.<sup>3</sup>

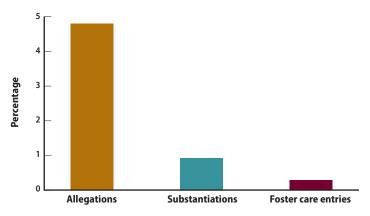
Substantiated allegations fall into nine official categories, ranging in severity from caretaker (parental) absence or incapacity to sexual abuse; the category of general neglect makes up about half of all substantiated allegations.4 All counties have implemented standardized assessment tools to guide them in appropriate levels of response. For most children, family maintenance—that is, providing services to families to help avoid a foster care entry—is a primary goal. These services encompass substance abuse treatment, emergency shelter, respite care, and parenting education classes, among others. If a report is substantiated, and the county concludes that the child's removal from his or her family is required, a dependency petition seeking that removal is filed with the juvenile dependency court, where a judge hears both sides and decides whether the petition is justified. (In emergency situations, removal of a child from the home can occur without a court order but the decision must be reviewed by a judge later.) If removal is ordered, the child becomes a dependent of the

court and officially enters foster care.<sup>5</sup> In cases where the child is removed from the home, child welfare caseworkers strive to return the child to the birth parents or to find a permanent placement with alternative caregivers, most commonly through adoption or legal guardianship.

In recent years, about one in three children with a substantiated maltreatment report was placed in temporary out-of-home care because juvenile dependency courts determined a need for intervention and support services to the family before the child could safely return. In total, about 32,000 children entered foster care in fiscal year 2008–2009, and approximately 63,000 children and youth were in child-welfare–supervised foster care as of July 2009. An additional 3,000 entered foster care in 2008–2009— and 5,000 were in the system as of July 2009—because of their involvement with the criminal justice system. (It is also possible for a child who first enters foster care under the supervision of county child welfare departments to later become probation-supervised.)

In the context of the state's entire population of children, foster care placement is relatively rare (Figure 1). In any one year, just under 5 percent of the state's children come to the attention of child welfare services through a

Figure 1. Although the number of allegations of abuse or neglect of children seems high, few cases actually result in foster care intervention



SOURCE: 2008–2009 data, authors' calculations from Needell et al. 2010.

NOTES: The bars include children in child-welfare—supervised foster care. If a child is the subject of more than one allegation or substantiation, or has multiple foster care entries within the year, only one is counted.

maltreatment report and 1 percent are the subject of a substantiated report. However, only about 0.3 percent eventually enter foster care. Across ages, infants are much more likely to be the subject of a maltreatment report, to have their reports substantiated, and to enter foster care. Infants are more likely than older children to come into contact with mandated reporters such as doctors and nurses, and they are more vulnerable.

By law, children who are removed from their homes and enter temporary foster care must be placed in the most

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family-like, "least restrictive" setting, and, when possible, kept in the same community and schools. In addition, caseworkers try to place children in a setting that will offer stability and that will most likely transition into a permanent placement. For these reasons, foster care placements with relatives or adults with "an established familial or mentoring relationship with the child," as the statute describes them, are a priority.

Although all foster care is licensed or certified by counties or the state, the types of foster care placements differ considerably in their levels (less versus more formal treatment), structure (less versus more supervision), and setting (more family-like versus more institutional) (Table 1). They also vary in cost because maintenance payments by the state and counties differ according to the needs of the child and the types of services provided.<sup>8</sup>

On the less institutional and less costly end of the spectrum, placements include licensed foster family homes (including with relatives) and families identified and certified through foster family agencies (FFAs). FFAs were intended originally for children with special or behavioral needs and to find alternatives to group homes. They have long appeared to have a broader mission, serving both

Table 1. Out-of-home care settings range from family-like to institutional

Туре	Description	Target population
Foster family home (includes relative care and nonrelated extended family care)	Family residences that provide 24-hour care for no more than six children (with the exception of sibling groups)	Children without serious disabilities or special needs
Families located through FFAs	Nonprofit agencies licensed to recruit, certify, train, and support foster parents for hard-to-place children who would otherwise require group home care	Children with emotional, behavioral, or other special needs; children awaiting adoption; children for whom a foster family placement cannot be found
Group homes	Structured, residential facilities that have a treatment component	Children with more serious special needs
CTFs	Secure residential treatment facilities	Children with severe mental health needs but not severe enough for a psychiatric hospital

SOURCE: Reed and Karpilow 2009.

children who could be placed with foster families as well as children who would otherwise be placed in group homes (Foster 2001). In terms of base payment rates, FFAs are also more costly for the state on average than foster family homes, even with additional clothing allowances and payments to the latter (Legislative Analyst's Office 2008).

More structured (and thus more costly) temporary placements include group homes with trained, 24-hour staff support and which can include a mental and behavioral health treatment component. In size, they can range from two to more than 100 children, although most are licensed for six (California Department of Social Services 2010a). Older youth may be placed in independent living

Over half of children entering foster care for the first time leave to be reunified with their birth parents.

or transitional housing programs. The most institutional and intensive setting is the community treatment facility (CTF), for children with severe emotional problems who cannot be treated in a group home setting.

Length of time in foster care varies depending on the needs of the child and of birth parents, the resources available within their families and communities, and the resources that child welfare services departments and dependency courts can muster. Just over half of children first entering foster care will stay in foster care for a year or less. However, about one in five of all children currently in foster care started his or her current stay at least five years ago. Moreover, most children who remain in state care for any length of time change placements at least once, so improving placement stability continues to be an important goal. Not surprisingly, the longer a child's stay in foster care, the more likely are multiple placements.

Over half of children entering foster care for the first time leave to be reunified with their birth parents (57%). If family reunification will not occur, the child welfare services goal shifts to one of establishing permanent connections with caring adults. So that permanent homes for children can be found as quickly as possible, policies require concurrent planning for family reunification and for possible alternative permanent placement. Counties and courts also follow established time lines for terminating parental rights. About one in five children who leaves foster care is adopted, although adoption patterns vary by age; a smaller share (about 8%) leave foster care because

an adult—often a relative—has become the child's legal guardian.9

Several thousand children every year leave foster care because they are age 18 or older and no longer eligible for services. The goal is to help these youth transition successfully to independent adulthood. The main program to provide this help is the state-funded Transitional Housing Placement Plus Program. Although enrollment is voluntary, youth are eligible for its services up to age 25, so that in any one year, roughly 25,000 to 30,000 former foster youth could receive its services. However, the program has a capped, yearly allotment and can serve only a portion of this population—about 2,300 in 2008–2009 (John Burton Foundation 2009).

It is not unusual for some children to cycle in and out of foster care. For one in five children who entered foster care in 2008–2009, for instance, that entry was not the first. Older children in particular are more likely to enter foster care for a second or subsequent time.

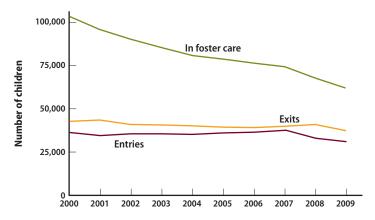
# **Achievements**

The changes since 2000 in California's foster care system are unmistakable. Most notably, the share of children in foster care has dropped substantially since the decade began. Moreover, the drop was most pronounced for black children, who have long been overrepresented in the system. Our research indicates that the overall decline has been driven by reductions in the time that most children spend in foster care, rather than by reductions in the number of children entering foster care. In addition, more children remain in their first placement during their first year in foster care than they did in the past, and more children who stay in foster care for any length of time now are eventually placed with relatives or extended family.

### **Foster Care Caseload Decline**

The foster care caseload in California has been steadily dropping for a decade (Figure 2). In July 2009, 59,686 children under the age of 18 were living in foster care.<sup>10</sup>

Figure 2. More exits than entries resulted in falling caseloads



SOURCE: Authors' calculations from Needell et al. 2010.

NOTES: The graph shows child-welfare—supervised children of all ages and shows entries and exits over each state fiscal year (July—June); the caseload is as recorded at the start of the subsequent fiscal year. The figure shows the number of children entering and exiting, not the total number of entries and exits. A few children enter or exit foster care more than once a year.

With about 10 million children under age 18 in California, this is equivalent to six of every 1,000 children in state care, compared to 10.9 of every 1,000 children in July 2000. Although caseload trends vary by county, 31 of the state's 58 counties saw the number of children in foster care decline by 10 percent or more between 2000 and 2009—over a period when the population of children in the state increased from 9.3 to 10.0 million. Los Angeles County saw its foster care caseload drop by 57 percent between 2000 and 2009. Put another way, 43 percent of the state's foster children lived in Los Angeles County in 2000, but by July 2009, less than a third did.<sup>11</sup>

These declines are a sharp reversal of historical trends. Data for the 1980s and 1990s (although more limited) indicate that California's foster care caseload grew from about 30,000 children in the early 1980s to a peak of over 100,000 in the late 1990s (Wulczyn, Hislop, and Goerge 2000).

We find one main factor behind these declines. Since 2000, the number of children leaving foster care each year has consistently exceeded the number entering. Between the 1999–2000 and 2008–2009 fiscal years, the number of children entering foster care was between 32,000 and 38,000, whereas the number exiting, including those who aged out of the system, exceeded 39,000 each year.<sup>12</sup>



The majority of children who enter foster care leave within a year.

As long as exits continue to outpace entries, caseloads will continue to drop. The number of children who entered foster care each year remained nearly constant between 2000 and 2007. However, there were declines of 12 percent in 2007–2008 and 6 percent in 2008–2009. This more recent development, if it continues, will represent a new phase in caseload reduction.

Even more noteworthy, the foster care caseload decline in California has been much larger than in the rest of the United States—California's caseload dropped by 34 percent from 2000 to 2007 whereas the rest of the nation saw a decline of less than 5 percent (AFCARS 2007). In 2000, California had 13 percent of the nation's children but 21 percent of the nation's foster care caseload. Seven years later, the share of the nation's children in California had

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not changed, but only 15 percent of the national caseload lived here. <sup>14</sup> The gap may now have closed, given the continued decline in California's caseload between 2007 and 2009.

# **Reduction in Long Stays**

An alternative way to understand these reductions is to say that children's length of stay in foster care has shortened, consistent with the system's twin goals of keeping foster care stays brief and of placing children permanently as quickly as possible. The shift occurred noticeably among new entrants to the system. Fifty-four percent of children who first entered foster care in 2007 left within a year, compared to 50 percent of those who first entered in 2000. Viewed across age groups, these shortened stays were particularly notable for children who first entered foster care when they were infants, younger than 1 year old. In 2007, 44 percent of infants left foster care within a year, compared to only 36 percent who entered in 2000. The shift to shorter stays also occurred for children who remained in foster care for several years (Needell et al. 2010).

In Table 2, we compare foster care stays in 2000 and 2007 among children exiting to the three most frequent types of permanent placement: family reunification, adoption, and legal guardianship. Children who were reunited with their parents (the most common outcome) saw a sixmonth average reduction in their stays. Even more encouraging, the reduction for this group was most pronounced for children who had already been in foster care for long durations. For the other two groups, the reductions were even larger—and no less pronounced for children whose stays were in the middle or high end of the distribution of all durations. Moreover, reductions occurred across ages of entry; that is, children who entered foster care at older and younger ages both saw their time to reunification, adoption, or guardianship reduced by several months.

Even those children who did not exit the system in 2007 were experiencing shorter stays—on average, from 2000 to 2007, they shrank by four months. Still further, other data (from the CWS/CMS) show that the same trend of reduced time in foster care extended to children with

Table 2. Among children leaving the system, time spent in foster care has dropped

	Average		Median stays (50th percentile)		Long stays (90th percentile)	
	2000	2007	2000	2007	2000	2007
Reunification	1.3	0.9*	0.8	0.6	3.2	1.8
Adoption	3.5	3.0*	3.1	2.5	5.9	5.0
Guardianship	3.9	3.0*	3.1	1.9	8.0	6.8

SOURCE: Authors' calculations from AFCARS

NOTES: These data are roughly, but not exactly, comparable to CWS/CMS data. See the online technical appendix for further description of the data sources. Length of time in foster care reflects only the most recently completed stay.

all durations of stay (Table 3). In mid-2000, 25 percent of children had begun their stay in foster care less than a year earlier. By mid-2009, this share had risen to 35 percent. At the same time, the share of children in foster care for five years or more dropped from 25 percent to 21 percent over the decade.

Children who leave foster care quickly are likely to have fewer special needs and more family and community resources than those who stay for longer periods of time. However, it does not appear that reductions in stays over the decade have been limited to such children.

Even more encouraging, especially because the issue has long been of concern for child welfare experts, is our finding that the largest foster care caseload reduction occurred among black children in the state—their share

Table 3. Among children in foster care, lengths of stay are shrinking

	2000	2009
Less than 1 year	25	35*
1–3 years	32	32
3–5 years	17	13*
5 years or more	25	21*

 $SOURCE: Authors'\ calculations\ from\ Needell\ et\ al.\ 2010.$ 

NOTES: Table entries show caseloads as of July of each year and include child-welfare—supervised children of all ages. The length of time in foster care reflects only the current stay. Some children have more than one stay in foster care.

dropped by half (Table 4). Specifically, 5.4 percent of black children in the state were in foster care in 2000, but only 2.7 percent were in 2009. This is not to say that racial/ethnic gaps have been erased. In 2009, black children were still more than five times as likely as white

Children who entered foster care at older and younger ages both saw their time to reunification, adoption, or guardianship reduced by several months.

children to be in foster care. But this 50 percent decline for black children suggests that greater awareness and efforts to address their overrepresentation in foster care may be having an effect.

These declines for black children indicate shorter stays: 44 percent of black children who first entered foster care in 2000 left within a year, compared to 52 percent doing so in 2007 (Needell et al. 2010). Among black children exiting to reunification, adoption, or legal guardianship, average stays also dropped from 2.8 to 2.1 years between 2000 and 2007, although they continue to be longer than those of Hispanic, white, and Asian or Pacific Islander children (AFCARS 2000, 2007).

<sup>\*</sup> Average times spent in foster care in 2000 and 2007 are significantly different at the 5 percent level.

<sup>\*</sup>The change from 2000 to 2009 is significantly different at the 5 percent level.

Table 4. Black children had the biggest percentage drop since 2000 but are still overrepresented in foster care

	2000	2009	Percentage change
All	1.1	0.6	<b>-45</b> *
Racial/ethnic group			
Hispanic	0.9	0.6	-36*
White	0.8	0.5	-41*
Black	5.4	2.7	-50*
Asian or Pacific Islander	0.2	0.2	-30*

SOURCES: Authors' calculations from Needell et al. 2010 and California Department of Finance 2007.

NOTES: The percentage of Asian or Pacific Islander children in foster care is rounded down from 0.22 in 2000 and up from 0.16 in 2008. Foster care caseloads and population estimates are as of July 2000 and July 2009 and include only children through age 17. Table entries include child-welfare—supervised foster care children. We do not report rates for Native American children because of the considerable uncertainty that accompanies those estimates. See the online technical appendix for more detail on the calculation of estimates by a child's race/ethnicity. Children identified as Native American or with no recorded race in the CWS/CMS data are included in the overall total.

# The Kinship Guardianship Assistance Payment Program

We cannot identify all the factors behind shorter stays in foster care, but one major policy innovation that likely contributed was the statewide adoption in 2000 of the Kin-GAP program.<sup>15</sup> This voluntary program was designed to encourage more permanent placements for foster children who will not be reunified with their birth parents (Reed and Karpilow 2009). The program provides financial assistance to caregiver relatives who assume responsibility for children within the foster care system and who then go on to become their legal guardians. The Kin-GAP assistance amount is set at the maintenance payment the child received when he or she left foster care.<sup>16</sup>

Thirty-six other states and the District of Columbia had such a program in place in 2008. To date, California has funded Kin-GAP through its California Work Opportunities and Responsibility to Kids (CalWORKs) program. A change in federal law in October 2008, the Fostering Connections to Success and Increasing Adoptions Act, permits all states to seek federal reimbursement for a portion of maintenance payments in programs similar to California's Kin-GAP program. In Assembly Bill 12, currently under consideration by the legislature, California has incorporated language that would qualify the state for these funds by July 2010.<sup>17</sup>

We answer the question of how much of the reduction in the state's foster care caseload can be attributed to the launch of Kin-GAP by estimating how large the caseload

would have been without such a program.<sup>18</sup> Close to 30,000 children entered the Kin-GAP program between 2000 and 2009; in 2008, the average monthly number in Kin-GAP was about 14,000 (California Department of Social Services n.d., Needell et al. 2010).19 An upper-limit scenario assumes that children who entered Kin-GAP would have remained in foster care until they emancipated. In this case, approximately 86,000 children would have been in foster care in July 2009—far more than the actual caseload of 62,528. In other words, the Kin-GAP program could have accounted for roughly half of the actual drop in the number of children in foster care. In reality, at least a few children who benefited from Kin-GAP would have left foster care before age 18 through other types of placements. In a more conservative scenario, we assume that those who entered Kin-GAP would have been reunified or adopted at half the rate of children of similar age who did actually reunify or find adoptive homes. In this case, the Kin-GAP program would have been responsible for only about 20 percent of the decline in the overall caseload.

Therefore, although the introduction of Kin-GAP was important, more than half of the caseload decline since 2000 is likely due to other factors. More intensive research on these other factors—including promising county-based initiatives—needs to be undertaken to understand not only their effects on children in foster care but also their ability to improve children's well-being outside it.

<sup>\*</sup>The change from 2000 to 2009 is significantly different at the 5 percent level.

# Improvements in Placement Stability

We noted above that children in foster care are moved relatively often, but it is also worth noting that the frequency of these moves has generally fallen. In 2000, 18 percent of children who entered foster care for the first time and stayed for at least a year remained in that first placement for a year. In 2007, 26 percent did so, a considerable change. The share of children experiencing many placements, three or more, in their first year in foster care also dropped substantially, from 52 percent in 2000 to 40 percent in 2007 (Needell et al. 2010).

Children in foster care for at least one year in 2007 and who were initially placed with relatives or extended family also had much higher placement stability than did children who were placed elsewhere—two-thirds (66%) were still in that first placement a year later.<sup>20</sup> Of those initially placed with a foster family, in an FFA, or in a group home, only 14 percent who stayed for at least a year were still in their first placement a year after entering. This divergence in placement stability is striking, although part of the explanation is likely that children first placed with kin already possess greater family resources and face fewer physical and emotional challenges than children first placed elsewhere; these relative strengths contribute to stability.

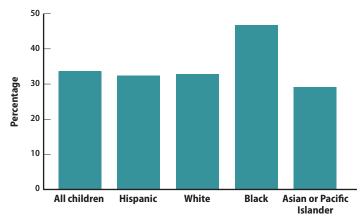
Although county agencies do make placement with relatives a priority, living with relatives or extended family is fairly uncommon as a first placement, with only 18 percent of those who first entered foster care in 2008 doing so. However, even if children cannot be so placed initially, counties aim to do so eventually. Among children who left foster care within a year, placement with kin had risen by the time of their exit, growing from 20 percent of all initial placements to 35 percent.<sup>21</sup> Among all children who exited foster care in 2008, three in ten were living with relatives or extended family just before they left foster care, whether to reunification, adoption, or emancipation. (This estimate, in fact, undercounts the total number of foster care children living with relatives because a number of children in other placements—predominantly preadoptive and guardianship—were also living with relatives at the time of exit.) Although moving children decreases

overall placement stability, moving may be warranted if it improves future placement stability or helps children leave foster care more quickly.

# Challenges

Although, as we noted above, many fewer black children are in foster care now than were at the beginning of the decade, black children are still overrepresented in the foster care caseload. (There are also sizable racial and ethnic disparities during earlier stages of child welfare involvement, serious issues that practitioners are investigating and addressing.)<sup>22</sup> The percentage of children with a substantiated report of maltreatment who enter foster care is higher for black children than it is for Hispanic, white, and Asian or Pacific Islander children (Figure 3). Similar proportions of Hispanic and white children about a third—entered foster care in 2008-2009, as did 27 percent of Asian or Pacific Islander children. The share of black children who did so stood at 45 percent.<sup>23</sup> In 2008, of children with a substantiated maltreatment report, black children had a foster care entry rate that was 43 percent higher than the rates for Hispanic and white children.

Figure 3. Black children are more likely than others to enter foster care after a substantiated report of maltreatment



SOURCE: 2008–2009, authors' calculations from Needell et al. 2010.

NOTES: The bars show child-welfare—supervised children. We do not report rates for Native American children because of the considerable uncertainty that accompanies those estimates. See the online technical appendix for more detail. Children identified as Native American or with no recorded race in the CWS/CMS data are included in the overall total.

In addition, black children and youth continue to have longer stays in foster care than Hispanic, white, and Asian or Pacific Islander children, and smaller shares of black children and youth reunify with their birth families—49 percent for black children and 57 percent of all children (AFCARS 2007, Needell et al. 2010).

Frontline workers and policy officials in California are concerned that black children are more likely to enter foster care and to have difficulty finding permanent homes, and they are investigating sources of these disparities and strategies to combat them. Socioeconomic, historical, and system-wide factors, including institutional and structural biases, likely contribute. Poverty and disadvantaged neighborhood environments are correlates of foster care involvement, and low-income black families may have fewer resources and social support services to avoid foster care entry (Center for Juvenile Justice Reform 2009; Freisthler, Merritt, and LaScala 2006; Hill 2006; U.S. Government Accountability Office 2007; and Wulczyn and Lery 2007).

One of these strategies, the California Disproportionality Project, began in 2008 to address specifically the over-representation of some racial and ethnic minority children in the state child welfare system, including foster care. The group's work has looked at involving family members in

case planning, searching for paternal kin to increase the number of options for permanent placement, and providing more resources to better prevent children from being removed in the first place (California Department of Social Services 2009a, Reed and Karpilow 2009). A concerted effort to investigate the effectiveness of these and other initiatives would be highly informative.

### **Growth in Agency Placements**

As noted above, placing foster care children with relatives is a priority for county caseworkers and courts, although this is not always feasible. In fact, of the children who entered foster care for the first time in 2008, the most common initial placement was with a family certified by an FFA (Table 5). Smaller proportions were first placed with a foster family (22%), with relatives (17%), or in a group home or shelter (15%).<sup>24</sup>

Looking more closely at initial placement patterns by age and race/ethnicity, we find that older children are placed with an FFA more often than infants. Hispanic and black children are also more likely to be initially placed with an FFA (49% and 45%, respectively). White children are more likely to be initially placed with a foster family than other groups (26%), whereas a higher percentage of

Table 5. Initial foster care placements are typically with kin or foster families

	Kin	Licensed foster family	FFA-certified family	Group home or shelter
All	17	22	46	15
Race/ethnicity				
Hispanic	17	20	49	14
White	17	26	41	16
Black	20	23	45	13
Asian or Pacific Islander	18	23	38	21
Age at entry				
Under 1	16	41	38	5
1–15	18	17	48	16
16–17	15	10	43	32

SOURCE: Authors' calculations from Needell et al. 2010.

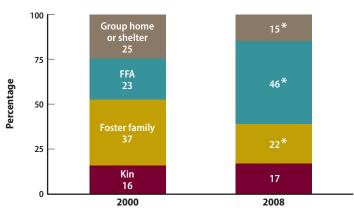
NOTES: Table entries include child-welfare—supervised children. Other placement types are possible but made up less than one-half of 1 percent among all children and in each subgroup. We do not report rates for Native American children because of the considerable uncertainty that accompanies those estimates. See the online technical appendix for more detail. Children identified as Native American or with no recorded race in the CWS/CMS data are included in the overall total.

Asian or Pacific Islander children are initially placed in a group home or shelter (21%). These placement patterns may reflect differences in children's needs as well as differences in the availability of the various types of placements.

The change over time in placement patterns since 2000 is also worth noting (Figure 4). Similar shares of children were initially placed with relatives in 2000 and 2009, but those placed with foster families or in a group home shrank substantially over the same time frame.<sup>25</sup> At the same time, the proportion placed with an FFA grew markedly, by 88 percent. In 2000, 23 percent were initially placed with an FFA. By 2009, this proportion had risen to 46 percent.<sup>26</sup> The growth in the use of FFAs occurred across racial/ethnic and age groups, although it was smaller for infants than for other children.<sup>27</sup>

On average, an FFA placement costs the state and counties more than placement in foster family or relatives' homes, partly because they are intended to provide coordinated services for children with greater needs (Legislative Analyst's Office 2008). Some have expressed concern that the growth in FFA placements may simply be due to a shortage of adequate numbers of licensed foster family homes, as opposed to an increase in the number of children in need of an FFA's specialized services.<sup>28</sup>

Figure 4. Foster family agencies have become increasingly important since 2000



SOURCE: Authors' calculations from Needell et al. 2010.

NOTES: The bars show all children entering child-welfare–supervised foster care for the first time between July and December 2000 and July and December 2008. Other placement types are possible but made up less than one half of 1 percent of placements. The 2000 column does not sum to 100 percent because of rounding.

In fact, the diminishing supply of foster family homes in recent years, especially in some of California's largest counties, has also been highlighted as a serious problem (Reed and Karpilow 2009). A continued lack of foster family caregivers would not be unexpected if monthly maintenance payments fall short of families' needs. One study of 21 California counties argues that the most important reason for the decrease in the supply of foster family homes is low board-and-care reimbursement rates,

The diminishing supply of foster family homes in recent years, especially in some of California's largest counties, has also been highlighted as a serious problem.

which have not kept up with inflation (County Welfare Directors' Association 2007). Rates remained unchanged between 2001 and 2007 so that with inflation, they were about 25 percent lower in 2007 than in 2000.<sup>29</sup>

Still, it is not clear that low and stagnant foster family payments have entirely driven the increase in the share of children placed with FFAs. After all, FFA payments have also failed to keep pace with inflation. It may be the case that children entering foster care in recent years have been more likely to need the higher level of services that FFAs can provide. It may also be the case that counties have offset high social worker caseloads with increased use of FFAs because FFAs employ social workers who may offer an additional layer of oversight. Finally, counties that engage in special efforts to find adoptive homes for children may be more likely to use FFAs to certify adoptive homes. A comparative examination of foster family and FFA placements over time, along with better data on the population of children served, placement provider supply, county priorities, services needed, and permanency outcomes, could help policymakers understand tradeoffs in placement decisions. Such information could also help shed light on whether the increased use of

 $<sup>^{*}</sup>$ The change from 2000 to 2008 is significantly different at the 5 percent level.

Children leaving foster care more quickly could mean a greater risk of return if initial interventions are not sufficient.

FFAs has translated into better outcomes for children, making FFAs more cost-effective than otherwise would appear.

### **Reentering Foster Care**

Although the foster care caseload has declined substantially, there has been some worsening over time in the rate of children reentering. In fiscal year 1999–2000, 16 percent of children entering foster care had already been in out-of-home care at least once. In 2008–2009, the share was somewhat higher, 20 percent (Table 6).<sup>30</sup> This trend should be monitored: Children leaving foster care more quickly could mean a greater risk of return if initial interventions are not sufficient.

Here, again, racial/ethnic differences appear. Reentry is more common for black children than for whites. One in five white children entering foster care in 2008–2009 had been in state care at least once before, compared to one in four black children. Fewer than one in eight Asian or Pacific Islander children who entered foster care in 2008–2009 had been in foster care previously.

Table 6. Reentries to foster care have increased

	2000	2009
All	16	20*
Race/ethnicity		
Hispanic	13	18*
White	18	20*
Black	20	25*
Asian or Pacific Islander	11	12

SOURCE: Authors' calculations from Needell et al. 2010.

NOTES: Table entries include child-welfare—supervised children entering foster care between July 1999—June 2000 and July 2008—June 2009. We do not report rates for Native American children because of the considerable uncertainty that accompanies those estimates. See the online technical appendix for more detail. Children identified as Native American or with no recorded race in the CWS/CMS data are included in the overall total.

# **Aging Out of Foster Care**

Youth who leave foster care because they age out, generally at age 18, constitute a group of great concern to policymakers, even though they represent a relatively small share of children exiting foster care (and a very small share of children who ever enter foster care).31 Emancipated youth fare poorly on educational and employment outcomes, are at higher risk for becoming homeless, and quite often become involved in the criminal justice system (Courtney 2009).32 This group has grown in California. In 2008–2009, approximately 4,500 youth emancipated, representing 12 percent of all who left foster care. This was up from 9 percent, or about 4,000 children, in 1999-2000 (Needell et al. 2010).33 (There is some uncertainty in the absolute shift in the size of this population because of increased accuracy in reporting throughout the decade, but this would account for only a small portion of the increase.)

One concern is that many children who emancipate lack strong connections to a network of supportive adults. For instance, well over half of children who emancipated in 2008–2009 lived last with someone who was neither a relative nor a guardian (64%). Only one in five (21%) was last placed with a relative at exit. An additional 16 percent were placed with a guardian not related to them (Needell et al. 2010).

Another concern is that children who emancipate tend to have had long stays in state care. Data from AFCARS indicate that most foster care youth who became legal adults in 2007 had been in state care for quite some time. Half of them had been in out-of-home care continuously for four years or longer. Furthermore, nearly two in five (38%) had been in and out of foster care at least once before. Most troublingly, about 500, representing 9 percent of all youth who emancipated in 2007, first entered state care when less than a year old, meaning that they had spent their entire lives in the system. Roughly an additional 1,000, or 19 percent of all who emancipated, first entered between ages 1 and 5 (AFCARS 2007).

As noted above, children's time in foster care has been growing shorter and caseloads have been declining. However, looking at data on foster youth from AFCARS over

<sup>\*</sup>The change from 2000 to 2009 is significantly different at the 5 percent level.

time, we find that lengths of stay among youth who exit to emancipation have increased substantially since 2000. On average, youth age 18 and older who exited to emancipation in 2007 had stays of about six years, whereas those who did so in 2000 had stays of about five years.<sup>34</sup> Moreover, one in ten youth who exited to emancipation in 2007 had been in foster care for 14.5 years or longer, whereas one in ten in 2000 had been in foster care for 11.5 years or more—a three-year increase (AFCARS 2000, 2007). Thus, there has been a substantial lengthening of time in foster care of the subgroup of youth with the longest stays. Changes in practice and in policy that shortened stays for most children appear to have been less successful in addressing the needs of some children who were already in foster care early in the decade, and these children have been aging out of the system in growing numbers.

Furthermore, we find that black children are again overrepresented among youth aging out of foster care (Table 7). Although 12 percent of all children and youth who left foster care in 2008–2009 aged out, 19 percent of black children did.

Assembly Bill 12, currently under consideration in the California Legislature, would give most children who turn 18 while in foster care the option of continuing to receive services and maintenance payments until they turn 21. The aim is to better assist these youth in making the transition to independent adulthood. Although the needs of older

Table 7. Percentage of children emancipating from foster care

	Emancipations
All	12
Race/ethnicity	
Hispanic	9
White	14
Black	19
Asian or Pacific Islander	10

SOURCE: Authors' calculations from Needell et al. 2010.

NOTES: Table entries show child-welfare—supervised youth leaving foster care between July 2008 and June 2009. We do not report rates for Native American children because of the considerable uncertainty that accompanies those estimates. See the online technical appendix for more detail. Children identified as Native American or with no recorded race in the CWS/CMS data are included in the overall total.

foster care youth deserve policymakers' continued attention, it is likely that the number of youth who reach age 18 while in foster care will begin shrinking over the next several years. This is because the group of children at highest risk of emancipating—those who are in foster care at ages 15, 16, and 17—has been shrinking by an average of 4 percent annually (Needell et al. 2010). That said, efforts to find permanent placements for this group have been—by definition—unsuccessful. Arguably, they will continue to be the most challenging group in foster care.

# Conclusions

Over the past decade, local, state, and federal agencies have given increased attention to the child welfare system and to the foster care system in particular. High federal performance standards have been set, reflecting the seriousness of the responsibility that courts and county child welfare departments take on when they remove children from their parents. In addition to being challenging, foster care is expensive: About one-quarter of the total child welfare services budget for 2008–2009 was dedicated to support payments for children in foster care.

Currently, California and its 58 counties face serious fiscal difficulties. The state has not adjusted its share of child welfare services payments for inflation since the 2001-2002 budget year, and in 2009-2010, maintenance payments for certain categories of foster care placements were slated to be cut.<sup>36</sup> These difficulties make a clear understanding of the foster care system's challenges and strengths all the more urgent. So, too, is a clear understanding of the progress that has been made. Most promisingly, the state and counties have made great strides in reducing the number of children in foster care, and at least part of the decline can be traced to the Kin-GAP program. Furthermore, the foster care caseload reduction was largest for black children. That said, black children still have higher foster care entry rates and are also somewhat more likely to reenter the foster care system. They are also more likely than other groups to leave foster care only because

Most federal monies are dedicated to foster care maintenance payments; relatively little is allocated to prevention and early intervention initiatives.

they age out of eligibility for its services. Lengths of stay for most children in out-of-home care have become shorter and placement stability has improved over the decade, but the number of children who emancipate from foster care without ever finding permanent homes has not declined, and these children stay in foster care longer.

New legislation allows the state to claim federal matching funds to support youth in foster care until age 21. Given the often poor outcomes of youth who age out of foster care, expanding or extending programs to assist these young adults could make a significant difference in their lives. These funds could also give counties an additional tool to address the continued disproportionate representation of black children among youth aging out of foster care. Understanding the best ways to invest in such programs must be a priority.

County programs absorbed cuts from the state in the 2009–2010 fiscal year, and they can expect more budget challenges in the future. Given this, our finding of a dramatic increase in the use of more expensive foster family agencies merits further investigation. Important questions include whether FFA placements are warranted, how the children fare in FFA placements, and how best to encourage a cost-efficient placement mix while maintaining the integrity of care.

There is another longstanding fiscal hurdle: Most federal monies are dedicated to foster care maintenance payments; relatively little is allocated to prevention and early intervention initiatives (Mecca 2008).<sup>37</sup> Counties and the state have been fortunate in their collaborations with philanthropic organizations, which have provided support for some prevention programs. But these funds were intended to support pilot innovations, not to substitute for ongoing state support. As we have noted, a larger share of children are reentering foster care now than at the beginning of the decade, suggesting that addressing maltreatment recurrence remains a key issue.

Our findings, as we noted in the beginning, report advances in process, but adequate information on child well-being outcomes is lacking. We recommend that additional monitoring and data collection be considered for children in California who have been the subject of a maltreatment report. One of four committees of the state's Child Welfare Council—the Data Linkage and Information Sharing Committee—has made a similar recommendation and has laid out steps to begin doing so (Child Welfare Council 2009). These data could be created by linking child welfare services records with government-held data on educational, health, parental employment, and criminal records. Ideally, children should be followed over the course of their childhoods, and data should be collected both about children who enter foster care and about children who have a substantiated maltreatment report but do not enter foster care. This would lead to a better understanding of the effects of foster care on abused and neglected children.

The state is fortunate in having supported the creation of accurate and timely reports about children who come into contact with county child welfare departments (Needell et al. 2010). These data can tell us that stays in foster care have shortened over time but cannot shed light on children's long-term outcomes. If California's goal is to identify policies and practices that promote the largest gains in its children's well-being, we need better information to advance this goal, now and in the future. •

A technical appendix to this report is available on the PPIC website: http://www.ppic.org/content/pubs/other/510CDR\_appendix.pdf

# **Notes**

- <sup>1</sup> California's Child Abuse and Neglect Reporting Act (Penal Code Section 11164-11174.3) defines neglect as harm or threatened harm to the health or welfare of a child, or the failure to protect a child from such harm, by a person responsible for the child's welfare. Abuse includes the endangering of the health of a child, non-accidental physical injury or death, sexual assault or exploitation, and unlawful corporal punishment or injury.
- <sup>2</sup> Although it has not yet met all federal standards, California has shown steady progress. After its first review, the state met all but one of its program improvement plan targets. It began implementing its second program improvement plan in July 2009. The state also established its own review system at the beginning of the decade. The California Child Welfare System Improvement and Accountability Act (Assembly Bill 636, Chapter 638, Statutes of 2001) established these California Child and Family Services Reviews. Needell et al. (2010) tracks the subset of the state and federal outcomes that are measured with administrative data, updating all indicators quarterly.
- <sup>3</sup> All of the statistics presented in this section are authors' calculations from Needell et al. 2010.
- <sup>4</sup> More than one type of abuse or neglect allegation can be made on behalf of a child. In Needell et al. 2010, the most serious type of maltreatment is counted when this occurs.
- <sup>5</sup> County caseworkers can also file a dependency petition when formally supervised home-based services are deemed necessary; children in such cases are also considered temporary dependents of the court although they are not removed from their homes.
- <sup>6</sup> In the most serious cases of maltreatment, reunification services may not be offered.
- <sup>7</sup> We exclude probation-supervised children from most of the tables and figures in this report because their paths through the child welfare system tend to be quite different from child-welfare-supervised children. However, data limitations require that we include them in several tables, and we note where this is the case. Throughout, footnotes describe differences and similarities between statistics for child-welfare–supervised and probation-supervised youth.
- <sup>8</sup> Monthly maintenance payments in the various placement types are set by state law and also vary by a child's age. Counties can choose to pay higher rates, but in most cases they must use

- only county funds to pay the increment. Maintenance payments are federally matched at California's Federal Medical Assistance Percentage (FMAP)—currently 56.20 percent—if the child's birth parents meet federal eligibility requirements. In 2007, 57 percent of children in foster care did (Adoption and Foster Care Analysis and Reporting System [AFCARS] 2007).
- <sup>9</sup> A guardian's legal role is more limited than an adoptive or birth parent's and ends when the child reaches age 18.
- <sup>10</sup> In July 2009, an additional 2,842 youths ages 18 to 21 were in foster care. This was because courts do not always terminate a dependency case on a child's 18th birthday. There were also 5,193 probation-supervised children and youth recorded in Child Welfare Services/Case Management System (CWS/CMS) data. This is down 32 percent from 7,593 probation-supervised children in July 2000 (Needell et al. 2010).
- <sup>11</sup> Readers interested in differences at the county level can consult Needell et al. 2010.
- <sup>12</sup> A few children enter or exit foster care more than once in a given year. For example, the total number of entries to foster care in 2008 (32,499) was slightly higher than the total number of children entering (31,713).
- <sup>13</sup> We use AFCARS to examine populations and outcomes that we cannot explore using publicly available CWS/CMS data. The latest year of AFCARS data available covers federal fiscal year 2007. Although CWS/CMS and AFCARS draw from the same underlying information that counties keep about children who enter foster care in California, there are differences, which are described in more detail in the online technical appendix (available at www.ppic.org/content/pubs/other/510CDR\_appendix.pdf). To mention one, we cannot distinguish probation-supervised children from child-welfare–supervised children. However, because the share of probation-supervised children is generally less than 10 percent of child-welfare–supervised children, it is very unlikely that their inclusion drives the trends we describe.
- <sup>14</sup> Differences in the number of children in foster care across states must be interpreted cautiously because of variations in state definitions of maltreatment and the inclusion of youth placed with kin and of probation-supervised youth in the foster care caseload. The constancy in the foster care caseload in the nation outside California also masks substantial state-level variation: Eight states, including Florida, Illinois, and New York, saw caseload declines that exceeded 25 percent but 14, including Texas, experienced caseload increases of greater than 25 percent.

- <sup>15</sup> Reed and Karpilow (2009) provide an overview of other major initiatives to improve foster care and the child welfare system in California. More detailed descriptions and assessments of some can be found in Child and Family Policy Institute 2007; Lorentzen et al. 2008; and Wright, Tickler, and Vernor 2008.
- <sup>16</sup> Since 2007, an enhancement to the Kin-GAP program, Kin-GAP Plus, enables children permanently placed with kin guardians to continue receiving clothing assistance payments and any Specialized Care Increment (SCI), in addition to the monthly maintenance payment (Assembly Bill 1808 2006). Children in probation-supervised foster care are also eligible for the program.
- <sup>17</sup> The 2009–2010 state budget included \$4.7 million in General Fund spending to implement other portions of the federal Fostering Connections to Success Act (Legislative Analyst's Office 2009). For further discussion of the federal act's provisions, see the resources at www.fosteringconnections.org/about\_the\_law.
- <sup>18</sup> The online technical appendix describes the methodology used to conduct this assessment.
- <sup>19</sup> One issue is the use of the category "Other Guardianship" to label some cases that should have been identified as Kin-GAP exits. Compare Needell et al. 2010 and California Department of Social Services n.d. The online technical appendix describes our approach to adjusting the number of exits to correct for this miscoding of Kin-GAP cases.
- <sup>20</sup> "Kin" is a term used to encompass relatives, nonrelated extended family, and tribe-specified families who assume care for foster children. We use the term this way in the report. However, California's Kin-GAP program is restricted to blood relatives who become legal guardians of children in foster care (California Welfare And Institutions Code, Section 360–370).
- <sup>21</sup> Children placed with relatives while in foster care can continue to live with the same relative or extended family member in an adoptive or guardianship relationship after they leave. However, many such children leave to reunify with their parents and some emancipate from foster care.
- <sup>22</sup> See Center for Juvenile Justice Reform 2009; Freisthler, Merritt, and LaScala 2006; Hill 2006; Reed and Karpilow 2009; U.S. Government Accountability Office 2007; and Wulczyn and Lery 2007.
- <sup>23</sup> Using data from 1999 and 2000, Needell, Brookhart, and Lee 2003 find that black children with a substantiated maltreatment were more likely to enter foster care even after holding neighborhood poverty and other demographic characteristics constant. For an analysis of foster care entry that follows children over the course of several years, see Magruder and Shaw 2008.

- <sup>24</sup> A total of 23 children were initially placed in pre-adoptive or in court-specified homes.
- <sup>25</sup> Relative placements of all children in foster care dropped from 41 percent to 34 percent of the caseload between 2000 and 2009, but a large part of this change is likely due to the introduction of the Kin-GAP program.
- <sup>26</sup> Placement moves and other factors mean that there are fewer FFA placements among all children in foster care than among children newly entering foster care (29% of all child-welfare—supervised children in foster care in July 2009). At the same time, FFA placements have grown substantially among all children in foster care. In July 2000, 18 percent of foster children were placed with an FFA.
- <sup>27</sup> Among probation-supervised youth, a group home is the predominant initial placement—a key difference between probation youth and others. Ninety percent of probation-supervised youth were first placed in a group home in 2000. By 2009, 96 percent were.
- <sup>28</sup> In particular, see Foster 2001; Legislative Analyst's Office 2002; and County Welfare Directors' Association 2007.
- <sup>29</sup> For a discussion of foster care rates across the country, see DePanfilis et al. 2007.
- <sup>30</sup> In contrast, over a third (34%) of probation youth who entered foster care in 2008–2009 had already had at least one stay in foster care.
- <sup>31</sup> These statistics include youth aging out of eligibility for child-welfare–supervised foster care. Children who have permanent placements through the Kin-GAP program and the adoption assistance program also currently lose eligibility for state maintenance payments at age 18.
- <sup>32</sup> See also Courtney, Dworsky, and Peters 2009; Macomber et al. 2008; and Needell et al. 2002.
- <sup>33</sup> Information about the types of foster care exit among probationsupervised foster care youth is much less complete than for child-welfare–supervised youth. Of the 3,865 children and youth who left probation-supervised foster care in 2008–2009, 1,137 had incomplete information about the type of exit. Although reporting has improved over the past several years, it is difficult to assess trends in emancipation for probation youth or even to determine the true incidence of emancipation among probation youth (Needell et al. 2010).
- <sup>34</sup> The change is statistically significant at the 5 percent level.

- <sup>35</sup> At least part of the reason for the decreasing number of teenagers in foster care is that their numbers in the population are declining.
- <sup>36</sup> State General Fund contributions to counties' programs were slated to be reduced from close to \$800 million in 2008–2009 to just over \$700 million in 2009–2010. However, a fall 2009 court order reversed a 10-percent cut to group home rates. This cut alone was expected to make up about one-third of the total reduction. Further, a more recent court ruling has led to increases in group home payments (California Department of Social Services 2010b).
- <sup>37</sup> However, a five-year federal waiver in place since 2007 gives two counties, Alameda and Los Angeles, broad flexibility to use federal funds as they decide (California Department of Social Services 2009b). Scarcella et al. 2006 compare foster care and child welfare financing strategies across states.

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