



Aging Out of Foster Care

Boxer Bill Would Expand Services for Older Foster Youth

By Varina Winder¹
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SUMMARY

On May 24, 2007, Senator Boxer (D-CA) introduced the Foster Care and Continuing Opportunities Act (S.1512). This bill would provide continued federal funding through Title IV-E of the Social Security Act for foster care services to children aged 18-21. States would have discretion in determining the upper age limit of youth qualifying for foster care services. The Congressional Budget Office (CBO) has not yet scored this legislation.

BACKGROUND

Foster care is funded through a combination of local, state and federal dollars. Title IV-E is one of the largest and is the only designated funding stream for the child welfare system. Currently, states can only receive Title IV-E placement reimbursement for youth up until age 18 (sometimes 19, if the youth is still in high school). As of fiscal year 2005, there were over 500,000 children in the foster care system.² About 20%, or a little over 100,000, are aged 16 years and older.³ These older youth tend to live in group homes or institutions,⁴ rather than traditional family settings, and are less likely than their younger counterparts to be reunited with their biological families.⁵ This group of youth is likely to age out of foster care.

“Aging out” does not refer to kids who are reunited with their families or are placed with permanent homes but rather those youth who are discharged from the child welfare system to

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² U.S. Department of Health & Human Services, Administration for Children and Families, Children’s Bureau. “Trends in Foster Care and Adoption.” Available online at: http://www.acf.hhs.gov/programs/cb/stats_research/afcars/trends.htm

³ Patel, S. & Roherty, M. *Medicaid Access for Youth Aging out of Foster Care*, American Public Human Services Association, 2007. Available online at: <http://www.aphsa.org/Home/Doc/Medicaid-Access-for-Youth-Aging-Out-of-Foster-Care-Rpt.pdf>

⁴ Only 47% of kids ages 14 and older live with traditional foster families, the rest live in group homes, institutions, “trial” homes or have runaway and are no longer accounted for in the foster care system. See page 4 of <http://www.childtrends.org/files/FosterCareRB.pdf> for more information.

⁵ Courtney, M. *Youth Aging Out of Foster Care*. MacArthur Foundation Research Network and Transitions to Adulthood and Public Policy, Issue Brief 19, April 2005. Available online at: <http://www.transad.pop.upenn.edu/downloads/courtney--foster%20care.pdf>

themselves, usually at age 18. Although a few states, including Arizona, Connecticut, Florida, Illinois and most recently, Vermont, allow youth to remain in foster care after age 18, most states define “adulthood” as reaching age 18. Due to current Title IV-E limitations on funding reimbursement, continued funding for services for discharged youth may come only from state funds.

In 2005, approximately 25,000 children aged out of foster care, or 67 kids every single day.⁶ The average length of stay in the system for these youth is five years, as opposed to the national average of two and a half years.⁷ This number reflects the rising number of children aging out of the system. Since 1998, this figure has risen by 41%.⁸

Needs of Children Aging Out

Comprehensive data regarding children aging out of foster care is generally unavailable due to the broad range of state policies affecting these youth, as well as the lack of systemized data collection on foster care children. One the most significant studies on outcomes for children aging out is the Midwest Evaluation of the Adult Functioning of Former Foster Youth, administered by the Chapin Hall Center for Children at the University of Chicago, which provides important insight on the successes and failures of the foster care system serving these youth. This longitudinal study follows youth in three states as they transition to adulthood. Some of these youth may remain in care until age 21, while others were discharged at age 18.

So far, the study has found that even with funding provided by the Foster Care Independence Act (discussed in the analysis section of this report), foster youth aging out are not faring as well as their non-foster youth peers. Fewer than half of the study’s surveyed youth that were no longer in care at age 19 were employed, and of those who were employed, 90% earned less than \$10,000 per year.⁹ Almost half of the females in the study reported having had at least one pregnancy by the age of 19, as compared to 20% of females in a nationally representative study of youth.¹⁰ Males were more likely to have had run-ins with the law, and 28% of the sample reported having been arrested.¹¹ Perhaps most disturbing, 14% of the youth reported experiencing homelessness since leaving care.¹²

⁶ Kids Are Waiting: Fix Foster Care Now and Jim Casey Opportunities Initiative, “Time for Reform: Aging Out and On Their Own.” May 2007, p 15. Available online at:

<http://kidsarewaiting.org/reports/files/AgingOut.pdf>

⁷ Testimony of Gary Stangler, Executive Director of Jim Casey Youth Opportunities Initiative, before the Subcommittee on Income Security and Family Support of the House Committee on Ways and Means, July 12, 2007. Available online at:

<http://waysandmeans.house.gov/hearings.asp?formmode=view&id=6232>

⁸ Kids Are Waiting: Fix Foster Care Now and Jim Casey Opportunities Initiative, “Time for Reform: Aging Out and On Their Own.” May 2007, p 1. Available online at:

<http://kidsarewaiting.org/reports/files/AgingOut.pdf>

⁹ Courtney, M. & Dworsky, A. *Midwest Evaluation of the Adult Functioning of Former Foster Youth: Outcomes at Age 19: Executive Summary*. Chapin Hall Center for Children at the University of Chicago, May 2005, p 8. Available online at:

http://www.wispolitics.com/1006/Chapin_Hall_Executive_Summary.pdf

¹⁰ *Ibid.*, p 13.

¹¹ *Ibid.*

¹² *Ibid.*, p 9.

Benefits of Extending Care

On average, the general youth population does not achieve the common benchmarks of independence until age 25.¹³ Parental assistance, in the form of financial assistance, housing and social support is crucial to the successful transition of youth to adulthood.¹⁴ Youth in care generally do not have access to these kinds of supports, and many youth lose system support upon reaching age 18. As the study shows, the majority of foster youth are not ready for independence at age 18.

The Midwest Evaluation found more positive results for foster youth still in care at age 19 as compared to those youth who were on their own at age 18. Two thirds of children who had remained in foster care were enrolled in some type of school. By contrast, youth who had left the system were 50% more likely to be unemployed or no longer in school.¹⁵ Additionally, those youth in care who had a high school diploma or equivalent GED were three times more likely to be enrolled in a 2 or 4 year college than their peers who had left the foster care system. Youth who remained in care were less food insecure (i.e., had more stable access to nutrition), were better able to pay rent and were less likely to be evicted than those who had left the system.

The study also indicates that youth remaining in the system have better access to needed services as compared to those youth who remain eligible for Chafee-funded services but are no longer in foster care.¹⁶ Services provided include employment assistance, educational support and help maintaining housing. Significantly more youth still in care reported receiving at least one type of service or support than youth who had exited or had been forced out of the foster care system. This suggests that extending foster care to older youth would positively affect the foster care population, allow them greater access to services and help them maintain more stable employment and housing.

While some may question the value of extending foster care to older youth, believing that such youth would prefer independence from the system as soon as they reach age 18, over 70% of Illinois youth who were allowed to remain in foster care chose to do so and were still in foster care at age 19.¹⁷ The study's third wave of data is expected for release December 12 of this year.

LEGISLATIVE SUMMARY

The Foster Care Continuing Opportunities Act (S.1512) would allow states to expand their definition of child under Sections 475 and 477 of the Social Security Act by allowing the state to re-define the age of adulthood from age 18 to as high as age 21. A similar bill may be dropped on the House side later this year, sponsored by Rep. Tom Udall (D-NM).

This would affect the following programs:

- **Title IV-E:** S.1512 would extend Title IV-E foster care funding to states choosing to extend its definition of child under Sections 475 and 477 of the Social Security Act. The state would maintain its match rate as tied to AFDC.

¹³ Schoeni, R. & Ross, K. *Family Support During the Transition to Adulthood*. MacArthur Foundation Research Network on the Transition to Adulthood and Public Policy, Issue Brief 12, October 2004.

¹⁴ Ibid.

¹⁵ Ibid., p 5.

¹⁶ Ibid., p 6.

¹⁷ Ibid., p 3.

Analysis: The federal government currently provides funding for foster care programs through Title IV-E of the Social Security Act. Funds help to provide out-of-home care for eligible children in foster care until they are adopted, reunited with their family or age out of the system and no longer qualify for these funds. Title IV-E is a permanently authorized, open-ended entitlement program that provides federal matching reimbursement funds of 50-83% to states, based on each state's 1996 Aid to Families with Dependent Children (AFDC) income standards. The funding may be used for placement maintenance payments, administrative costs, or training of staff and prospective foster parents. According to the Administration for Children and Families' Children's Bureau, the program was funded at approximately \$4.6 billion in FY 2006.

- **Medicaid:** S.1512 does not include specific language regarding Medicaid. However, by including children aged over 18 in Title IV-E funded programs, more children would automatically be covered by Medicaid, which is an important first step in ensuring more children receive needed health care services.

Analysis: Child welfare agencies maintain responsibility for the health care of all children in their care. Children aging out of foster care have more health problems, especially mental health problems, than the general population and even the foster care population. Over 80% of children seen by child welfare agencies meet clinical criteria for behavioral problems or psychiatric diagnosis, as compared to approximately 20% of the general youth population.¹⁸ Post traumatic stress disorder and major depression are of particular concern. This increased propensity for mental illness may be due to the instability they face without a permanent home and the trauma and abuse they may have suffered prior to entering the foster care system (or even after they enter the system).

Under current law, almost all children in foster care are eligible for Medicaid, a service that provides health and behavioral health care for income-eligible individuals. Children receiving Title IV-E funds through the state are automatically eligible for Medicaid. The Foster Care Independence Act of 1999 gave states the option to provide health care services through Medicaid for all children aged 18-21 who were in foster care on their 18th birthday. At present, only 17 states provide Medicaid services for children aging out of foster care through this option,¹⁹ although some states provide health care services through other means.

Medicaid eligibility is not the only health care issue foster youth face. Problems include a lack of preventive health care, a lack of mental health services and a small number of dentists and doctors who accept Medicaid as payment. Older foster youth tend to have experienced multiple placements, meaning they do not usually maintain a "medical home," or one doctor who efficiently tracks the youth's medical history and health care. To make matters worse, a newly proposed Medicaid regulation could cut approximately \$2 billion dollars of funding for rehabilitative services, meaning these services as provided to foster care children, a large majority of who exhibit mental and behavioral health problems, would no longer be covered by Medicaid.

Specific legislation regarding Medicaid and foster youth was introduced this year by Rep. Dennis Cardoza (D-CA). H.R. 1376, the Medicaid Foster Care Coverage Act of 2007 would require states to establish mandatory Medicaid eligibility for former foster youth up to age 21.

¹⁸ Clausen, J., Landsverk, J., Ganger, W., Chadwick, D., & Litrownik, A. *Mental health problems of children in foster care*. Journal of Child and Family Studies, 7, 283-296; Haflon et al. (1998)

¹⁹ Patel, S. & Roherty, M. *Medicaid Access for Youth Aging Out of Foster Care*. American Public Human Services Association, 2007. Available online at:
<http://www.aphsa.org/Home/Doc/Medicaid-Access-for-Youth-Aging-Out-of-Foster-Care-Rpt.pdf>

- **Chafee Independence Program:** The provisions of S.1512 do not address the Chafee Independence Program. Chafee funds would continue to be used to provide independent living services to older youth in the system as well as former foster youth under age 21 who have been discharged.

Analysis: In 1986, Congress created the first program aimed specifically at children aging out of the foster care system, the Independent Living Initiative. Designed to assist 16 to 18 year olds transitioning out of foster care, the program provided \$45 million per fiscal year to states for services for older youth. This legislation was replaced in 1999 by the Foster Care Independence Act (FCIA).

The FCIA made a number of improvements in providing services for youth up to age 21, including creating an option for states to extend Medicaid coverage for youth up to age 21, provided they were in foster care on their 18th birthday. The FCIA also raised the value limit of assets a youth may hold from \$1000 to \$10,000 and still maintain Title IV-E eligibility.

Most notably, the FCIA created the John H. Chafee Foster Care Independence Program. The Chafee program is a capped state entitlement program with a 20% nonfederal matching rate requirement. Federal funds are distributed among states according to the number of children in foster care in each state.

The Chafee program doubled the amount of federal funding available to states for older youth to \$140 million a year and allowed states some flexibility to use funds for a variety of independent living services for children who are likely to remain in foster care until age 18 and for former foster youth aged up to 21. In fiscal year 2006, an additional \$60 million was given to states for education and training purposes in the form of Education and Training Vouchers (ETV). ETV funding is subject to the yearly appropriations process.

While the FCIA made important steps in addressing the needs of older youth, only about 40% of eligible youth receive independent living services. Even with the increased funding, each youth is only qualified to receive at most \$1400 per year through the Chafee program, and oftentimes this maximum limit is not reached.²⁰ By comparison, parents of non-foster youth spend an average of \$44,500 their children after they reach 18 years of age.²¹

- **Other Issues:** S. 1512 does not address a number of other issues. For example, Title IV-E requires continued court jurisdiction over young adults aged 18-21. However, what is the appropriate role for these youth in planning for their future? As the bill stands now, the issue of reentry for youth wishing to rejoin the child welfare system after choosing to leave is dealt with by the state. Is this the best model? How should permanency planning, which frequently focuses on adoption and reunification for younger foster youth, be adjusted to meet the needs of older youth? What are the age-appropriate housing options for these older youth? Should there be a new placement category added to Title IV-E tailored for the needs of older youth? S. 1512 is an important step in addressing the

²⁰ Courtney, M. *Youth Aging Out of Foster Care*. MacArthur Foundation Research Network and Transitions to Adulthood and Public Policy, Issue Brief 19, April 2005. Available online at: <http://www.transad.pop.upenn.edu/downloads/courtney--foster%20care.pdf>

²¹ Kids Are Waiting: Fix Foster Care Now & Jim Casey Opportunities Initiative, "Time for Reform: Aging Out and On Their Own." May 2007, p3. Available online at: <http://kidsarewaiting.org/reports/files/AgingOut.pdf>

needs of youth aging out, but it would benefit from continued discussions and refinement regarding best-practices for the care of older youth.²²

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About the Alliance for Children and Families and United Neighborhood Centers of America

The Alliance for Children and Families, a nonprofit association, was formed by the 1998 merger of Family Service America and the National Association of Homes and Services for Children. The Alliance represents over 370 nonprofit organizations across the nation that provide services and economic empowerment to children and families. Alliance agencies cover a wide spectrum of providers, including a diversity of faith-based organizations and nonsectarian agencies. Together, these organizations deliver more than \$2 billion annually in services to more than 8 million people in nearly 6,700 communities across the United States. More information about the Alliance is available at www.alliance1.org.

United Neighborhood Centers of America (UNCA) is a voluntary, nonprofit, national organization with neighborhood-based member agencies throughout the United States. Formerly known as the National Federation of Settlements and Neighborhood Centers, it was founded in 1911 by Jane Addams and other pioneers of the settlement movement. More information about UNCA is available at www.unca.org.

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²² The University of Chicago Law School's Foster Care Project, as administered by Emily Buss, is currently developing a Protocol for Reform. Although only in draft form, the Law School hopes the Protocol will serve as a useful guide in assisting advocates improve the experience of foster youth aging out, especially from a legal stand point.