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Report to Congressional Requesters

April 2004

CHILD AND FAMILY SERVICES REVIEWS

Better Use of Data and Improved Guidance Could Enhance HHS's Oversight of State Performance

GAO-04-333

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GAO Accountability • Integrity • Reliability

Highlights

Highlights of GAO-04-333, a report to Congressional Requesters

Why GAO Did This Study

In 2001, the Department of Health and Human Services' (HHS) Administration for Children and Families (ACF) implemented the Child and Family Services Reviews (CFSR) to increase states' accountability. The CFSR uses states' data profiles and statewide assessments, as well as interviews and an on-site case review, to measure state performance on 14 outcomes and systemic factors, including child well-being and the provision of caseworker training. The CFSR also requires progress on a program improvement plan (PIP); otherwise ACF may apply financial penalties. This report examines (1) ACF's and the states' experiences preparing for and conducting the statewide assessments and on-site reviews; (2) ACF's and the states' experiences developing, funding, and implementing items in PIPs; and (3) any additional efforts that ACF has taken beyond the CFSR to help ensure that all states meet federal goals related to children's safety, permanency, and well-being.

What GAO Recommends

GAO recommends that the Secretary of HHS ensure that ACF uses the best available data to measure state performance, clarify PIP guidance, and help regional offices better integrate their oversight activities. In commenting on this report, HHS generally agreed with GAO's findings and said that it is committed to continually monitoring and improving the CFSR process.

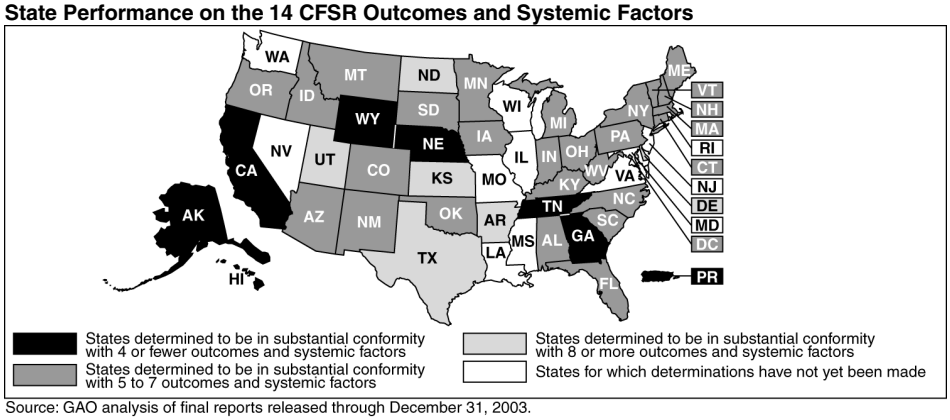
www.gao.gov/cgi-bin/getrpt?GAO-04-333.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Cornelia Ashby at (202) 512-8403 or AshbyC@gao.gov.

What GAO Found

ACF and many state officials perceive the CFSR as a valuable process and a substantial undertaking, but some data enhancements could improve its reliability. ACF staff in 8 of the 10 regions considered the CFSR a helpful tool to improve outcomes for children. Further, 26 of 36 states responding to a relevant question in our survey commented that they generally or completely agreed with the results of the final CFSR report, even though none of the 41 states with final CFSR reports released through 2003 has achieved substantial conformity on all 14 outcomes and systemic factors—see figure below. Additionally, both ACF and the states have dedicated substantial financial and staff resources to the process. Nevertheless, several state officials and child welfare experts we interviewed questioned the accuracy of the data used in the review process. While ACF officials contend that stakeholder interviews and case reviews complement the data profiles, many state officials and experts reported that additional data from the statewide assessment could bolster the evaluation of state performance.

State Performance on the 14 CFSR Outcomes and Systemic Factors



Source: GAO analysis of final reports released through December 31, 2003.

Program improvement planning is under way, but uncertainties have affected the development, funding, and implementation of state PIPs. Officials from 3 of the 5 states we visited said ACF's PIP-related instructions were unclear, and at least 9 of the 25 states reporting on PIP implementation in our survey said that insufficient funding and staff were among the greatest challenges. While ACF has provided some guidance, ACF and state officials remain uncertain about PIP monitoring efforts and how ACF will apply financial penalties if states fail to achieve their stated PIP objectives.

Since 2001, ACF's focus has been almost exclusively on the CFSRs and regional staff report limitations in providing assistance to states in helping them to meet key federal goals. While staff from half of ACF's regions told us they would like to provide more targeted assistance to states, and state officials in all 5 of the states we visited said that ACF's existing technical assistance efforts could be improved, ACF officials acknowledged that regional staff might still be adjusting to the new way ACF oversees child welfare programs.

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Abbreviations

ACF	Administration for Children and Families
AFCARS	Adoption and Foster Care Analysis and Reporting System
ASFA	Adoption and Safe Families Act
CFSR	Child and Family Services Review
CIP	court improvement program
FTE	full-time equivalent
HHS	Department of Health and Human Services
NCANDS	National Child Abuse and Neglect Data System
PIP	program improvement plan
SACWIS	Statewide Automated Child Welfare Information System

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G A O
Accountability * Integrity * Reliability

United States General Accounting Office
Washington, DC 20548

April 20, 2004

Congressional Requesters

Recent media reports have called into question a number of states' abilities to protect the more than 800,000 children estimated to spend some time in foster care each year. To help states investigate reports of child abuse and neglect, provide placements to children outside their homes, and deliver services to help keep families together, the federal government provides approximately $7 billion dollars to states annually. In addition, the federal Department of Health and Human Services (HHS) monitors states' compliance with key federal goals, specified in part by the Adoption and Safe Families Act (ASFA) of 1997, to keep children safe and ensure their placement in stable and permanent homes.

In 2001, HHS—through its Administration for Children and Families' (ACF) Children's Bureau—began implementing a new federal review system, known as the Child and Family Services Reviews (CFSR), to hold states accountable for improving child welfare outcomes. Unlike prior federal reviews—which determined states' adherence to certain process measures—ACF designed the CFSRs as an outcome-oriented approach to assess children's safety; their timely placement in permanent homes; and their mental, physical, and educational well-being. ACF also developed a number of factors to assess states' performance in systemic areas, such as staff training and foster parent licensing.[1] According to ACF, this CFSR process combines statewide assessments, which the states complete using a profile of their recent child welfare data; on-site reviews of child welfare

[1]The CFSR measures state performance on 45 performance items, which correspond to 7 outcomes and 7 systemic factors. The outcomes relate to children's safety, permanency, and well-being, and the systemic factors address state agency management and responsiveness to the community. Six national standards, as reported in the Adoption and Foster Care Analysis and Reporting System (AFCARS) and the National Child Abuse and Neglect Data System (NCANDS), apply to 5 of the 45 items. Three of these standards are based on the 75th percentile of all states' performance—adoption; stability of foster care placements; and length of time to achieve reunification, guardianship, or permanent placement with relatives—because a higher incidence is desirable. However, the remaining three standards—recurrence of maltreatment, incidence of child abuse/neglect in foster care, and foster care re-entries—are based on the 25th percentile of state performance, because lower incidence is a desired outcome for these measures.

case files; and interviews with stakeholders[2] to provide both qualitative and quantitative information that helps describe and clarify complex child welfare issues. Further, states are required to develop and implement program improvement plans (PIP) to improve their child welfare practice and capacity when they are found to be deficient. Pursuant to CFSR regulations, ACF can withhold federal funds if states do not show adequate progress implementing their PIPs.

To better understand the CFSR process, you asked us to examine (1) ACF's and the states' experiences preparing for and conducting the statewide assessments and on-site reviews; (2) ACF's and the states' experiences developing, funding, and implementing items in their PIPs; and (3) additional efforts, if any, that ACF has taken beyond the CFSR to help ensure that all states meet federal goals of safety, permanency, and well-being for children.

To conduct our work, we surveyed all 50 states, the District of Columbia, and Puerto Rico regarding their interactions with ACF, the resources and staffing required to prepare for the review and develop and implement their PIPs, and any assistance ACF provided throughout the process. We achieved a 98 percent response rate from this survey, as Puerto Rico was the only non-respondent. To supplement this information, we also engaged in intensive post-survey follow-up phone calls with key states in each phase of the CFSR process. Further, we visited 5 states—California, Florida, New York, Oklahoma, and Wyoming—to obtain first-hand information on states' experiences. We selected these states for diversity in their location, size, program administration, performance on the CFSR, and the timing of their review. We also examined all 31 approved PIPs available as of January 1, 2004, to categorize common strategies states developed to improve their performance. In addition, we conducted interviews with ACF's senior officials and regional staff from all 10 regions, ACF contractors, directors and staff from all 10 national resource centers, and key child welfare experts.[3] We conducted our work between

[2]The term stakeholder refers to two groups: (1) agency stakeholders, such as judges or advocates, whose responsibilities are closely related to the work of the child welfare agency and who can comment on the agency's overall performance on outcomes and systemic factors, and (2) case-specific stakeholders, such as parents, caseworkers, children, or others who are interviewed to provide first-hand information that supplements reviewers' assessment of paper or electronic case files.

[3]Each of the 10 resource centers operates under a 5-year cooperative agreement with HHS to help states implement federal child welfare legislation and provide training and technical assistance to states.

May 2003 and February 2004 in accordance with generally accepted government auditing standards. A more detailed discussion of our scope and methodology appears in appendix I.

Results in Brief

ACF and many state officials perceive the CFSR as a valuable process—highlighting many areas needing improvement—and a substantial undertaking, but some state officials and child welfare experts told us that data enhancements could improve its reliability. ACF staff in 8 of the 10 regions considered the CFSR a helpful tool to improve outcomes for children, and officials from 8 regions noted that the CFSRs were more intensive and comprehensive than other types of reviews they had conducted in the past. Further, 26 of the 36 states responding to a relevant question in our survey commented that they generally or completely agreed with the results of the final CFSR report, even though none of the 41 states with final CFSR reports released through 2003 has achieved substantial conformity on all 14 outcomes and systemic factors. In addition, both ACF and the states have dedicated substantial financial and staff resources to the process. For example, ACF committed $6.6 million to hire contractors for review assistance, and based on survey responses from the 45 states that reported on staff resources, an average of 47 full-time staff equivalents per state participated in the statewide assessment phase. Nevertheless, several state officials and child welfare experts we interviewed questioned the accuracy of the data used to compile state profiles and establish the national standards. While ACF officials in the central office contend that stakeholder interviews and case reviews complement the data profiles, several state officials and experts reported that additional data from the statewide assessment could bolster the evaluation of state performance.

The program improvement planning process for the CFSR, which all states with final reports have been required to undertake, has been characterized by many uncertainties, such as those related to federal guidance and monitoring and the availability of state resources to implement the plans. Despite such uncertainties, states have included a variety of strategies in their PIPs to address weaknesses identified in the review. Such strategies include involving foster and birth parents in identifying needed services and developing tools to assess the risk of harm to children. To assist states with PIP development, ACF issued regulations and guidance to states for developing the plans, but state responses to this assistance have been mixed. For example, state officials attributed a lengthy PIP approval process, in part, to unclear regulations and insufficient guidance. Our analysis of the time lapse between the date states must submit a PIP and

ACF's PIP approval date shows a range from 45 to 349 business days. Further, 6 of the 21 states reporting on the PIP approval process said that ACF did not clearly describe the process to them, and officials in 3 of the 5 states we visited said they were unclear as to ACF's expectations regarding the format and content of the plans. In response to a question on PIP implementation challenges, at least 9 of 25 states reported that insufficient funding, staff, and time, as well as high caseloads, were the most challenging factors. For example, one survey respondent reported that unless the state receives additional funding, it would need to lay off social workers and attorneys, making it difficult to implement some of its improvement strategies. ACF officials noted that they have clarified PIP expectations and increased technical assistance over time, but they acknowledge that they are still unsure how best to monitor state PIP implementation and have not yet determined when and how to apply the prescribed financial penalties for states' failures to improve outcomes.

Since 2001, ACF's focus has been almost exclusively on implementing the CFSRs, and regional staff report limitations in providing assistance to states in helping them to meet key federal goals. For example, ACF provides internal training for its staff and technical assistance to states, but all 18 courses provided to regional staff have dealt with the various phases of the review. Staff in 2 regional offices told us that they have not been able to counsel states on such topics as contracting out for child welfare services and maximizing the receipt of federal child welfare funds because they have lacked the applicable training. In addition, while ACF organizes biennial conferences for state and federal child welfare officials, staff from 5 regions told us that they wanted more substantive interaction with their ACF colleagues to increase their overall child welfare expertise. While regional officials conduct site visits to states, CFSR on-site reviews and PIP-related assistance account for the majority of regions' time and travel budgets, and ACF staff from 5 regions said that more frequent visits with state personnel—outside of the CFSR process—would allow them to better understand states' programs and cultivate relationships with state officials. Further, state officials in all 5 of the states we visited said that ACF's technical assistance needed improvement, acknowledging, in some cases, that regional office staff were stretched thin by CFSR demands and, in other cases, that the assistance from resource center staff lacked focus or practicality. Although ACF officials told us the CFSR has become the agency's primary mechanism for monitoring states and facilitating program improvement, they acknowledged that regional staff might still be adjusting to the new way ACF oversees child welfare programs.

Given the emphasis that ACF has placed on the CFSRs—and the resources and time states have invested to prepare for the reviews and address their deficiencies through program improvement plans—we are recommending that the Secretary of HHS ensure that ACF uses the best available data to measure state performance. We are also recommending that the Secretary clarify PIP guidance and provide guidance to regional officials on how to better integrate their many oversight responsibilities. In commenting on a draft of this report, HHS generally agreed with our findings and recommendations. HHS acknowledged that the CFSR is a new process that continues to evolve, and also noted several steps it has taken to address the data quality concerns we raise in this report. We believe that our findings fully address these initial actions, as well as the substantial resources the agency has already dedicated to the review process. However, to improve its oversight of state performance, our recommendations are meant to encourage HHS to take additional actions to improve its use of data in conducting these reviews and enhance PIP-related guidance and regional officials' understanding of how to incorporate the CFSR process into their overall improvement and oversight efforts.

Background

ACF's Children's Bureau administers and oversees federal funding to states for child welfare services under Titles IV-B and IV-E of the Social Security Act, and states and counties provide these child welfare services, either directly or indirectly through contracts with private agencies.[4] Among other activities, ACF staff are responsible for developing appropriate policies and procedures for states to follow to obtain and use federal child welfare funds and conduct administrative reviews of states' case files to ensure that children served by the state meet statutory eligibility requirements.

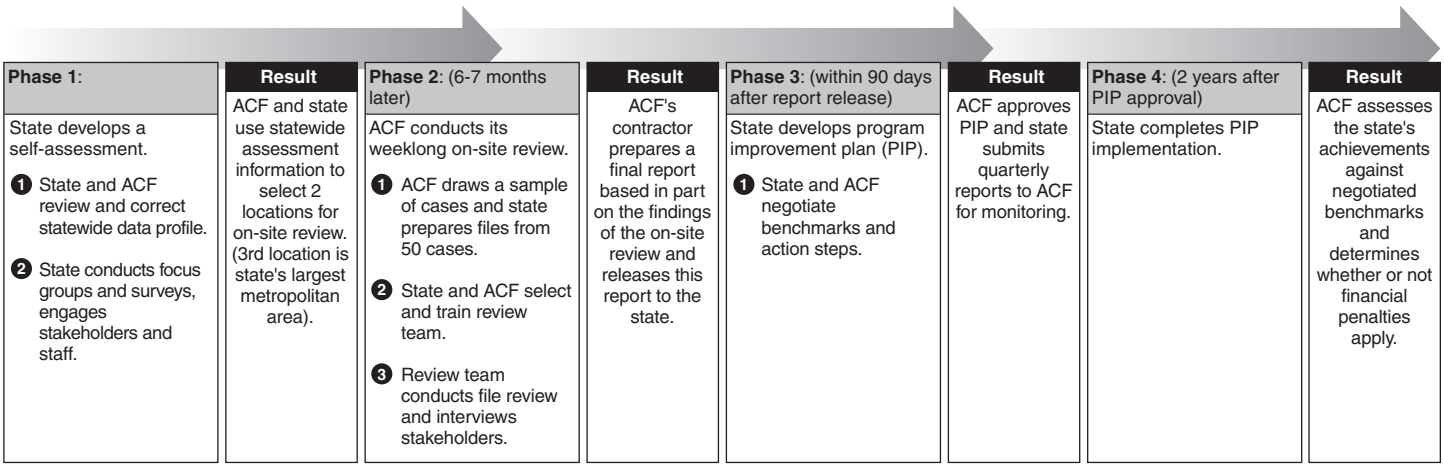
In 2001, ACF launched a new outcome-oriented process, known as the Child and Family Services Reviews (CFSR), to improve its existing monitoring efforts, which had once been criticized for focusing exclusively on states' compliance with regulations rather than on their performance over a full range of child welfare services. Passage of the 1997 Adoption

[4]Title IV-B of the Social Security Act, consisting of two subparts, is the primary source of federal funding for services to help families address problems that lead to child abuse and neglect and to prevent the unnecessary separation of children from their families. Funding under Title IV-E of the Social Security Act is used primarily to pay for the room and board of children in foster care.

and Safe Families Act (ASFA) helped spur the creation of the CFSR by emphasizing the outcomes of safety, permanency, and well-being for children. Subsequently, ACF consulted with state officials, child welfare experts, and other interested parties, and conducted pilot CFSR reviews in 14 states. In January 2000, ACF released a notice of proposed rule making and published final CFSR regulations. In March 2001, ACF conducted the first of its state reviews in Delaware. By March of 2004, ACF had completed an on-site review in all 50 states, the District of Columbia, and Puerto Rico. Although ACF plans to initiate a second round of reviews, an official start date for this process has not yet been determined.

As figure 1 indicates, the CFSR is a four-phase process that involves state staff as well as central and regional ACF officials. This process begins with a statewide assessment in the first phase.

Figure 1: Four Phases of the CFSR Process



Source: GAO analysis.

The assessment of state performance continues in the second phase, most commonly known as the on-site review, when ACF sends a team of reviewers to three sites in the state for one week to assess state performance. A list of all the outcomes and systemic factors and their associated items appears in appendix II. In assessing performance, ACF relies, in part, on its own data systems, known as the National Child Abuse and Neglect Data System (NCANDS) and the Adoption and Foster Care Analysis and Reporting System (AFCARS), which were designed prior to

CFSR implementation to capture, report, and analyze the child welfare information collected by the states.[5] Today, these systems provide the national data necessary for ACF to calculate national standards for key CFSR performance items with which all states' data will be compared.

After the on-site review, ACF prepares a final report for the state—identifying areas needing improvement, as well as the outcomes and systemic factors for which the state was determined not to be in substantial conformity—and provides the state with an estimated financial penalty.[6] As a result, the state must develop a 2-year PIP with action steps to address its noted deficiencies and performance benchmarks to measure progress. Once ACF approves the PIP, states are required to submit quarterly progress reports, which ACF uses to monitor improvement. Pursuant to CFSR regulations, federal child welfare funds can be withheld if states do not show adequate progress as a result of PIP implementation, but these penalties are suspended during the 2-year implementation term. As of January 2004, no financial penalties had been applied, but according to data on the 41 states for which final CFSR reports have been released through December 2003, potential penalties range from $91,492 for North Dakota to $18,244,430 for California.

ACF staff in HHS's 10 regional offices provide technical assistance to states through all phases of the CFSR process, and they are also responsible for reviewing state planning documents required by Title IV-B, assisting with state data system reviews, and assessing states' use of IV-E funds. In addition to these efforts, ACF has established cooperative agreements with 10 national resource centers to help states implement federal legislation intended to ensure the safety, permanency, and well-

[5]States began voluntarily reporting to NCANDS in 1990, and in 1995 started reporting to AFCARS on the demographic characteristics of adoptive and foster children and their parents, as well as foster children's type of placement and permanency goals. We recently issued a report on states' child welfare information systems and the reliability of child welfare data. See *Child Welfare: Most States Are Developing Statewide Information Systems, but the Reliability of Child Welfare Data Could Be Improved*, GAO-03-809 (Washington, D.C.: July 31, 2003).

[6]States achieve substantial conformity on outcomes when at least 90 percent of applicable cases are substantially achieved; stakeholder interviews confirm that state plan and other program requirements are in place and functioning as described in the applicable regulations or statute; and performance on items with national standards meets the applicable threshold. The formula for calculating penalties is based in part on each state's allocation of federal child welfare funds from Titles IV-B and IV-E and the number of outcomes and systemic factors for which substantial conformity has not been achieved.

being of children and families. ACF sets the resource centers' areas of focus, and although each center has a different area of expertise, such as organizational improvement or information technology, all of them conduct needs assessments, sponsor national conference calls with states, collaborate with other resource centers and agencies, and provide on-site training and technical assistance to states.[7]

Members of the 108th Congress introduced a proposal to provide federal incentive payments directly to states that demonstrate significant improvements to their child welfare systems. At the time of publication, the House of Representatives was considering H.R. 1534, the Child Protective Services Improvement Act, which contains provisions to award grants to states with approved PIPs and additional bonuses to states that have made considerable progress in achieving their PIP goals for the previous year.

The CFSR Is a Valuable yet Substantial Undertaking, but Data Enhancements Could Improve Its Reliability

ACF and many state officials perceive the CFSR as a valuable process—highlighting many areas needing improvement—and a substantial undertaking, but some state officials and child welfare experts told us that data enhancements could improve its reliability. ACF staff in 8 of the 10 regions considered the CFSR a helpful tool to improve outcomes for children. Further, 26 of the 36 states responding to a relevant question in our survey commented that they generally or completely agreed with the results of the final CFSR report, even though none of the 41 states with final CFSR reports released through 2003 has achieved substantial conformity on all 14 outcomes and systemic factors. In addition, both ACF and the states have dedicated substantial financial and staff resources to the process. However, several state officials and child welfare experts we interviewed questioned the accuracy of the data used to compile state profiles and establish the national standards. While ACF officials in the central office contend that stakeholder interviews and case reviews compliment the data profiles, many state officials and experts reported that additional data from the statewide assessment could bolster the evaluation of state performance.

[7]Resource centers may provide unlimited assistance to states by phone or e-mail, but on-site training and technical assistance are restricted to 10 days each year. States must first obtain regional office approval before on-site training and technical assistance can occur. ACF officials in both the regions and in headquarters indicated that they have been flexible with extensions beyond the 10-day cap.

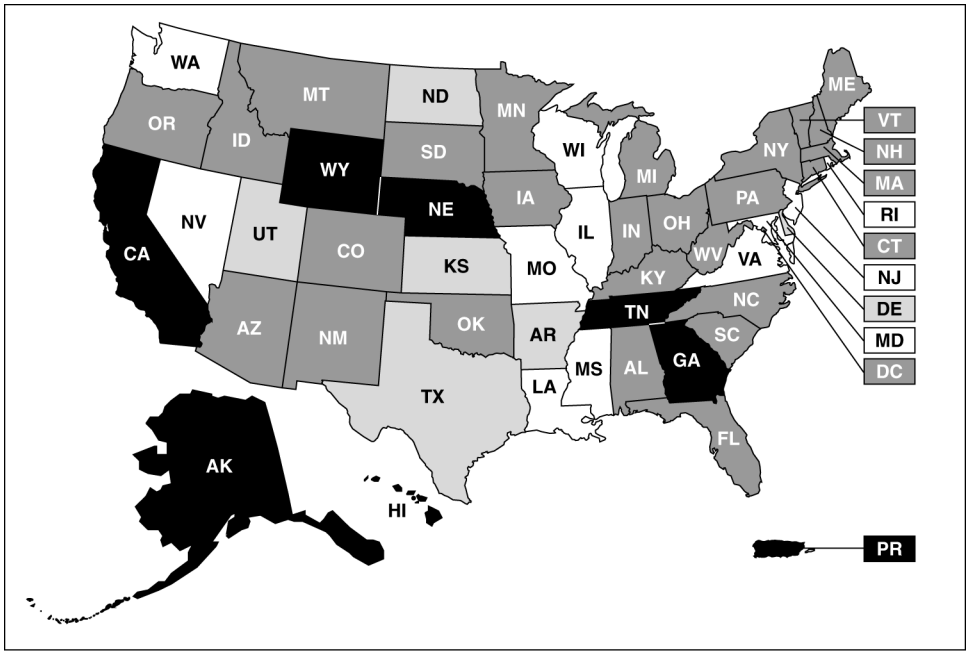
The CFSR Is a Valuable Process for ACF and the States

ACF and state officials support the objectives of the review, especially in focusing on children's outcomes and strengthening relationships with stakeholders, and told us they perceive the process as valuable. ACF staff in 8 of the 10 regions considered the CFSR a helpful tool to improve outcomes for children. Also, ACF officials from 8 regional offices noted that the CFSRs were more intensive and more comprehensive than the other types of reviews they had conducted in the past, creating a valuable tool for regional officials to monitor states' performance. In addition, state officials from every state we visited told us that the CFSR process helped to improve collaboration with community stakeholders. For example, a court official in New York said that the CFSR acted as a catalyst for improved relations between the state agency and the courts, and he believes that this has contributed to more timely child abuse and neglect hearings. Additionally, a state official in Florida said that the CFSR stimulated discussions among agency staff about measuring and improving outcomes, particularly the data needed to examine outcomes and the resources needed to improve them. Furthermore, state staff from 4 of the 5 states we visited told us the CFSR led to increased public and legislative attention to critical issues in child welfare. For example, caseworkers in Wyoming told us that without the CFSR they doubted whether their state agency's administration would have focused on needed reforms. They added that the agency used the CFSR findings to request legislative support for the hiring of additional caseworkers.

In addition to affirming the value associated with improved stakeholder relations, the ACF officials we talked to and many state officials reported that the process has been helpful in highlighting the outcomes and systemic factors, as well as other key performance items that need improvement. According to our survey, 26 of the 36 states that commented on the findings of the final CFSR report indicated that they generally or completely agreed with the findings, even though performance across the states was low in certain key outcomes and performance items. For example, not one of the 41 states with final reports released through 2003 was found to be in substantial conformity with either the outcome measure that assesses the permanency and stability of children's living situations or with the outcome measure that assesses whether states had enhanced families' capacity to provide for their children's needs. Moreover, across all 14 outcomes and systemic factors, state performance ranged from achieving substantial conformity on as few as 2 outcomes and

systemic factors to as many as 9.[8] As figure 2 illustrates, the majority of states were determined to be in substantial conformity with half or fewer of the 14 outcomes and systemic factors assessed.

Figure 2: State Performance on the 14 CFSR Outcomes and Systemic Factors



States determined to be in substantial conformity with 4 or fewer outcomes and systemic factors

States determined to be in substantial conformity with 5 to 7 outcomes and systemic factors

States determined to be in substantial conformity with 8 or more outcomes and systemic factors

States for which determinations have not yet been made

Source: GAO analysis of final reports released through December 31, 2003.

States' performance on the outcomes related to safety, permanency, and well-being—as well as the systemic factors—is determined by their performance on an array of items, such as establishing permanency goals, ensuring worker visits with parents and children, and providing accessible services to families. The CFSR showed that many states need improvement in the same areas, and table 1 illustrates the 10 items most

[8]California and Puerto Rico were determined to be in substantial conformity on 2 outcomes and systemic factors, while North Dakota achieved substantial conformity on 9.

frequently rated as needing improvement across all 41 states reviewed through 2003.

Table 1: Items Most Frequently Assigned a Rating of Area Needing Improvement among the 41 States Reviewed in 2001, 2002, and 2003

Item	Number of states assigned a rating of area needing improvement
Assessing the needs and services of child, parents, and foster parents	40
Assessing mental health of child	37
Establishing the most appropriate permanency goal for the child	36
Demonstrating efforts to involve child and family in case-planning activities	36
Ensuring stability of foster care placements	35
Achieving a child's goal of adoption	35
Providing a process that ensures that each child has a written case plan to be developed jointly with the child's parent(s) that includes the required provisions	35
Ensuring workers conduct face-to-face visits with parent(s)	34
Providing services that are accessible to families and children in all political jurisdictions covered in the state's Child and Family Services Plan	31
Ensuring workers conduct face-to-face visits with child	31

Source: GAO analysis of the 41 states' final CFSR reports released through December 31, 2003.

ACF and the States Report That Reviews Have Been a Substantial Undertaking

Given the value that ACF and the states have assigned to the CFSR process, both have spent substantial financial resources and staff time to prepare for and implement the reviews. In fiscal years 2001-2003, when most reviews were scheduled, ACF budgeted an additional $300,000 annually for CFSR-related travel. In fiscal year 2004, when fewer reviews were scheduled, ACF budgeted about $225,000. To further enhance its capacity to conduct the reviews, and to obtain additional logistical and technical assistance, ACF spent approximately $6.6 million annually to hire contractors. Specifically, ACF has let three contracts to assist with CFSR-related activities, including training reviewers to conduct the on-site reviews, tracking final reports and PIP documents, and, as of 2002, writing the CFSR final reports. Additionally, ACF hired 22 new staff to build central and regional office capacity and dedicated 4 full-time staff and 2 state government staff temporarily on assignment with ACF to assist with the CFSR process. To build a core group of staff with CFSR expertise,

ACF created the National Review Team, composed of central and regional office staff with additional training in and experience with the review process. In addition, to provide more technical assistance to the states, ACF reordered the priorities of the national resource centers to focus their efforts primarily on helping states with the review process.

Like ACF, states also spent financial resources on the review. While some states did not track CFSR expenses—such as staff salaries, training, or administrative costs—of the 25 states that reported such information in our survey, the median expense to date was $60,550, although states reported spending as little as $1,092 and as much as $1,000,000 on the CFSR process.[9] For example, California officials we visited told us that they gave each of the state's three review sites $50,000 to cover the salary of one coordinator to manage the logistics of the on-site review. Although ACF officials told us that states can use Title IV-E funds to pay for some of their CFSR expenses, only one state official addressed the use of these funds in our survey, commenting that it was not until after the on-site review occurred that the state learned these funds could have been used to offset states' expenses.[10] Furthermore, 18 of 48 states responding to a relevant question in our survey commented that insufficient funding was a challenge—to a great or very great extent—in preparing for the statewide assessment, and 11 of 40 states responded that insufficient funding was similarly challenging in preparing for the on-site review. Officials in other states reported that because available financial resources were insufficient, they obtained non-financial, in-kind donations to cover expenses associated with the on-site review. For example, a local site coordinator in Oklahoma informed us that while the state budgeted $7 per reviewer each day of the on-site review for food, refreshments, and other expenses, she needed to utilize a variety of resources to supplement the state's budget with donations of supplies and food from local companies and agency staff.

[9]These values are state-reported and reflect officials' estimates of costs associated with all CFSR-related activities except those incurred during PIP implementation. In reporting on their expenses, states were instructed to include the value of training, travel, infrastructure, technology, food, administrative supplies, and any other expenses associated with the CFSR process. States were also asked to provide supporting documentation for this particular question, but most states were unable to provide documentation. Many states reported that they did not track CFSR-related expenses. The 25 states that did provide estimates were in different phases of the CFSR.

[10]ACF provided preliminary data, based on an inquiry of its regional offices, showing that 25 states have charged some CFSR-related costs to Title IV-E.

States reported that they also dedicated staff time to prepare for the statewide assessment and to conduct the on-site review, which sometimes had a negative impact on some staffs' regular duties. According to our survey, 45 states reported dedicating up to 200 full-time staff equivalents (FTEs), with an average of 47 FTEs, to the statewide assessment process.[11] Similarly, 42 states responded that they dedicated between 3 and 130 FTEs, with an average of 45 FTEs, to the on-site review process. To prepare for their own reviews, officials in all 5 states we visited told us that they sent staff for a week to participate as reviewers in other states. Additionally, local site coordinators in 4 of the 5 states we visited reported that planning for the CFSR on-site review was a full-time job involving multiple staff over a period of months. An official in Florida also told us that the extensive preparation for the CFSR dominated the work of the quality assurance unit, which was about 20 people at that time. In addition to preparing for the review, staff in all 5 of the states we visited, who served as reviewers in their own states, reported that to meet their responsibility as case reviewers they worked more than 12-hour days during the week of the on-site review. For some caseworkers, dedicating time to the CFSR meant that they were unable or limited in their ability to manage their typical workload. For example, Wyoming caseworkers whose case files were selected for the on-site review told us that they needed to be available to answer reviewers' questions all day every day during the on-site review, which they said prevented them from conducting necessary child abuse investigations or home visits.

Child welfare-related stakeholders—such as judges, lawyers, and foster parents—also contributed time to the CFSR, but some states found it took additional staff resources to initiate and maintain stakeholder involvement over time. According to our survey, 46 states reported that an average of about 277 stakeholders were involved with the statewide assessment, and 42 states responded that an average of about 126 stakeholders participated in the on-site review.[12] However, state officials told us that it was difficult

[11]The number of FTEs participating in each phase of the CFSR is state-reported. While states were not given specific instructions for how to calculate FTEs, they were asked to report only on the phases of the CFSR that they had started or completed. Therefore, states' responses varied depending on the phase of the CFSR process they were in and the methods they used to calculate FTEs.

[12]These values are state-reported and represent states' estimates regarding the number of stakeholders that participated in each phase of the CFSR process. In answering this question, states were provided with a list of stakeholders, such as advocates and court officials, to guide their estimates, but they were not asked to indicate the duration of stakeholder involvement during each phase.

to recruit and maintain stakeholder involvement because long time lapses sometimes occurred between CFSR phases. For example, more than a year can elapse between completion of the statewide assessment and the initiation of PIP development—both key points at which stakeholder participation is critical. Nonetheless, all 5 of the states we visited tried to counter this obstacle by conducting phone and in-person interviews, holding focus groups, or giving presentations in local communities to inform and recruit stakeholders to be involved in the CFSR process. As a result, some stakeholders were involved throughout the process. For example, a tribal representative in Oklahoma assisted with the development of the statewide assessment, was interviewed during the on-site review, and provided guidance on the needs of Indian children during PIP development.

States and Child Welfare Experts Report That Several Data Improvements Could Enhance CFSR Reliability

State officials in all 5 states, as well as child welfare experts, reported on several data improvements that could enhance the reliability of CFSR findings. In particular, they highlighted inaccuracies with the AFCARS and NCANDS data that are used for establishing the national standards and creating the statewide data profiles, which are then used to determine if states are in substantial conformity. These concerns echoed the findings of a prior GAO study on the reliability of these data sources, which found that states are concerned that the national standards used in the CFSR are based on unreliable information and should not be used as a basis for comparison and potential financial penalty.[13] Several of the state officials we visited and surveyed also questioned the reliability of data given the variation in states' data-reporting practice, which they believe may ultimately affect the validity of the measures and may place some states at a disadvantage. Furthermore, many states needed to resubmit their statewide data after finding errors in the data profiles ACF would have used to measure compliance with the national standards.[14] According to our national survey, of the 37 states that reported on resubmitting data for the statewide data profile, 23 needed to resubmit their statewide data at least once, with 1 state needing to resubmit as many as five times to accurately reflect revised data. Four states reported in our survey that they did not resubmit their data profiles because they did not know they had

[13]See GAO-03-809.

[14]ACF provides states with their statewide data about 6 months prior to the on-site review, during which time states are allowed to make corrections to the data and resubmit the updated data so it can be used when determining state conformity with CFSR measures.

this option or they did not have enough time to resubmit before the review.

In addition to expressing these data concerns, child welfare experts as well as officials in all of the states we visited commented that existing practices that benefit children might conflict with actions needed to attain the national standards. Specifically, one child welfare expert noted that if a state focused on preventing child abuse and neglect while the child was still living at home, and only removed the most at-risk children, the state may perform poorly on the CFSR reunification measure—assessing the timeliness of children's return to their homes from foster care arrangements—because the children they did remove would be the hardest to place or most difficult to reunite. Additionally, officials in New York said that they recently implemented an initiative to facilitate adoptions. Because these efforts focus on the backlog of children who have been in foster care for several years, New York officials predict that their performance on the national standard for adoption will be lower since many of the children in the initiatives have already been in foster care for more than 2 years.

These same state officials and experts also commented that they believe the on-site review case sample of 50 cases is too small to provide an accurate picture of statewide performance, although ACF officials stated that the case sampling is supplemented with additional information. Of the 40 states that commented in our survey on the adequacy of the case sample size for the on-site review, 17 states reported that 50 cases were very or generally inadequate to represent their caseload.[15] Oklahoma officials we visited also commented that they felt the case sample size was too small, especially since they annually assess more than 800 of their own cases—using a procedure that models the federal CFSR—and obtain higher performance results than the state received on its CFSR. Furthermore, because not every case in the states' sample is applicable to each item measured in the on-site review, we found that sometimes as few as one or two cases were being used to evaluate states' performance on an item. Specifically, an ACF contractor said that several of the CFSR items measuring children's permanency and stability in their living conditions

[15]According to our calculations—which assumed that the attribute of interest occurred in about 50 percent of the cases—a sample size of 50 would produce percentage estimates with a 95 percent margin of error of approximately plus or minus 14 percentage points. This level of variability is a limitation when attempting to interpret estimates based on this sample size.

commonly have very few applicable cases. For example, Wyoming had only two on-site review cases applicable for the item measuring the length of time to achieve a permanency goal of adoption, but for one of these cases, reviewers determined that appropriate and timely efforts had not been taken to achieve finalized adoptions within 24 months, resulting in the item being assigned a rating of area needing improvement.[16] While ACF officials acknowledged the insufficiency of the sample size,[17] they contend that the case sampling is augmented by stakeholder interviews for all items and applicable statewide data for the five CFSR items with corresponding national standards, therefore providing sufficient evidence for determining states' conformity.

All of the states we visited experienced discrepant findings between the aggregate data from the statewide assessment and the information obtained from the on-site review, which complicated ACF's determination of states' performance. Each of the 5 states we visited had at least one, and sometimes as many as three, discrepancies between its performance on the national standards and the results of the case review. We also found that in these 5 states, ACF had assigned an overall rating of area needing improvement for 10 of the 11 instances where discrepancies occurred. ACF officials acknowledged the challenge of resolving data discrepancies, noting that such complications can delay the release of the final report and increase or decrease the number of items that states must address in their PIPs. While states have the opportunity to resolve discrepancies by submitting additional information explaining the discrepancy or by requesting an additional case review, only one state to date has decided to pursue the additional case review.[18] In addition, among the states we

[16]Because one of the two cases applicable to the adoption measure was assigned a rating of area needing improvement, 50 percent of the cases for this item were assigned a rating of area needing improvement. As a result, the item was given an overall rating of area needing improvement since both cases would have needed to be assigned a rating of strength for this item to meet the 85 percent threshold necessary to assign an overall rating of strength.

[17]An ACF statistician also confirmed that the CFSR sample is too small to generalize to the states' populations and that the three sites, from which cases are selected, also are not representative.

[18]Virginia requested an additional case review to resolve a discrepancy between the statewide data and on-site review findings for the item measuring the state's performance on foster care re-entries. According to an ACF regional official, the state met the national standard for this item but the case review findings showed the state did not meet the threshold for this measure. At the time of publication, ACF and the state were still finalizing plans to conduct the additional case review, and until the review is completed, the state cannot receive its final report.

visited, for example, one state acknowledged that it has not opted to pursue the supplemental case review because doing so would place additional strain on its already limited resources.

Several state officials and experts told us that additional data from the statewide assessments—or other data sources compiled by the states—could bolster the evaluation of states' performance, but they found this information to be missing or insufficiently used in the final reports. According to our survey, of the 34 states that commented on the adequacy of the final report's inclusion of the statewide assessment, 10 states reported that too little emphasis was placed on the statewide assessment.[19] Specifically, 1 state reported that the final report would have presented a more balanced picture of the state's child welfare system if the statewide assessment were used as a basis to compare and clarify the on-site review findings. Further, child welfare experts and state officials from California and New York—who are using alternative data sources to AFCARS and NCANDS, such as longitudinal data that track children's placements over time—told us that the inclusion of this more detailed information would provide a more accurate picture of states' performance nationwide. North Carolina officials also reported in our survey that they tried to submit additional longitudinal data—which they use internally to conduct statewide evaluations of performance—in their statewide assessment, but HHS would not accept the alternative data for use in evaluating the state's outcomes. An HHS official told us that alternative data are used only to assess state performance in situations where a state does not have NCANDS data, since states are not mandated to have these systems.

Given their concerns with the data used in the review process, state officials in 4 of the 5 states believed that the threshold for achieving substantial conformity was difficult to achieve. One state official we visited acknowledged that she believed child welfare agencies should be pursuing high standards to improve performance, but she questioned the level at which ACF established the thresholds. While an ACF official told us that different thresholds for the national standards had been considered, ACF policy makers ultimately concluded that a more rigorous threshold would be used. ACF officials recognize that they have set a high standard. However, they believe it is attainable and supportive of their overall approach to move states to the standard through continuous improvement.

[19]The remaining 24 respondents reported that the emphasis was "just about right."

In preparation for the next round of CFSRs, ACF officials have formed a Consultation Work Group of ACF staff, child welfare administrators, data experts, and researchers who will propose recommendations on the CFSR measures and processes. The group began its meetings prior to our publication, but no proposals were available.

Program Improvement Planning Under Way, but Uncertainties Challenge Plan Development, Implementation, and Monitoring

Forty-one states are engaged in program improvement planning, but many uncertainties, such as those related to federal guidance and monitoring and the availability of state resources, have affected the development, implementation, and funding of the PIPs. State PIPs include strategies such as revising or developing policies, training caseworkers, and engaging stakeholders, and ACF has issued regulations and guidance to help states develop and implement their plans. Nevertheless, states reported uncertainty about how to develop their PIPs and commented on the challenges they faced during implementation. For example, officials from 2 of the states we visited told us that ACF had rejected their PIPs before final approval, even though these officials said that the plans were similar in the level of detail included in previously approved PIPs that regional officials had provided. Further, at least 9 states responding to our survey indicated that insufficient time, funding, and staff, as well as high caseloads, were the greatest challenges to PIP implementation. As states progress in PIP implementation, some ACF officials expressed a need for more guidance on how to monitor state accomplishments, and both ACF and state officials were uncertain about how the estimated financial penalties would be applied if states fail to achieve the goals described in their plans.

State Plans Include a Variety of Strategies to Address Identified Weaknesses

State plans include a variety of strategies to address weaknesses identified in the CFSR review process. However, because most states had not completed PIP implementation by the time of our analysis, the extent to which states have improved outcomes for children has not been determined.[20] While state PIPs varied in their detail, design, and scope, according to our analysis of 31 available PIPs, these state plans have focused to some extent on revising or developing policies; reviewing and reporting on agency performance; improving information systems; and

[20]At the time of our analysis, only Delaware and North Carolina had completed the 2-year term of their PIPs, and to date, ACF is still analyzing the states' progress and has not determined if there has been overall improvement or if it will apply financial penalties.

engaging stakeholders such as courts, advocates, foster parents, private providers, or sister agencies in the public sector.[21] Table 2 shows the number of states that included each of the six categories and subcategories of strategies we developed for the purposes of this study, and appendix I details our methodology for this analysis.

[21]Although 41 states were developing or implementing PIPs at the time of publication, we reviewed the 31 available PIPs that ACF had approved as of January 1, 2004.

Table 2: Number of States Including Each of the PIP Strategy Categories Used in This Study

PIP strategy category	Description (number of states that included the strategy in their PIP)
Policies and procedures	Review, modify, or develop/implement any policy, procedure, or case practice standard (31)
	Enhance foster home/parent licensing standards (7)
	Develop child and family assessment tools, such as protocols for risk/safety determinations (28)
	Identify and adopt any promising practices (19)
Data collection and analysis	Review and report on agency performance through self-assessments or internal audits/review (31)
	Apply federal CFSR or similar process for internal statewide case reviews (16)
	Improve information and data collection systems (31)
Staff supports	Train and develop caseworkers (through dissemination and training on policy or through revisions to overall curriculum) (30)
	Assess and monitor staff responsibilities, skills, or performance (24)
	Recruit additional staff/retain staff (14)
	Lower caseloads (11)
	Increase caseworker pay (1)
Foster parent supports/services and resources for children and families	Train and develop foster families'/providers' skills and capacities (27)
	Recruit and retain foster families (22)
	Increase involvement of foster or birth families in case (18)
	Expand service array for children and families (includes developing or enhancing transportation systems to transport siblings and parents for visits, creating one-stop centers for assistance, modifying visitation services, and providing any additional support services) (27)
	Engage stakeholders such as courts, advocates, foster homes, private providers, or sister agencies in public sector, e.g., mental health (can include consultation, training, or formal partnering to improve services or placements) (31)
	Create or improve monitoring of contracts with private providers to enhance service delivery (includes development of performance based or outcome-based contracts or other evaluations of provider performance) (25)
State legislative supports	State request for legislative action to support any of the above strategies (20)
Federal technical assistance	State request technical assistance from ACF or any resource center to support any of the above strategies (27)

Source: GAO analysis.

Our analysis found that every state's PIP has included policy revisions or creation to improve programs and services. For example, to address unsatisfactory performance in the prevention of repeat maltreatment, California's PIP includes a policy change, pending legislative approval, granting more flexibility to counties in determining the length of time they spend with families to ensure child safety and improve family functioning before closing cases. Additionally, 30 of the plans included caseworker

training; 20 of the plans included requests for state legislative action; and 27 of the plans included requests for federal technical assistance from ACF or the resource centers. For example, California planned to ask its legislature to allow the agency to consolidate standards for foster care and adoption home studies, believing this would facilitate the adoption of children in the state. In addition, New York worked with its legislature to secure additional funding to improve the accessibility of independent living and adoption services for children and families.

Our analysis also showed that many states approached PIP development by building on state initiatives in place prior to the on-site review. Of the 42 surveyed states reporting in our survey on this topic, 30 said that their state identified strategies for the PIP by examining ongoing state initiatives. For example, local officials in New York City and state officials in California told us that state reform efforts—borne in part from legal settlements—have become the foundation for the PIP. In New York, the *Marisol* case was one factor in prompting changes to the state's child welfare financing structure.[22] Subsequently, the state legislature established a quality enhancement fund. Much of this money today supports strategies in New York's PIP, such as permanency mediation to support family involvement in case planning and new tools to better assess children's behavioral and mental health needs. California state officials also informed us that state reform efforts initiated by the governor prior to the CFSR, such as implementing a new system for receiving and investigating reports of abuse and neglect and developing more early intervention programs, became integral elements in the PIP.

[22]The plaintiffs in this class action lawsuit filed in 1995 were 11 children, all of whom were abused, sometimes severely. The plaintiffs sought to restructure New York City's child welfare system and charged that the city mishandled their cases and deprived them of their rights under the state and federal constitutions as well as various state and federal laws. *Marisol A. v. Giuliani*, 929 F. Supp. 662, 669 (S.D.N.Y. 1996). As part of its settlement with the parties, the state agreed to monitor the city's staffing requirements and conduct audits of the city's treatment of children in nine specified areas. *Marisol A. v. Giuliani*, 185 F.R.D. 152, 159-160 (S.D.N.Y. 1999).

Insufficient Guidance Hampered State Planning Efforts, but ACF Has Taken Steps to Clarify Expectations and Improve Technical Assistance

ACF has provided states with regulations and guidance to facilitate PIP development, but some states believe the requirements have been unclear. Some of the requirements for program improvement planning are outlined in the following table.

Table 3: ACF Regulations and Guidance on Program Improvement Planning

Stage	Requirements	Time frame
Development of the PIP	States are required to develop a PIP to address all of the outcomes and systemic factors determined not to be in substantial conformity as a result of a CFSR. Although ACF does not require a specific format for the PIP, it does offer states a suggested format, called the PIP matrix, to use.	States must submit the PIP to ACF for approval within 90 calendar days from the date that the state received written notification that it is not operating in substantial conformity.
Approval of the PIP	States must include certain information in the PIP, including measurable goals, action steps required to correct each deficiency identified in the final report, anticipated dates of completion for each action step, amount of progress the state will make toward national standards, benchmarks to measure state progress implementing the PIP, and technical assistance needs.	No time frame is specified for ACF review and approval of the PIP. However, ACF guidance says that the regional office should give prompt attention to the PIP when it is submitted and take the minimum amount of time necessary to review it and respond to the state. If ACF notifies the state that the PIP is unacceptable, the state has 30 calendar days to resubmit the plan for approval.
Implementation and monitoring of the PIP	ACF will monitor the state's progress in completing the provisions of the approved PIP by evaluating quarterly status reports and reviewing the state's Annual Progress and Services Report, which incorporates the state's progress in implementing the PIP.	States must submit status reports to ACF on a quarterly basis, and the PIP must be implemented within 2 years.

Source: ACF regulations at 45 C.F.R. 1355.35 and guidance.

Some states in our survey indicated that the guidance ACF had provided did not clearly describe the steps required for PIP approval. In addition, some state officials believe that even ACF's more recent efforts to improve PIP guidance have also been insufficient. Of the 21 states reporting on the PIP approval process in our survey, 6 states—4 reviewed in 2001 and 2 reviewed in 2002—said that ACF did not clearly describe its approval process, and another 8 states reported that ACF described the approval process as clearly as it did unclearly. Further, several states commented in our survey that several steps in the approval process were unclear to them, such as how much detail and specificity the agency expects the plan to include, what type of feedback states could expect to receive, when states could expect to receive such feedback, and whether a specific format was required. Officials in the states we visited echoed survey

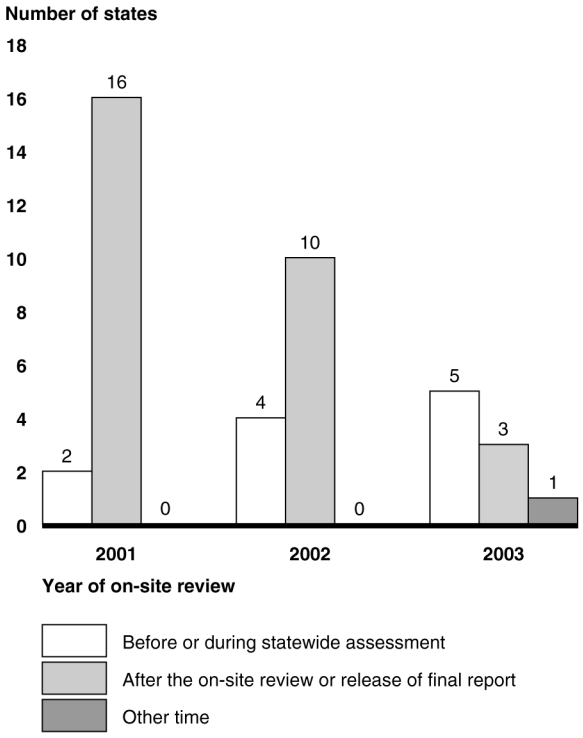
respondents' concerns with officials from 3 of the 5 states informing us that ACF had given states different instructions regarding acceptable PIP format and content. For example, California and Florida officials told us that their program improvement plans had been rejected prior to final approval, even though they were based on examples of approved plans that regional officials had provided. In addition, California officials told us that they did not originally know how much detail the regional office expected in the PIP and believed that the level of detail the regional office staff ultimately required was too high. Although some steps may be duplicative, officials in California said that the version of their plan that the region accepted included 2,932 action steps—a number these officials believe is too high given their state's limited resources and the 2-year time frame to implement the PIP.

ACF officials have undertaken several steps to clarify their expectations for states and to improve technical assistance, but state responses to this assistance have been mixed. For example, in 2002, 2 years after ACF released the CFSR regulations and a procedures manual, ACF offered states additional guidance and provided a matrix format to help state officials prepare their plans. ACF officials told us the agency is also helping states through a team approach to providing on-site technical assistance. Under this approach, when ACF determines a state is slow in developing its PIP, the agency sends a team of staff from ACF and resource centers to the state to provide intensive on-site technical assistance. An official from West Virginia who had received this team assistance reported that ACF's support was very beneficial. Further, ACF has attempted to encourage state officials to start developing program improvement plans before the final report is released. To do so, the agency has provided training to state officials and stakeholders almost immediately after the completion of the on-site review. ACF has sent staff from the resource center for Organizational Improvement to provide such training. An official from Utah, however, reported that the resource center training on PIP development had been general, and she wished the resource center staff had better tailored its assistance and provided more examples of strategies other states are pursuing to improve.

Analysis of state survey responses indicates that starting to develop improvement plans early can make the 90-day time frame to prepare a PIP seem adequate. Of 9 states reporting that they started developing their PIP before or during the statewide assessment phase, 5 said that 90 days was adequate. Nonetheless, 21 of 35 state survey respondents reported that the 90-day time frame was insufficient. For example, one respondent reported that 90 days is too short a time to perform tasks necessary for developing a

program improvement plan, such as analyzing performance data, involving diverse groups of stakeholders in planning decisions, and obtaining the approval of state officials. Survey results indicate that increasing numbers of states are developing their PIPs early in the CFSR process, which may reflect ACF's emphasis on PIP development. The following figure shows that of the 18 states reviewed in 2001, only 2 started developing their PIPs before or during the statewide assessment phase. Among states reviewed in 2003, this share increased to 5 of 9.

Figure 3: Variation in the Start of States' PIP Development

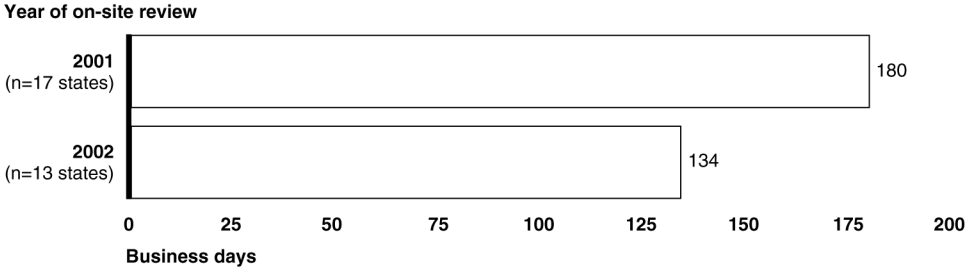


Source: GAO survey.

Evidence suggests that lengthy time frames for PIP approval have not necessarily delayed PIP implementation, and ACF has made efforts to reduce the time the agency takes to approve states' PIPs. For example, officials in 3 of the 5 states we visited told us they began implementing new action steps before ACF officially approved their plans because many of the actions in their PIPs were already under way. In addition, according to our survey, of the 28 states reporting on this topic, 24 reported that they had started implementing their PIP before ACF approved it. Further, our analysis shows that the length of time between the PIP due date, which

statute sets at 90 days after the release of the final CFSR report, and final ACF PIP approval has ranged considerably—from 45 to 349 business days. For almost half of the plans, ACF's approval occurred 91 to 179 business days after the PIP was due. As shown in figure 4, however, our analysis indicates that ACF has recently reduced the time lapse by 46 business days between states' PIP due dates and ACF's PIP approval.

Figure 4: Average Time Lapse between States' PIP Due Dates and ACF's PIP Approval



Source: GAO analysis.

Notes: Data for states reviewed in 2003 are not included because only 2 states' PIPs had been approved by March 1, 2004.

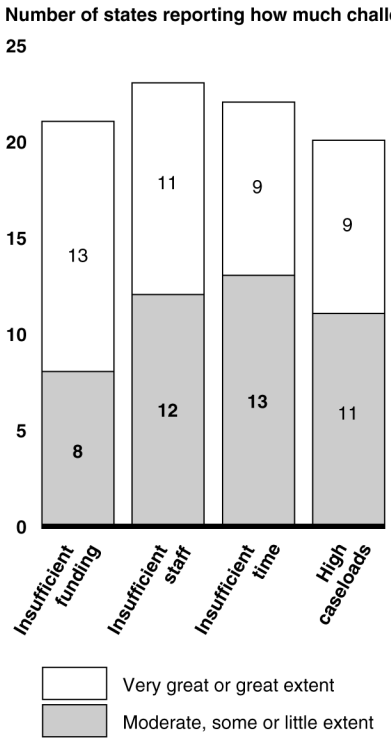
We used the date that states are required to submit a PIP to calculate the time lapse. Therefore, the time lapse is calculated from day 90 through the date ACF ultimately approved the plans. States may have submitted their plans prior to or after the 90-day time frame designated in regulations, but ACF's contractor—charged with tracking CFSR-related milestones—does not track the actual PIP submission dates.

The shorter time lapse for PIP approval may be due, in part, to the ACF's emphasis on PIP development. According to one official, ACF has directed states to concentrate on submitting a plan that can be quickly approved. Another ACF official added that because of ACF's assistance with PIP development, states are now submitting higher-quality PIPs that require fewer revisions.

State and Federal Uncertainties Cloud PIP Implementation and Monitoring

Program improvement planning has been ongoing, but uncertainties have made it difficult for states to implement their plans and ACF to monitor state performance. Such uncertainties include not knowing whether state resources are adequate to implement the plans and how best to monitor state reforms. In answering a survey question about PIP implementation challenges, a number of states identified insufficient funding, staff, and time—as well as high caseloads—as their greatest obstacles. Figure 5 depicts these results.

Figure 5: Most Common Challenges Affecting States' PIP Implementation



Source: GAO survey.

Note: This is based on responses from 25 states. The results reported in the figure are a sum of the states reporting that the issue was a challenge to PIP implementation to a very great extent, great extent, moderate extent, or some/little extent. States not included answered no extent, no basis to judge, or not applicable.

In regards to funding, an official from Pennsylvania commented that because of the state's budget shortfall, no additional funds were available for the state to implement its improvement plan, so most counties must improve outcomes with little or no additional resources. A Massachusetts official reported that fiscal problems in his state likely would lead the state to lay off attorneys and caseworkers and to cut funding for family support programs. While state officials acknowledged that they do not have specific estimates of PIP implementation expenses because they have not tracked this information in their state financial systems, many states indicated that to cope with financial difficulties, they had to be creative and use resources more efficiently to fund PIP strategies. Of the 26 states responding to a question in our survey on PIP financing, 12 said that they were financing the PIP strategies by redistributing current funding, and 7 said that they were using no-cost methods. In an example of the latter,

Oklahoma officials reported pursuing in-kind donations from a greeting card company so that they could send thank-you notes to foster parents, believing this could increase foster parent retention and engagement.

States also reported that PIP implementation has been affected by staff workloads, but these comments were mixed. In Wyoming, for example, caseworkers told us that their high caseloads would prevent them from implementing many of the positive action steps included in their improvement plan. In contrast, Oklahoma caseworkers told us that the improvement plan priorities in their state—such as finding permanent homes for children—have helped them become more motivated, more organized, and more effective with time management. For example, one caseworker explained that she is quicker now at locating birth fathers who were previously uninvolved in the child's life because she uses the Internet to search for these fathers' names. She said this new way of exploring leads and information—a strategy that stemmed from PIP development—has been motivating and rewarding because it has decreased the time spent tracking down paternal relatives and increased the number of available placements for the child.

ACF officials expressed uncertainty about how best to monitor states' progress and apply estimated financial penalties when progress was slow or absent, and 3 of the 5 states we visited reported frustration with the limited guidance ACF had provided on the PIPs quarterly reporting process. For example, 4 regional offices told us that they did not have enough guidance on or experience with evaluating state quarterly reports. Some regional offices told us they require states to submit evidence of each PIP action step's completion, such as training curricula or revised policies, but one ACF official acknowledged that this is not yet standard procedure, although the agency is considering efforts to make the quarterly report submission procedures more uniform. Moreover, ACF staff from one region told us that because PIP monitoring varies by region, they were concerned about enforcing penalties. Finally, shortly before California's quarterly report was due, state officials told us they still did not know how much detail to provide, how to demonstrate whether they had completed certain activities, or what would happen if they did not reach the level of improvement specified in the plan.

Based on data from the states that have been reviewed to date, the estimated financial penalties range from a total of $91,492 for North Dakota to $18,244,430 for California, but the impact of these potential penalties remains unclear. While ACF staff from most regional offices told us that potential financial penalties are not the driving force behind state

reform efforts, some contend that the estimated penalties affect how aggressively states pursue reform in their PIPs. For example, regional office staff noted that one state's separate strategic plan included more aggressive action steps than those in its PIP because the state did not want to be liable for penalties if it did not meet its benchmarks for improvement. State officials also had mixed responses as to how the financial penalties would affect PIP implementation. An official in Wyoming said that incurring the penalties was equivalent to shutting down social service operations in one local office for a month, while other officials in the same state thought it would cost more to implement PIP strategies than it would to incur financial penalties if benchmarks were unmet. Nevertheless, these officials also said that while penalties are a consideration, they have used the CFSR as an opportunity to provide better services. One official in another state agreed that it would cost more to implement the PIP than to face financial penalties, but this official was emphatic in the state's commitment to program improvement.

ACF's Focus Rests Almost Exclusively on Implementing the CFSR

To implement the CFSRs, ACF has focused its activities almost entirely on the four phases of the review process. However, staff in several regions report limitations in providing assistance to states in helping them to meet key federal goals. Although regional staff conduct site visits to states for reasons beyond the CFSR process, conducting the CFSR on-site reviews and providing PIP-related assistance to states account for the majority of regions' time and travel budgets, according to ACF officials. Further, regional office staff said that more frequent visits with state personnel—visits outside of the CFSR process in particular—would allow them to better understand states' programs and cultivate relationships with state officials. In addition, state officials in all five of the states we visited said that ACF technical assistance needed improvement, acknowledging that in some cases regional office staff were stretched thin by CFSR demands and in other cases that assistance from resource center staff lacked focus. While ACF officials in the central office said that the CFSR has become the primary method for evaluating states' performance, they acknowledged that regional staff might still be adjusting to the new way ACF oversees child welfare programs. Further, they told us that ACF is currently reevaluating the entire structure of its training and technical assistance, in part to address these concerns.

ACF officials told us that the learning opportunities in the Children's Bureau are intentionally targeted at the CFSR, but staff in 3 regions told us that this training should cover a wider range of subjects—including topics outside of the CFSR process—so that regional officials could better meet

states' needs. All 18 of the courses that ACF has provided to its staff since 2001 have focused on topics such as writing final CFSR reports and using data for program improvement. ACF officials in the central office said that the course selection reflects both the agency's prioritization of the CFSR process and staff needs. To ascertain staff training needs, ACF surveyed regional staff in October 2002, and ACF officials told us they used the survey results in deciding which courses to offer. Our analysis of this survey, however, showed that it focused only on training topics directly related to the CFSR, so it might offer only limited information on whether regional officials wanted training on other topics. Specifically, the survey asked staff to check their top 5 training choices from among 11 CFSR-related topics. While survey respondents were also given the opportunity to write in additional training tropics they desired, only 2 of the survey's 27 respondents did so.[23] One indicated a greater need for training on Indian child welfare issues, and another expressed a desire to learn more about the entire child welfare system. Although it is not possible to determine whether more respondents would have prioritized non-CFSR training areas had the survey been designed to elicit such information, our interviews with regional staff suggest that some of them wish to obtain additional non-CFSR training. For example, a staff member from one region told us she has not been adequately trained in child welfare and believed that her credibility was damaged when a state wanted advice that she could not provide on how to help older youth prepare to exit from foster care.

In addition to offering training, ACF organizes biennial conferences for state and federal child welfare officials. Nonetheless, staff from 5 regions told us that they wanted more substantive interaction with their ACF colleagues, such as networking at conferences, to increase their overall child welfare expertise. Staff from 6 of the 10 regions told us that their participation in conferences is limited because of funding constraints.

Further, staff in all 10 regions provide ongoing assistance or ad hoc counseling to states, but staff from 6 regions told us they would like to conduct site visits with states more regularly to improve their relationships with state officials and provide more targeted assistance. For example, staff in most regions told us that they assist states predominantly by e-mail and telephone on topics such as interpretation of Title IV-E eligibility criteria. Additionally, staff in 7 regions said that they sometimes

[23]ACF could not provide a response rate.

visit with states to participate in state planning meetings—part of the annual child and family services planning effort—or to give presentations at state conferences on topics such as court improvement. However, staff in 4 regions felt their travel funds were constrained and explained that they try to stretch their travel dollars by addressing states' non-CFSR needs, such as court improvements, during CFSR-related visits. While an ACF senior official from central office confirmed that CFSR-related travel constituted 60 percent of its 2002 child welfare-monitoring budget, this official added that CFSR spending represents an infusion of funding rather than a reprioritization of existing dollars and stated that regional administrators have discretion over how the funds are allocated within their regions. In addition, the same official stated that he knew of no instance in which a region requested more money for travel than it received.

Concerns from state officials in all 5 of the states we visited echoed those of regional office staff and confirmed the need for improvements to the overall training and technical assistance structure, while respondents' comments on our survey showed more mixed perceptions on the quality of assistance they received. For example, state officials in New York and Wyoming commented that ACF staff from their respective regional offices did not have sufficient time to spend with them on CFSR matters because regional staff were simultaneously occupied conducting reviews in other states. Further, an Oklahoma state official commented that assistance from one resource center was not as specific or helpful as desired. Specifically, when the state asked the resource center to provide a summary of other states' policies regarding the intake of abuse and neglect allegations, the resource center did not provide an analysis of sufficient depth for the state to explore possible reforms.

According to state survey respondents, however, satisfaction with the training and technical assistance provided by regional offices varied by CFSR phase. For example, among states reviewed in 2001, 2002, and 2003, satisfaction was generally highest in the statewide assessment phase, but then dropped during on-site review and PIP development before rising again in the PIP implementation phase. Across all phases of the CFSR process, however, states reviewed in 2003 had much higher levels of satisfaction with regional office assistance than those states reviewed in 2001, suggesting improvements to regional office training and technical assistance as the process evolved. Further, based on survey data and our follow-up calls with selected states, satisfaction was also mixed in regard to resource center provided assistance. For example, among states reporting in our survey on the quality of assistance provided by the

resource center for Organizational Improvement and the resource center for Information Technology—the two resource centers that provide specific support to states regarding data issues and PIP development—satisfaction was generally lower in every phase among states reviewed in 2003 than among states reviewed in 2001. The only exception to this was during the PIP development phase, for which states reviewed in 2003 reported higher levels of satisfaction with the resource center for Organizational Improvement than states reviewed in 2001, suggesting positive responses to the on-site training and technical assistance this resource center has recently been providing to aid states in their PIP planning efforts.[24]

ACF officials told us the CFSR has become the agency's primary mechanism for monitoring states and facilitating program improvement, but they acknowledged that regional office staff might not have realized the full utility of the CFSR as a tool to integrate all existing training and technical assistance efforts. Further, according to ACF officials, meetings to discuss a new system of training and technical assistance are ongoing, though recommendations were not available at the time of publication. Levels of resource center funding, the scope and objectives of the resource centers' work, and the contractors who operate the resource centers are all subject to change before the current cooperative agreements expire at the close of fiscal year 2004.[25]

Conclusions

ACF and the states have devoted considerable resources to the CFSR process, but concerns remain regarding the validity of some data sources and the limited use of all available information to determine substantial conformity. Further, no state to date has passed the threshold for substantial conformity on all CFSR measures. The majority of states surveyed agreed that CFSR results are similar to their own evaluation of

[24]According to interviews with ACF regional staff, only one region is tracking states' satisfaction with the resource centers systematically. While some regions conduct ad hoc conversations with state officials after a resource center has provided assistance, ACF does not have a formal mechanism for collecting or analyzing states' views on the quality of assistance provided.

[25]Funding levels for each resource center have varied over their 5-year cooperative agreements, but our analysis of 1999-2003 data shows that since the implementation of the CFSRs, the funding for the resource center for Information Technology and the resource center for Organizational Improvement—the two resource centers that provide specific support to states regarding data issues and PIP development—has consistently and substantially increased.

areas needing improvement. However, without using more reliable data—and in some cases, additional data from state self-assessments—to determine substantial conformity, ACF may be over- or underestimating the extent to which states are actually meeting the needs of the children and families in their care. These over- or underestimates can, in turn, affect the scope and content of the PIPs that states must develop in response. As states face difficult budget decisions, accurate performance information could be critical to deciding how best to allocate resources. We previously reported on the reliability of state-reported child welfare data and recommended that HHS consider additional ways to enhance the guidance and assistance offered to states to help them overcome the key challenges in collecting and reporting child welfare data. In response to this recommendation, HHS said that ACF has provided extensive guidance on how states can improve the quality of their data and acknowledged that additional efforts were under way.

In addition, the PIP development, approval, and monitoring processes remain unclear to some, potentially reducing states' credibility with their stakeholders and straining the federal/state partnership. Similarly, regional officials are unclear as to how they can accomplish their various training and technical assistance responsibilities, including the CFSR. Without clear guidance on how to systematically prepare and monitor PIP-related documents, and how regional officials can integrate their many oversight responsibilities, ACF has left state officials unsure of how their progress over time will be judged and potentially complicated its own monitoring efforts.

Recommendations for Executive Action

To ensure that ACF uses the best available data in measuring state performance, we recommend that the Secretary of HHS expand the use of additional data states may provide in their statewide assessments and consider alternative data sources when available, such as longitudinal data that track children's placements over time, before making final CFSR determinations.

In addition, to ensure that ACF regional offices and states fully understand the PIP development, approval, and monitoring processes, and that regional offices fully understand ACF's prioritization of the CFSR as the primary mechanism for child welfare oversight, we recommend that the Secretary of HHS take the following two actions:

- issue clarifying guidance on the PIP process and evaluate states' and regional offices' adherence to this instruction, and

- provide guidance to regional offices explaining how to better integrate the many training and technical assistance activities for which they are responsible, such as participation in state planning meetings and the provision of counsel to states on various topics, with their new CFSR responsibilities.

Agency Comments

We received comments on a draft of this report from HHS. These comments are reproduced in appendix IV. HHS also provided technical clarifications, which we incorporated where appropriate.

HHS generally agreed with our findings and noted that the CFSR process has already focused national attention on child welfare reform, but because the CFSR is the first review of its kind, HHS is engaged in continuous monitoring and improvement of the process. However, in its technical comments, HHS commented that while it acknowledges that the CFSR is its top priority, it disagreed with our statement that HHS's focus rests exclusively on implementing the CFSR, stating that the Administration for Children and Families (ACF) also conducts other oversight efforts, such as Title IV-E eligibility reviews and AFCARS assessments. While we acknowledged ACF's other oversight activities in the background section of the report, this report focuses primarily on the CFSR and we reflected the comments that ACF officials made throughout the course of our work that the CFSR was the primary tool for monitoring state performance and that it served as the umbrella for all monitoring activities undertaken by central and regional ACF staff.

HHS further noted in its technical comments that we were wrong to suggest that federal staff do not know how to monitor state PIPs or assess financial penalties. However, we do not report that ACF is unsure of how to monitor PIPs or how to assess financial penalties—rather, we reported that ACF regional staff have not received sufficient guidance on how to best monitor PIPs and that ACF officials have not decided how or when to apply such penalties, even though two states to date have completed their initial PIP implementation timeframe and all states reviewed thus far are engaged in PIP development and implementation.

With regard to our first recommendation, HHS acknowledged that several steps are under way to address necessary data improvements and said that states have begun to submit more accurate information in their AFCARS and NCANDS profiles, with HHS's assistance. HHS also commented that we failed to properly emphasize the states' responsibility to improve overall data quality. We believe that our report, as well as our previous

report on child welfare data and states' information systems, addresses HHS's activities and the steps many states have taken to enhance their CFSR data. Given that many states have developed independent data collection tools—and included findings from these instruments in their statewide assessments—our recommendation is meant to encourage HHS to work more closely with all states to supplement their AFCARS and NCANDS data in order to improve the determinations made about state performance.

In addition, HHS commented that our report emphasized the limitations of the 50 case sample size without focusing on the expenses and the increased state and federal staff time that would likely be associated with efforts to increase the sample size. We agree that additional expenses and staff time would likely be needed to increase the sample size and recommended that ACF use additional data—beyond the information collected from the 50 case reviews and ACFARS and NCANDS data—to develop a more accurate picture of state performance. This information could include the data that many states already collect on their performance, such as longitudinal information tracking children from their time of entry into the system.

In response to our second recommendation, HHS said that it has continued to provide technical assistance and training to states and regional offices, when appropriate. HHS noted that it is committed to continually assessing and addressing training and technical assistance needs. In this context, our recommendation was intended to encourage HHS to enhance existing training efforts and focus both on state and on regional officials' needs in understanding and incorporating the CFSR process into their overall improvement and oversight efforts.

We also provided a copy of our draft report to child welfare officials in the five states we visited—California, Florida, New York, Oklahoma, and Wyoming. We received comments from California, Florida, New York, and Oklahoma, all of which generally agreed with our findings and provided various technical comments, which we also incorporated where appropriate.

We are sending copies of this report to the Secretary of Health and Human Services, state child welfare directors, and other interested parties. We will make copies available to others on request. In addition, the report will be available at no charge on GAO's Web site at http://www.gao.gov. If you or your staff have any questions or wish to discuss this material further,

please call me at (202) 512-8403 or Diana Pietrowiak at (202) 512-6239. Key contributors to this report are listed in appendix IV.

Cornelia M. Ashby, Director,
Education, Workforce, and
Income Security Issues

List of Congressional Requesters

The Honorable Tom DeLay
Majority Leader
House of Representatives

The Honorable Charles E. Grassley
Chairman, Committee on Finance
United States Senate

The Honorable George Miller
Ranking Democratic Member
Committee on Education and the Workforce
House of Representatives

The Honorable Charles B. Rangel
Ranking Democratic Member
Committee on Ways and Means
House of Representatives

The Honorable Fortney Pete Stark
Ranking Democratic Member
Subcommittee on Health
Committee on Ways and Means
House of Representatives

The Honorable Benjamin L. Cardin
Ranking Democratic Member
Subcommittee on Human Resources
Committee on Ways and Means
House of Representatives

Appendix I: Objectives, Scope, and Methodology

Objectives

The objectives of our study were to report on (1) ACF's and the states' experiences preparing for and conducting the statewide assessments and on-site reviews; (2) ACF's and the states' experiences developing, funding, and implementing items in the PIP; and (3) additional efforts that ACF has taken beyond the CFSR to ensure that all states meet federal goals of safety, permanency, and well-being.

Scope and Methodology

To gather information about ACF's and the states' experiences with the CFSR and PIP process, we utilized multiple methodologies to solicit information from both ACF and the states, including (1) a Web-based survey to state child welfare agencies; (2) site visits to five states; (3) a content analysis of all 31 PIPs available as of January 1, 2004; (4), interviews with ACF officials in Washington and all regional offices, directors of all resource centers, and child welfare experts nationwide; and (5) a review of CFSR regulations and the available guidance offered to states. We conducted our work between May 2003 and February 2004 in accordance with generally accepted government auditing standards.

Survey

To gather information about states' experiences with each phase of the CFSR and PIP process, we distributed a Web-based survey to all 50 states, the District of Columbia, and Puerto Rico on July 30, 2003. We pretested the survey instrument with officials in the District of Columbia, Kentucky, and Maryland; and after extensive follow-up, we received survey responses from all 50 states and the District of Columbia for a 98 percent response rate.[1] We did not independently verify the information obtained through the survey.

The survey asked a combination of questions that allowed for open-ended and close-ended responses. Because some states had not yet begun their statewide assessments and others had already submitted quarterly PIP progress reports at the time that our survey was released, the instrument was designed with skip patterns directing states to comment only on the CFSR stages that they had begun or completed to that point. Therefore, the number of survey respondents for each question varied depending on the number of states that had experienced that stage of the CFSR and PIP processes.

[1]Puerto Rico did not respond to our survey.

To supplement the survey and elaborate on survey responses, we selected 10 states with which to conduct follow-up phone calls based on their answers to the survey's open-ended questions.[2] These calls helped us obtain more specific examples about states' experiences preparing for the CFSR; developing, funding, and implementing a PIP; and working with ACF to improve their child welfare systems.

Because this was not a sample survey, there are no sampling errors. However, the practical difficulties of conducting any survey may introduce errors, commonly referred to as nonsampling errors. For example, difficulties in how a particular question is interpreted, in the sources of information that are available to respondents, or in how the data are entered into a database or were analyzed, can introduce unwanted variability into the survey results. We took steps in the development of the questionnaire, the data collection, and the data analysis to minimize these nonsampling errors. For example, social science survey specialists designed the questionnaire in collaboration with GAO staff with subject matter expertise. Then, the draft questionnaire was pretested with a number of state officials to ensure that the questions were relevant, clearly stated, and easy to comprehend. When the data were analyzed, a second, independent analyst checked all computer programs. Since this was a Web-based survey, respondents entered their answers directly into the electronic questionnaire. This eliminated the need to have the data keyed into a database thus removing an additional source of error.

Site Visits

To gather more detailed information about the states' experiences with the CFSR and PIP process, we selected five states to visit—California, Florida, New York, Oklahoma, and Wyoming—based on the timing and results of each state's CFSR, as well as their differences in location, size of child welfare population, degree of privatization of services, size of tribal populations, and whether they had state or locally administered systems. In preparation for the visits and to understand the unique circumstances in each state, we obtained and reviewed relevant literature from each of the five states, such as the statewide assessment, the CFSR final report, and any available PIPs or quarterly reports. Additionally, we reviewed relevant

[2]The 10 states participating in our phone follow-up survey were Arkansas, Iowa, Kansas, Mississippi, North Dakota, New Jersey, Pennsylvania, Rhode Island, Utah, and West Virginia.

past or current litigation that may affect the states' delivery of services as identified by the National Center for Youth Law's Litigation Docket (2002).

During our visits to each state, we talked with officials from the state child welfare agency along with officials and staff from at least one local agency office that was selected for the CFSR on-site review. Specifically, in each state we spoke with state and local officials responsible for guiding the states' efforts throughout the review process; CFSR on-site reviewers; and stakeholders, including judges, child advocates, private providers, foster parents, and child welfare staff. Some detailed information regarding key CFSR milestones among the five states we visited is included in appendix III.

Content Analysis of Available PIPs

To learn about states' improvement strategies, we conducted a content analysis of the 31 available PIPs that ACF had approved by January 1, 2004. For each of these PIPs, we classified the state's action steps as relating to one or more of the following: policies and procedures, data collection and analysis, staff supports, foster parent supports or services and resources for children and families, state legislative supports, and federal technical assistance. Table 2 in the report summarizes how we classified the PIP strategies and indicates the number of states including each strategy in its PIP.

Interviews

To gather information about ACF's experience with the CFSR and PIP process, we interviewed ACF officials in Washington, D.C., who are involved in the CFSR process and ACF staff in all 10 of the regional offices; directors of each resource center; and ACF contractors working on CFSR-related activities. Further, we observed the final debriefing sessions for three states—South Carolina, Virginia, and Washington—during the weeks of their respective on-site reviews.

In addition to our interviews with ACF officials, we also interviewed 10 prominent child welfare experts and researchers, such as those affiliated with the Chapin Hall Center for Children, the Child Welfare League of America, the National Coalition on Child Protection Reform, and the University of California at Berkeley, to learn additional information about the states' experiences with the CFSR process, including information about states' concerns with the reliability of CFSR data, states' involvement of tribes as stakeholders, and the media's coverage of egregious child welfare cases.

Review of ACF Guidance to States

To gather information about CFSR regulations and the available training and technical assistance offered to states, we reviewed ACF's regulations, its policy memorandums, and the CFSR manual it makes available to states. In addition, we obtained and reviewed a list of all of the resource centers' training and technical assistance activities provided to the five states we visited during our site visits.

Appendix II: List of Outcomes and Systemic Factors and Their Associated Items

(Items with an asterisk have associated national standards.)

Outcome factors

Child Safety

Outcome 1: Children are, first and foremost, protected from abuse and neglect.

Item 1: Timeliness of initiating investigations on reports of child maltreatment

Item 2: Repeat maltreatment

- Recurrence of maltreatment*
- Incidence of child abuse and/or neglect in foster care*

Outcome 2: Children are safely maintained in their own homes whenever possible and appropriate.

Item 3: Services to family to protect child(ren) in home and prevent removal

Item 4: Risk of harm to child(ren)

Permanency for Children

Outcome 3: Children have permanency and stability in their living conditions.

Item 5: Foster care re-entries*

Item 6: Stability of foster care placement*

Item 7: Permanency goal for child

Item 8: Reunification, guardianship, or permanent placement with relatives

- Length of time to achieve permanency goal of reunification*

Item 9: Adoption

- Length of time to achieve permanency goal of adoption*

Item 10: Permanency goal of other planned permanent living arrangement

Outcome 4: The continuity of family relationships and connections is preserved for children.

Item 11: Proximity of foster care placement

Item 12: Placement with siblings

Item 13: Visiting with parents and siblings in foster care

Item 14: Preserving connections

Item 15: Relative placement

Item 16: Relationship of child in care with parents

Child and Family Well-being

Outcome 5: Families have enhanced capacity to provide for their children's needs.

Item 17: Needs and services of child, parents, foster parents

Item 18: Child and family involvement in case planning

Item 19: Worker visits with child

Item 20: Work visits with parent(s)

Outcome 6: Children receive appropriate services to meet their educational needs.

Item 21: Education needs of the child

Outcome 7: Children receive adequate services to meet their physical and mental health needs.

Item 22: Physical health of child

Item 23: Mental health of child.

Systemic Factors

Systemic factor 1: Statewide information system

Item 24: State is operating a statewide information system that, at a minimum, can identify the status, demographic characteristics, location, and goals for the placement of every child who is (or within the immediately preceding 12 months has been) in foster care.

Systemic factor 2: Case review system

Item 25: Provides a process that ensures that each child has a written case plan to be developed jointly with the child's parent(s) that includes the required provisions

Item 26: Provides a process for the periodic review of the status of each child, no less frequently than once every 6 months, either by a court or by administrative review.

Item 27: Provides a process that ensures that each child in foster care under the supervision of the state had a permanency hearing in a qualified court or administrative body no later than 12 months from the date the child entered foster care and no less frequently than every 12 months thereafter.

Item 28: Provides a process for termination of parental rights proceedings in accordance with the provisions of the Adoption and Safe Families Act.

Item 29: Provides a process for foster parents, pre-adoptive parents, and relative caregivers of children in foster care to be notified of, and have an opportunity to be heard in, any review or hearing held with respect to the child.

Systemic factor 3: Quality assurance system

Item 30: The state has developed and implemented standards to ensure that children in foster care are provided quality services that protect the safety and health of children.

Item 31: The state is operating an identifiable quality assurance system that is in place in the jurisdictions where the services included in the Child and Family Services Plan are provided, evaluates the quality of services, identifies strengths and needs of the service delivery system, provides relevant reports, and evaluates program improvement measures implemented.

Systemic factor 4: Training

Item 32: The state is operating a staff development and training program that supports the goals and objectives in the Child and Family Services Plan, addresses services provided under Titles IV-B and IV-E, and provides initial training for all staff who deliver these services.

Item 33: The state provides for ongoing training for staff that addresses the skills and knowledge base needed to carry out their duties with regard to the services included in the Child and Family Services Plan.

Item 34: The state provides training for current or prospective foster parents, adoptive parents, and staff of state-licensed or approved facilities that care for children receiving foster care or adoption assistance under Title IV-E that addresses the skills and knowledge base needed to carry out their duties with regard to foster and adopted children.

Systemic factor 5: Service array

Item 35: The state has in place an array of services that assess the strengths and needs of children and families and determine other service needs, address the needs of families in addition to individual children in order to create a safe home environment, enable children to remain safely with their parents when reasonable, and help children in foster and adoptive placements achieve permanency.

Item 36: The services in item 35 are accessible to families and children in all political jurisdictions covered in the State's Child and Family Services Plan.

Item 37: The services in item 35 can be individualized to meet the unique needs of children and families served by the agency.

Systemic factor 6: Agency responsiveness to the community

Item 38: In implementing the provisions of the Child and Family Services Plan, the state engages in ongoing consultation with tribal representatives, consumers, services providers, foster care providers, the juvenile court, and other public and private child- and family-serving agencies and includes the major concerns of these representatives in the goals and objectives of the Child and Family Services Plan.

Item 39: The agency develops, in consultation with these representatives, annual reports of progress and services delivered pursuant to the Child and Family Services Plan.

Item 40: The state's services under the Child and Family Services Plan are coordinated with services or benefits of other federal or federally assisted programs serving the same population.

Systemic factor 7: Foster and adoptive parent licensing, recruitment, and retention

Item 41: The state has implemented standards for foster family homes and child care institutions that are reasonably in accord with recommended national standards.

Item 42: The standards are applied to all licensed or approved foster family homes or child care institutions receiving Title IV-E or IV-B funds.

Item 43: The state complies with federal requirements for criminal background clearances as related to licensing or approving foster care and adoptive placements and has in place a case-planning process that includes provisions for addressing the safety of foster care and adoptive placements for children.

Item 44: The state has in place a process for ensuring the diligent recruitment of potential foster and adoptive families that reflect the ethnic and racial diversity of children in the state for whom foster and adoptive homes are needed.

Item 45: The state has in place a process for the effective use of cross-jurisdictional resources to facilitate timely adoptive or permanent placements for waiting children.

Appendix III: Dates on Which Site Visit States Reached CFSR Milestones

	California	Florida	New York	Oklahoma	Wyoming
Date the state submitted its statewide assessment	7/02	5/01	4/01	1/02	6/02
Date ACF began the on-site review	9/23/02	8/6/01	6/18/01	3/18/02	7/8/02
Date ACF released the final CFSR report	1/10/03	4/23/02	1/9/02	7/1/02	4/1/03
Time lapse in release of final report	75 days	182 days	143 days	71 days	187 days
Date the state's PIP was due	4/10/03	7/22/02	4/9/02	9/29/02	6/30/03
Date ACF approved the PIP	6/24/03	4/30/03	4/14/03	1/22/03	1/1/04
Time lapse in PIP approval	54 days	203 days	265 days	83 days	134 days
Date the state submitted its first quarterly report	10/29/03	7/30/03	8/11/03	5/15/03	4/30/04
Total number of outcomes and systemic factors not in substantial conformity[a]	12	8	8	9	10
Estimated financial penalties	$18,244,430	$3,639,552	$2,284,407	$727,300	$137,369

Source: GAO analysis of ACF data.

[a]The total number of outcomes and systemic factors evaluated in the CFSR is 14.

Appendix IV: Comments from the Department of Health and Human Services

DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Washington, D.C. 20201

MAR 29 2004

Ms. Cornelia M. Ashby
Director, Education, Workforce, and
Income Security Issues
United States General Accounting Office
Washington, D.C. 20548

Dear Ms. Ashby:

Enclosed are the Department's comments on your draft report entitled, "Child and Family Services Reviews: Better Use of Data and Improved Guidance Could Enhance HHS's Oversight of State Performance." The comments represent the tentative position of the Department and are subject to reevaluation when the final version of this report is received.

The Department provided several technical comments directly to your staff.

The Department appreciates the opportunity to comment on this draft report before its publication.

Sincerely,

Dara Corrigan
Acting Principal Deputy Inspector General

Enclosure

The Office of Inspector General (OIG) is transmitting the Department's response to this draft report in our capacity as the Department's designated focal point and coordinator for General Accounting Office reports. OIG has not conducted an independent assessment of these comments and therefore expresses no opinion on them.

Comments of the Department of Health and Human Services on the General Accounting Office's Draft Report: "Child and Family Services Reviews: Better Use of Data and Improved Guidance Could Enhance HHS's Oversight of State Performance" (GAO-04-333)

The Department of Health and Human Services (HHS) appreciates the opportunity to comment on the above-referenced GAO draft report.

General Comments

The Child and Family Service Review (CFSR) process has already had a significant impact on focusing unprecedented national attention on child welfare practices and has the potential to be an agent for real improvement both in child welfare services and outcomes. HHS would like to acknowledge that because the CFSR is the first review of its kind, continuous monitoring and improvements to the process itself would be needed as we become more experienced in assessing State programs in this manner. Just as States are engaging in this new process of continuous assessment and improvement, HHS is as well. Therefore, as issues and concerns arise in this process, we are addressing them through ongoing training and other avenues. The report confirms that States feel the same way about the process. The States also indicated to GAO that the results of the CFSR are typically consistent with what they know to be the strengths and deficiencies of their child welfare systems.

We also acknowledge that concerns regarding the usefulness of Adoption and Foster Care Analysis and Reporting System (AFCARS) data noted in GAO's report are consistent with those reported in the OIG inspection entitled, "AFCARS: Challenges and Limitations" (OEI-07-01-00660). Further, based on a series of inspections focused on "Children's Use of Health Care Services While in Foster Care," the OIG supports the use of Medicaid claims data in determining State performance in meeting outcome measures focused on the health and well being of children.

Recommendation 1:

To ensure that HHS uses the best available data in measuring State performance, the Secretary of HHS should expand the use of additional data States may provide in their Statewide assessments and consider alternative data sources, when available, such as longitudinal data that track children's placements over time, before making final CFSR determinations.

Comments:

For the most part, HHS is aware already of most of the CFSR-related issues that are presented in this GAO report. Specifically, the report addresses areas that HHS is currently working to improve, i.e. the Program Improvement Plan (PIP) development and approval process, the quality of technical assistance provided by both regional staff and the resource centers, the need for guidance on how States can improve data reliability, etc.

HHS has engaged an independent contractor to assess and make recommendations for improving the CFSR. In completing its task, the contractor has convened a Consultation Work Group to provide input into the process. The establishment of this Work Group is responsive to requests received from representatives of States that have undergone a CFSR. The State officials at a national meeting in January 2003 first made the suggestion.

The role of the Work Group is to provide feedback, new ideas and insights that will assist the contractor to make recommendations to the Children's Bureau (Bureau) regarding possible changes or improvements to the CFSR process, as well as possible adjustments to the outcomes and measurements of outcomes used in the reviews.

On the issue of data sources and reliability, we specifically chose to use the National Child Abuse and Neglect Data Reporting System (NCANDS) and the Adoption and Foster Care Analysis and Reporting System (AFCARS) as the data sources for the review because these are the national systems for data reporting in child welfare. Although data reliability is a shared issue, the GAO report does not address the fact that States must take some ownership for problems with data quality, since it is the data they submit that ultimately is used for the national standards and for the on-site portion of the CFSR, especially the AFCARS data requirements. Nonetheless, we recognize the ongoing need to address data quality concerns. The Bureau and the ACF regional offices have made concerted efforts to work with States to help improve data reporting and reliability in recent years. It should be noted that the quality of the data being submitted by States has dramatically increased since FY 1998, with the most substantial improvements having occurred since FY 2000.

HHS provides funding for a national resource center to work with States around data reporting issues and conducts on-site AFCARS assessments in each State. Technical assistance on the reporting of NCANDS data is also available. HHS continues to work extensively with States to point out potential data inaccuracies and provide consultation and technical assistance to help them correct data issues. HHS also provides States with the opportunity to submit corrected data so that we have an accurate picture.

In addition to efforts to strengthen current AFCARS reporting, for the last year and a half, an internal work group has convened to look at the current AFCARS system. The current project will be working to revise and update the AFCARS system to reflect emerging needs. This should go a long way in improving the quality of the data submitted by States.

HHS suggests that the report would be improved if the tradeoffs inherent in addressing some of the important issues raised were recognized more explicitly. For instance, the relatively small sample size for the on-site reviews is discussed on page 15 and the burden of the on-site reviews is discussed on page 13. Yet, nowhere is it explicitly recognized that a larger sample size would increase the already substantial burden of the on-site reviews or that some staff's regular duties were negatively impacted, preventing caseworkers from conducting necessary child abuse investigations or home visits. Whether it is worth imposing this additional burden in order to

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avoid discrepancies between Statewide assessments and on-site reviews is a judgment call HHS made in designing the review process. That only one State has chosen to examine additional cases to resolve such a discrepancy would seem to indicate that the current balance is not unreasonable (see page 17). Also, while the GAO report criticism that the current sample size is too small from which to generalize, it fails to identify for the reader how large a sample size would be required to be sufficiently representative. Without knowing how much larger the sample would need to be to address the identified weaknesses, the reader cannot directly weigh the tradeoffs.

Recommendation 2:

To ensure that HHS regional offices and States fully understand the PIP development, approval, and monitoring processes, and that regional offices fully understand HHS's prioritization of the CFSR as the primary mechanism for child welfare oversight, we recommend that the Secretary of HHS take the following two actions:

- issue clarifying guidance on the PIP process and evaluate States' and regional offices' adherence to this instruction and
- provide guidance to regional offices explaining how to better integrate the many training and technical assistance activities for which they are responsible, such as participation in State planning meetings and the provision of counsel to States on various topics, with their new CFSR responsibilities.

Comments:

HHS has continued to provide technical assistance and training to States and regional offices, when appropriate. These efforts include, but are not limited to, an annual meeting with States that completed the CFSR in the previous year and ongoing communication with States, as well as the regional offices. National conferences focusing on this topic have been held each year. Regional offices have also been provided technical assistance on AFCARS reporting at Regional Child Welfare Administrators' meetings. HHS has provided an unprecedented 18 courses on various topics related to the CFSR. HHS is committed to continue assessing and addressing training and technical assistance needs.

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Appendix V: GAO Contacts and Acknowledgments

GAO Contacts

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Staff Acknowledgments

In addition to those named above, Elizabeth Caplick and Catherine Roark made key contributions to this report. Amy Buck, Karen Burke, Jason Kelly, Stuart Kaufman, Luann Moy, and Jerome Sandau also provided key technical assistance.

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