

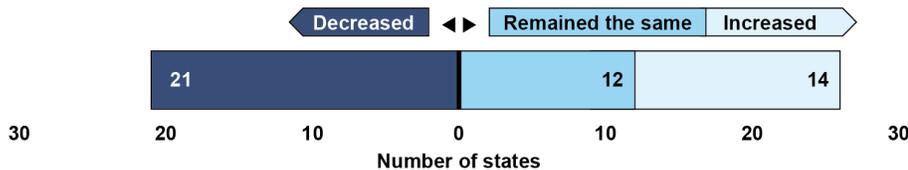
A report to congressional committees

For more information, contact: Kathryn A. Larin at larink@gao.gov.

What GAO Found

Twenty-six of 49 states have not decreased the use of congregate care for youth in foster care despite provisions in the Family First Prevention Services Act (Family First) that limit funding for such placements. Family First limits the time states can claim federal Title IV-E foster care funds for certain congregate care placements to 14 days, as of October 1, 2021. Given these limitations, many states increased the use of state, county, or local funds to support these placements.

Changes in Percentage of Youth Placed in State Child Welfare Congregate Care Since October 2021



Source: GAO survey of state child welfare agencies. | GAO-26-107592

All 49 states that responded to GAO’s survey of child welfare agencies reported challenges securing appropriate foster care placements for youth. Capacity challenges in non-congregate care settings, such as foster homes, can result in greater reliance on congregate care. A smaller number of states (20) reported benefits from Family First’s congregate care provisions.

Some youth are involved in both the child welfare and juvenile justice systems (known as dually involved). Twenty-five state child welfare and 26 state juvenile justice agencies did not know if the percentage of these youth in juvenile justice placements had increased since Family First, according to GAO’s surveys. Among states with this information, 10 of 20 states reported an increase in the percentage of dually involved youth in detention (i.e., in a facility where a youth is housed while they await the outcome of their delinquency case) since October 1, 2021. During that same time, 12 of 26 states reported an increase in youth placed in secure placements (i.e., in a locked facility where a youth is housed after the disposition of their case). Family First requires states to certify that they will not enact or advance policies or practices that significantly increase their state’s juvenile justice population in response to the limitation on the use of Title IV-E funds for congregate care. According to Department of Health and Human Services (HHS) officials, all states submitted this certification, and it is the state’s responsibility to ensure it does not violate the certification.

HHS monitors state spending under Title IV-E including whether states adhere to Family First’s 14-day limit on congregate care. One exemption to the 14-day limit is for facilities serving youth who have been found to be, or are at risk of becoming, sex trafficking victims. However, there is not detailed guidance regarding when to apply this exemption, and states have interpreted the exemption differently. These different interpretations may result in some states claiming less funds than they are eligible for, while other states claim all funds for which they are eligible. Without additional clarification of its guidance on using this exemption, states may continue to interpret these rules differently. This could result in a disparity in the amount of Title IV-E funding that states receive.

Why GAO Did This Study

Research has found that youth in foster care congregate settings (e.g., group homes and institutions) may have worse outcomes across a range of measures—such as emotional well-being and educational achievement—than youth placed in foster family homes. Over the last 20 years, states have taken steps to reduce the use of congregate care.

Congress included a provision in Family First for GAO to evaluate the impact of limiting the use of Title IV-E foster care maintenance payments to support congregate care. This report addresses: (1) how congregate care use by states has changed since Family First implementation, (2) challenges states faced and benefits states experienced related to Family First’s congregate care provisions, (3) how these provisions affected dually involved youth, and (4) HHS monitoring of the use of federal funds for youth in congregate care.

GAO conducted surveys of the child welfare and juvenile justice agencies in the 50 states and Washington, D.C. We received responses from 49 child welfare agencies and 50 juvenile justice agencies. GAO also conducted an anonymous, non-generalizable survey of young adults with lived experience in congregate care. GAO conducted site visits to four states, selected on a variety of criteria, including that the state’s percentage of youth in congregate care was above the national average. GAO also reviewed relevant HHS documentation and interviewed HHS officials.

What GAO Recommends

GAO is making one recommendation to HHS to clarify its guidance on the appropriate use of Title IV-E funds for certain congregate care settings. HHS did not concur with the recommendation. GAO maintains that clarification of its guidance is needed.