



The Government Spends 10 Times More on Foster Care and Adoption Than Reuniting Families

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(Staff photo by Derek Davis/Portland Press Herald via Getty Images)

It sounds like a conspiracy theory: The United States government incentivizes foster care placements and forced adoption over social support and reunification with birth families. It seems unreal, possibly even illegal, and not at all like something a responsible government would do.

Unfortunately, it's very real, and the root cause of many of the problems in child welfare cases.

“Some people do phrase it as a conspiracy theory,” acknowledged Richard Wexler, executive director of the [National Coalition for Child Protection Reform](#). “When they say the government makes money on foster care, that’s not true ... on foster care they still lose money, but they lose less money [than on reunification]. And private agencies do make money on foster care in many cases.”

In the United States, child welfare agencies are tasked with ensuring the health and safety of the nation’s children. Each agency receives a complex web of funding from federal, state, and local sources, leaving it accountable to a hodgepodge of authorities. Although these agencies are often referred to as “child protective services” and considered by many as a cohesive national program, state and local agencies are only linked by a loose set of federal

guidelines that provide broad definitions for child maltreatment, along with the **Adoption and Safe Families Act** (ASFA).

First enacted in 1997 under the Clinton administration, ASFA has undergone several rewrites, but its overarching purpose has remained steady: to ensure “timely permanency planning for children.” Part of the emphasis on “permanency” includes financial reimbursements for foster care programs, as well as adoption bounties, which are lump sums in the thousands paid to states for each child they successfully adopt out after a certain threshold.

This starts with the Federal Foster Care Program (**Title IV-E** of the Social Security Act), which functions as an open-ended entitlement grant. There is no upper limit to the amount of funding that can be provided for eligible foster children each year. States receive reimbursements ranging from 50 cents to approximately 76 cents for each dollar spent on daily child care and supervision, administrative costs, training, recruitment, and data collection.

But when it comes to programs that support family reunification, the budget slims. Title IV-B of the Social Security Act, which governs federal reunification funding, includes a capped entitlement component and a discretionary component. So, unlike foster care funding, these dollars come with a set limit.

And that limited money isn’t all for reunification services. Title IV-B also includes provisions that allow for some of this funding to go toward foster care programs. A portion is also **required** to go toward adoption promotion.

The result of this imbalanced funding structure? The federal government spends almost 10 times more on foster care and adoption than on programs geared toward reunification.

One of the less-known sources of federal funding for child welfare programs is the Temporary Assistance for Needy Families (TANF) program. TANF is supposed to be a cash-assistance program servicing low-income families with children. In reality, TANF funds can be used to support many services designed to help “needy” children, including child protection agencies. The result is that many states use TANF funds to **finance** foster care, child welfare investigations, and adoption or guardianship payments.

Because child welfare program data are self reported, it can be difficult to track exactly how each dollar is spent, but **Wexler was able to identify** eight states using TANF to pay for adoption subsidies, 23 states funding CPS investigations, 27 states funding foster care, and three states diverting TANF money to fund residential treatment facilities for child welfare involved children.

Considering that **three-quarters** of substantiated child maltreatment cases are related to neglect, which is often the result of **poverty**, it seems exceedingly unjust that funds

_____ supposedly intended to offset the worst effects of poverty are instead being used to finance the separation of mostly poor families.

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– Richard Wexler

Under ASFA, states are — with few exceptions— required to file for the termination of parental rights when a child has been in foster care for 15 of the past 22 months. In an attempt to curtail the infamous foster care hopscotch, which leaves children whose parents have lost their rights bouncing from foster home to foster home, the government created **adoption payment** incentives.

Adoption bounties range from \$4,000 to \$12,000 per child. As Wexler explained, “the harder the system deems the child to place, the higher the bounty.”

But in order to begin collecting that money, **a state must exceed the last year’s number of adopted children**, thus incentivizing states to permanently re-home an ever-increasing number of children each year. As can be expected, the number of adoptions increased in the five years after the implementation of ASFA, while reunifications declined. The Bush administration’s **Adoption and Promotion Act** of 2003 further codified this adoption bounty system by allocating \$43 million yearly to states that succeed in increasing the number of adoptions from foster care.

Many states contract with private agencies that oversee out-of-home placements and service referrals for child welfare involved children. Said Wexler, “that agency will probably be paid for each day that child remains in foster care ... So the private agency has an incentive to convince itself that the child really, really can’t go home and has to stay with them for a long, long time.”

What does this look like on the ground? Painfully **delayed** referrals to support services such as parenting classes and addiction treatment, judges hesitant to find fault with the way agencies and providers handle cases, and private agencies eager to deem parents unfit for reunification.

There have been some recent moves at the federal level aimed toward shifting some of these financial imbalances. The **Family First Act**, signed into law in 2018, now allows federal reimbursements for mental health services, evidence-based substance use treatment, and in-home parenting support. Its purpose is to create similar incentives for helping families stay together.

Unfortunately, the act does not support many of the common needs that lead to family separation, such as housing or child care support. And because the programs it does support must meet stringent requirements in order to be eligible for reimbursement, foster care and adoption subsidies continue to exceed reunification programs by the hundreds of millions.

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